



28 April 2017

Hon Scott Morrison MP
Treasurer
Member for Cook
Parliament House
CANBERRA ACT 2600

By email: scott.morrison.mp@aph.gov.au

Dear Treasurer

I would be delighted if you can join us for an unforgettable evening to celebrate the diamond jubilee of the greatest oration in Australian political history – **Sir Robert Menzies' Forgotten People Address**.

The Menzies Research Centre will host a gala dinner in Old Parliament House, Canberra on 22 May in the presence of special guests including Sir Robert's daughter **Mrs Heather Henderson**, the **Hon John Howard OM AC** and current and former Parliamentarians.

At 9:15pm, 75 years to the minute after Menzies' began his broadcast to the nation, his speech will be read by a distinguished actor and transmitted once again via the Macquarie Radio Network.

The Forgotten People speech defined post-war Australia. It laid the philosophical foundations for the Liberal Party of Australia heralding an era of unprecedented prosperity driven by individual enterprise rather than the state.

Sir Robert's appeal to the forgotten people resonates as strongly today as it did in 1942 during the darkest days of World War Two.

I understand your parliamentary commitments during that day may prevent you from joining us for the entire evening. It would be helpful if you could indicate at which stage you expect to join us on the attached RSVP (see below).

An early reply would be appreciated because of the exceptional demand for places. Please call us on 02 6273 5608 during office hours or email s 47F at events@menziesrc.org noting any dietary requirements.

Warm regards

s 47F

Executive Director



MENZIES

RESEARCH CENTRE

RSVP - Please indicate via phone or email which you can attend:

6.30 pm - 7.30 pm - *VIP drinks, Members Bar*

7.45 pm - *First course served*

8.05 pm - *John Howard to speak*

8.20 pm - *Second course served*

9.00 pm - *Live broadcast begins, speech read at 9.15 pm*

s 22

From: Info <Info@menziesrc.org>
Sent: Wednesday, 24 May 2017 4:31 PM
Subject: A thank you message from ^{s 47F}

Good afternoon

On behalf of the Menzies Research Centre I want to personally thank you for your support and attendance at our gala dinner on Monday night.

I was delighted you were able to join me to witness Peter Cousens' captivating performance of the *Forgotten People* address.

You may have read my general newsletter this afternoon, in which I talked about the two goals we set for ourselves five months ago, in staging a 75th anniversary gala performance:

First, creating an occasion that would restore the broadcast to its proper place in history, and cementing Menzies' contribution to the creation of modern Australia in the public consciousness; and second, creating a celebratory event that would remind us of the enduring principles that speak directly to many of the civic and economic challenges with which we wrestle today.

I truly believe we have accomplished these goals, and created an event which will be long remembered by those who attended.

I am deeply encouraged by the incredibly positive feedback we have received. The audience's strong engagement during Cousens' twenty-five minute performance was clear testimony to the quality of his performance, and the power of Menzies' words.

Please share [this link](#) with friends and family who might want to watch a video of the performance. You will also find links to photos, transcripts and relevant interviews on this page.

We are currently working on a full multi-camera HD version that will be available shortly online and on DVD.

If you missed out on purchasing our 75th anniversary reprint of the original *The Forgotten People* book, you can purchase it from our website [here](#).

Finally, if you are not already a subscriber, we'd be delighted to have you on board. You'll find details [here](#).

Again, thank you for your support and I hope to see you at another MRC event soon.

s 47F

Executive Director
Menzies Research Centre
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s 22

From: s 47F
Sent: Thursday, 16 March 2017 2:39 PM
To: Gaetjens, Philip
Cc: s 47F
Subject: MRC : Shepherd Review
Attachments: 170310 - Statement v20-4.docx; ATT00001.txt

Phil as discussed the latest draft and a work in progress . I would be good if we could catch up with the Treasurer on Wednesday 22 March.

STATEMENT OF NATIONAL CHALLENGES

27 March 2017 (Current version 20.5: 14 March 2017)

Insert acknowledgement to ATK.

Overview

This statement of national challenges is the first stage of the Shepherd Review announced by the Menzies Research Centre on 18 December 2016. This statement catalogues and briefly explains each major national economic challenge as well as providing a range of scenarios Australia faces as we approach the third decade of the 21st century.

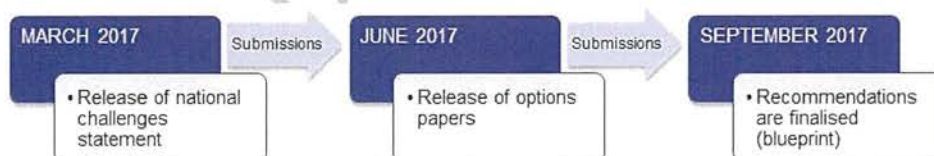
The purpose of this statement is to refocus the national debate by objectively presenting the facts on Australia's economic challenges before proposing options or solutions to the problems we face.

In an age of market disruption and increasing competition between nations for economic opportunities, Australia cannot stand still. Yet, until the nation has a stronger sense of the agreed challenges, it will be harder to achieve any meaningful change. There is no consensus on the economic challenges or their solution.

Australia has benefited from an extended period of strong economic growth and wealth generation. This has contributed to the country's high levels of prosperity, equality and standard of living. While we remain in control of our destiny, Australia must capitalise on new wealth generating opportunities and avoid complacency. Failure to do so will reduce Australia's performance over the medium to long term and reduce options for economic growth and prosperity into the future.

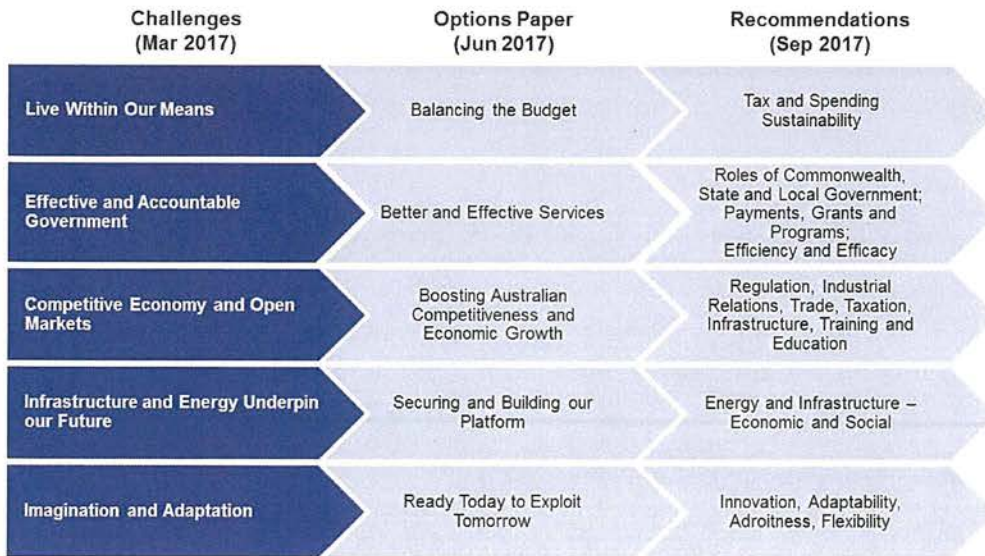
The Review Panel, led by Tony Shepherd AO is working with the MRC, business: small, medium and large, and the wider community to develop a credible, fact based process.

This process provides multiple opportunities for community discussion and debate on the nature of the problems and the potential solutions. The next stage in this process will be the release of options papers and will culminate with a blueprint for change to be published in the third quarter of 2017.



An outline of each proposed options paper is flagged under each national challenge to ensure that the review is clearly linked and outcomes-focused.

The Review Panel now calls for submissions in response to the Statement of National Challenges. Submissions will inform the drafting of the options papers which are due in June 2017. We seek submissions with a view to building consensus and agreement on the pivotal challenges. Submissions close on 12 May 2017.



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Principles and Framework

The fundamental principle applying to this review is:

A strong economy is the basis of a just and fair society.

"We have greatly aided social justice. We have not just kept the right and allowed victory to go to the strong. We have encouraged free enterprise, have recognised the making of a people as one of the dynamic inducements to the taking of capital risks in the development of the nation. But we have insisted upon the performance of social and industrial obligations; we have shown that industrial progress is not to be based upon the poverty or despair of those who cannot compete."

Robert Menzies, The Liberal Creed, 6 April 1964

Framework

The Panel believes the reason many Australian are not getting ahead is because our system of government is broken. Despite the nation's 26 year run of unbroken economic growth, we have significant problems which impact all of us in different ways.

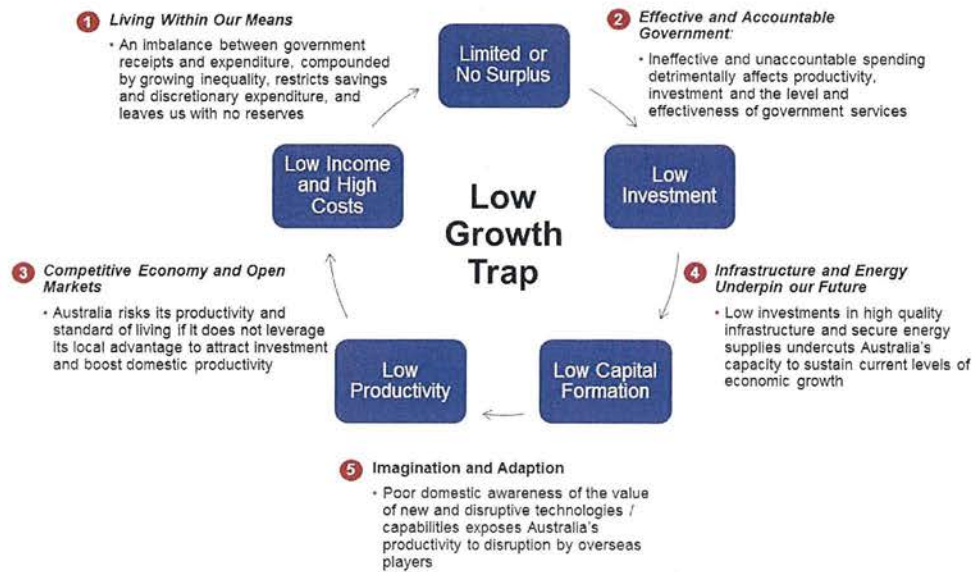
For Australia to continue to fulfil its promise of prosperity, growth and social justice, five challenges need to be overcome.

These national challenges will be outlined in the following section:

1. Australians deserve more opportunities to work, study and retire with ***security and confidence in a sustainable economy***; the budget must be brought into surplus and the mounting national debt repaid. Every Australian deserves the freedom to prosper unencumbered by inherited public debt which has been built up to fund current entitlements.
2. Australia requires ***effective, accountable and efficient*** governments at all three levels for all functions and services. Further, governments have a duty to create an environment in which enterprise can flourish. Australians have the right to feel secure and empowered, but not entitled. People and businesses who can look after themselves should do so.
3. Australia is a trading nation that requires a ***competitive economy, open markets*** and free trade to prosper. Open economies grow faster than closed economies, and trade is an essential component of sustainable economic growth.
4. ***Infrastructure & energy underpins our future***: Australia depends on continued investment in nation building infrastructure and affordable and secure energy to remain productive and competitive.
5. Australia must be ***imaginative and adaptive*** in dealing with a changing global economic landscape across existing industries and new industries. Innovation drives incremental improvement in the standard of living of all Australians and more importantly creates more opportunities. This is the traditional gift that the current generation pass onto future generations.

How Australia manages these challenges going forward is important as they will have a direct bearing on the future state of the country. The diagram below illustrates how these national challenges

interlink with each other and the five key drivers of national growth.



Comment [ab1]: Re inequality comment – Panel wants it to be removed?

The Household Analogy option 1

The growth trap is analogous to that of a household that has taken on too much debt. In the household analogy, having limited or no surplus equates to having little to no household savings and being forced to use the credit card. Without savings, households are unable to sustainably undertake running repairs, purchase a family car or afford a family computer.

Without this investment, the household's ability to generate new income efficiently and productively is reduced or is basically eliminated. The family must work harder than other households to generate the same income since it does not have the tools to operate efficiently. As a result, the household's income decreases over time, while living expenses continue to increase.

To maintain the status quo, the family must use credit to meet recurrent costs (such as paying for groceries, electricity and rent), and cannot afford to invest in wealth generating activities (such as further education, share investments or property). This pattern of borrowing to satisfy recurrent spending becomes an additional financial burden on a household that is already stretched. Household savings continue to shrink as repayment obligations accumulate, until eventually the household cannot borrow anymore and is forced to default on its obligations.

The Household Analogy option 2

The young family lives in a nice house ~~with a young family~~. We look after one of our aged and ill parents. Dad's job is under threat and overtime is a thing of the past. Mum's hours have been reduced. They have no savings to cover the inevitable emergencies. Living costs have risen sharply and they are living week to week.

They are buying their groceries and petrol on their credit cards and the cards are maxing out. The house is mortgaged to the hilt and a sudden rise in interest rates would break them. They are living week to week while their debt mounts waiting for a call from the bank. This is not a time to buy a new car, renovate the house or commit to any big long term expenditure. They have no option but to reduce their spending and look for more work or better paying more secure jobs and do some retraining if necessary. ~~This is Australia in 2017.~~

While Australians may not feel the effects of the low growth trap today, failure to address the imminent national challenges expressed in this Statement could tip the nation down the slope of national decline. On the other hand, careful management and prudent long-term decision making can also significantly enhance the virtuous cycle of sustained economic growth. We must be careful not to fall into the European trap.

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Case Study: How Sweden created a model economy

The story of Sweden's economic success as a nation with low levels of national debt, low and stable inflation and a healthy banking system is a telling example. In the early 1990s, Sweden was hit by a deep financial crisis. Two banks were nationalised, unemployment rose rapidly and government spending and debt was out of control.

As a result, successive Swedish governments took tough measures over the following decade to institutionalise sustainable fiscal policy, proactively encourage global competitiveness, and approach trade and innovation openly. When tested again over a decade later in the 2007-2008 global financial crisis, its resilience and prosperity in the face of recessionary pressure earmarked it as a model economy for the rest of Europe. Today, Sweden maintains a strong social welfare safety net with a competitive tax system. Sweden's company tax rate is 22%.

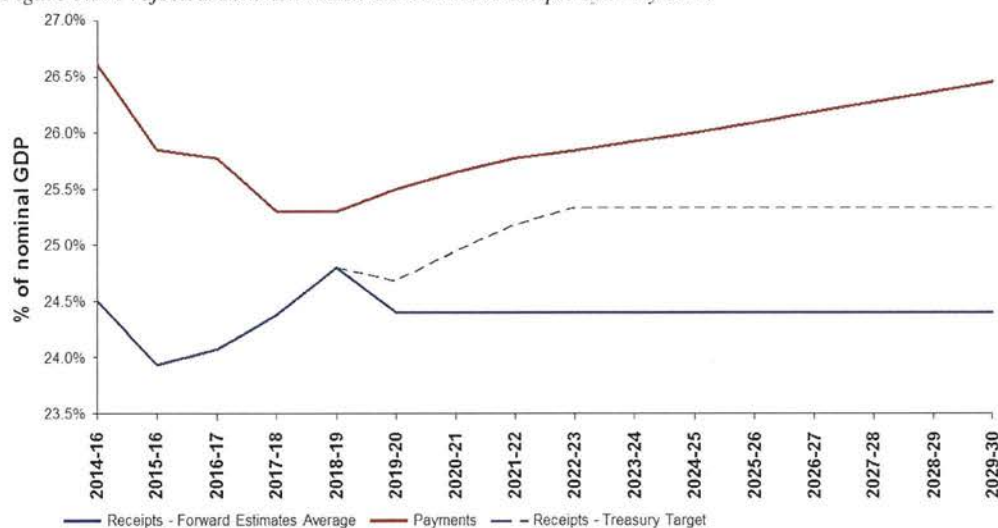
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1. Australians deserve more opportunities to work, study and retire with *security and confidence in a sustainable economy*; the budget must be brought into surplus and the mounting national debt repaid. Every Australian deserves the freedom to prosper unencumbered by inherited public debt which has been built up to fund current entitlements.

Australia suffers from a structural deficit, and we are borrowing to meet the demands of ever growing recurrent expenditure while the tax base declines/shrinks because of the aging population. Few other nations bear such a heavy reliance on personal income and company taxes as Australia does in 2017. Fundamentally ~~There is an~~ fundamental imbalance between the expected level of government revenue and payments that seems unlikely to improve over the longer term due to the costs of an aging population ~~and~~ poor productivity ~~and~~ a decline in the Terms of Trade to a more normal level.

Australia is entering its 8th consecutive year of deficit. Additionally, in a recent report prepared by KPMG, forecasted government revenue is projected to fall short of forecasted payments by 0.5% - 2.2% of GDP over the medium term (Figure 1.1). If Australia's structural deficit continues to grow, it will compound the nation's fiscal deterioration and ultimately limit the government's options with respect to its discretionary spending. **Australians most in need will suffer most.**

Figure 1.1: Projected Commonwealth Government Receipts and Payments¹



Gross debt subject to the Treasurer's Direction² is steadily increasing. As at the 2016-17 MYEFO, the face value of Commonwealth Government Securities (CGS) subject to the Treasurer's Direction is projected to be \$496 billion at the end of 2016-17. The total face value of CGS on issue is projected to rise to around \$648 billion by 2026-27.

Net debt has increased from \$153 billion (10 per cent of GDP) at 30 June 2013 to an estimated \$317.2 billion (18.1 per cent) in 2016-17 at the 2016-17 MYEFO. Net debt is projected to peak at 19.0 per cent of GDP in 2018-19, before declining over the medium term to 9.9 per cent of GDP (\$284.7 billion) in 2026-27.

¹ KPMG, *Solving the Structural Deficit*, April 2016

² The Treasurer's Direction was introduced as an amendment to the *Commonwealth Inscribed Stock Act 1911* on 10 December 2013.

Two key challenges underpin Australia's growing structural deficit, namely:

1. Recurrent and unsustainable government spending (magnified by an ageing population); and
2. A narrow, volatile and overly concentrated tax base.

Recurrent spending

At the 2013-14 MYEFO, Commonwealth payments were \$409 billion, approximately 25.9 per cent of GDP in 2013-14.

Payments as a proportion of GDP have remained high following the Global Financial Crisis, being 25.6 per cent of GDP at the 2013-14 and 2014-15 Final Budget Outcomes, and rising marginally to 25.7 per cent of GDP at the 2015-16 Final Budget Outcome.

As at the 2016-17 MYEFO, payments are projected by Treasury to decline and remain steady at 25.2 per cent of GDP over the forward estimates, improving the underlying cash balance.³

However this is based on the assumption the Senate will aide fiscal consolidation by passing a number of savings measures and that Australia will maintain our world-record run of 26 consecutive years of economic growth.

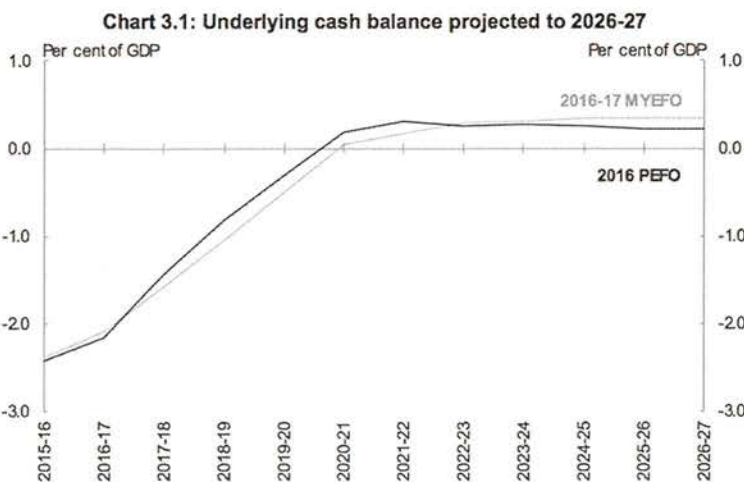
Commonwealth net debt is approaching \$317.2 billion in June 2017. While concerning, debt of itself can be both 'good' and 'bad'. For example, 'good' debt used efficiently to build long-term wealth for the country (investment economic infrastructure), has clear benefits for national productivity, employment and potential growth.

Conversely, 'bad' debt used inefficiently to fund recurrent spending (e.g. pension payments, welfare payments and healthcare costs), should be avoided since it does not generate revenue, and requires compounding amounts of debt to sustain it with no means of paying it back.

Today, 'bad' debt is a significant and growing part of Australia's debt profile as a result of legislated welfare payments and commitments to unfunded programs in disability, health and education. Inefficient, ineffective and unaccountable government spending (to be discussed in more detail under **Challenge 2** of this Statement) also add to the problem.

The following chart from MYEFO in 2016 shows the budget balance is due to occur in the next few years.

³ Treasury of Australia, *Budget Forecasts*, 2016



Note: A tax-to-GDP cap of 23.9 per cent is applied to the 2016-17 MYEFO projections from 2022-23. This tax cap applied to the 2016 PEFO projections from 2021-22. Net Future Fund earnings are included in projections of the underlying cash balance from 2020-21 when drawdowns from the Future Fund commence. Source: Treasury projections.

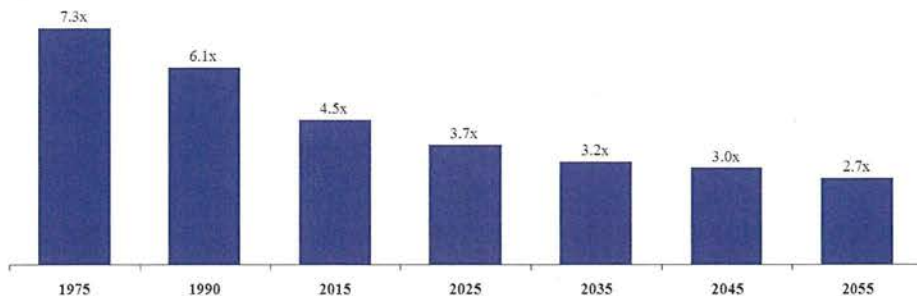
However this is based on Australia maintaining a world-record 26 year stretch of economic growth.

Ageing population

It is widely recognised that Australia has an ageing population. This results in both a potential decrease in government revenues (as the number of working age people decreases, taxable income and GST decreases), and an increase in welfare and other payments. As workers retire, the number of beneficiaries of pension and welfare payments increases exacerbated by the increasing demands for healthcare and aged care).

Figure 1.2 forecasts the ratio of working age persons to statutory pensionable age persons, otherwise known as the 'Dependency Ratio'. A decrease in the Dependency Ratio indicates a situation in which an increasing number of pension and health payment beneficiaries are supported by a reduced number of economically active potential contributors.

Figure 1.2: Dependency Ratio⁴ (Number of people aged from 15 to 64 relative to the number of people aged 65 and over)



⁴ Treasury of Australia, *Intergenerational Report*, 2015

As the dependency ratio decreases over time, heavier demands are placed on government spending and the working population to maintain the flow of benefits to older groups. For example, 2.7 people working in 2055 would have to contribute as much as, if not more than, 4.5 people today to support the health and welfare demands of an ageing population at just at today's levels. That assumes we maintain our current level of skilled immigration. If we cut skilled immigration, the demographic profile will only worsen and it will be harder to return to budget balance.

Alarming, significant spending on non-revenue generating payments (such as social security, welfare, defence and health) is forecast to grow faster than GDP (Figures 1.3 and 1.4). Meanwhile, forward looking productive investments such as education, transport and communications are growing at a rate lower than GDP.

Failure to proactively manage government expenditure risks eroding the pool of available funds both now and into the future for value generating investments by locking it into non-revenue generating recurrent spending.

The following figure shows the bulk of expenditure falls into welfare and health cost buckets.

Figure 1.3: Estimates of 2016 Australian Government general government expenses by function⁵

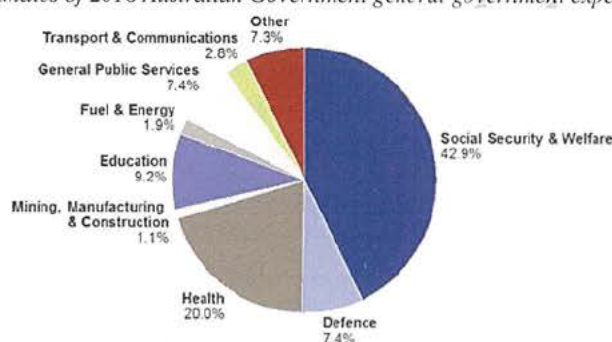


Figure 1.4: Estimates of Australian Government General Government Expenses by Function⁶

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)	2019-20 (\$m)	Growth Rate	Growth Assessment
Social Security and Welfare	155,792	162,723	178,356	184,941	5.9%	High
Defence	26,816	28,030	29,436	31,488	5.5%	High
Health	72,842	73,724	76,340	78,792	2.7%	Med
Fuel and Energy	6,874	7,040	7,224	7,591	3.4%	Med
Mining, Manufacturing and Construction	4,052	4,048	4,238	4,500	3.6%	Med
Education	33,339	33,087	33,699	78,792	1.6%	Low
General Public Services	26,991	20,683	21,009	22,080	(6.5%)	Low
Transport and Communications	10,296	10,716	7,588	8,238	(14.9%)	Low
Other Economic Affairs	9,866	8,496	8,324	8,238	(5.8%)	Low

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⁵ Treasury of Australia, *Budget Forecasts*, 2016

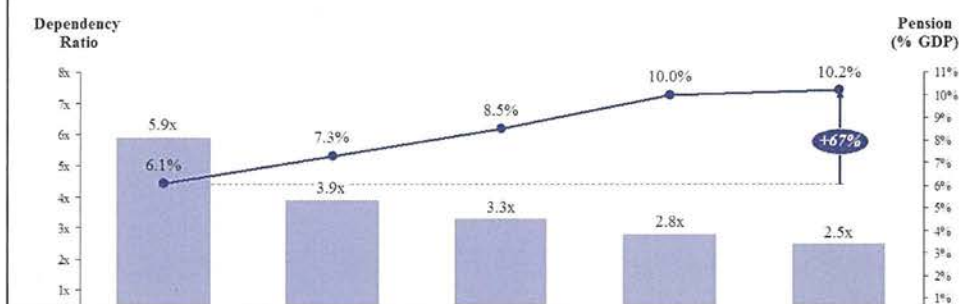
⁶ Treasury of Australia, *Budget Forecasts*, 2016

<i>Housing and Community</i>	5,131	5,142	4,541	4,226	(6.3%)	Low
<i>Public Order and Safety</i>	5,117	4,762	4,695	4,629	(3.3%)	Low
<i>Recreation and Culture</i>	3,532	3,448	3,351	3,295	(2.3%)	Low
<i>Agriculture, Fisheries, and Forestry</i>	2,914	2,960	2,765	2,371	(6.6%)	Low
Total	363,562	364,859	381,566	393,459	2.7%	

Case Study: Japan's ageing population

Japan provides a warning of how a country's finances can be crippled by pension spending as a proportion of GDP increasing as the dependency ratio falls (Figure 1.5). Between 1995 and 2013, Japan's dependency ratio fell from 5.9x to 2.5x – a similar level to that of Australia's 1990 to 2055 projection. Further, it shows that the budget will need to be re-adjusted if Japan's significant increase in pension spend is any indication of Australia's future spend. In Australia's case, the 2015 Intergenerational Report showed even after 50 years of compulsory superannuation, the policy was not heavily reducing pension expenditure. Superannuation does not therefore mitigate the problem.

Figure 1.5: Dependency Ratio and Pension Spend of Japan¹⁴



A narrow and concentrated tax base

Australia's fiscal challenge is compounded by the existing tax system's reliance on a narrow, concentrated and volatile tax base dependent on highly mobile capital which is dependent on the growth in the world economy.

Tax receipts are estimated to be \$378.8 billion in 2016-17.

As at the 2016-17 MYEFO. Tax receipts are projected by latest Treasury estimates to reach 23.9 per cent of GDP in 2022-23, beyond which Treasury's medium-term model assumes that they remain constant as a share of GDP⁷ assuming maintenance of our world-record run of economic growth. Also, with the tax revenue "capped" at this level, surpluses are less than 0.5% of GDP over the medium term, it is not large enough to make large inroads into the debt.

Tax revenue in Australia is drawn from over 100 different taxes from three levels of Government but 90% is raised from just three taxes (GST, personal and company tax. 73% of the Federal budget's

⁷Treasury of Australia. *Budget Forecasts*. 2016

revenue is collected from company and individual income tax alone (Figure 1.6). Magnifying this bias is the fact that a small number of corporates (<0.1%) and individuals (9%) contribute majority of the revenue in their respective segments (59% and 47% respectively)^{8,9,10}.

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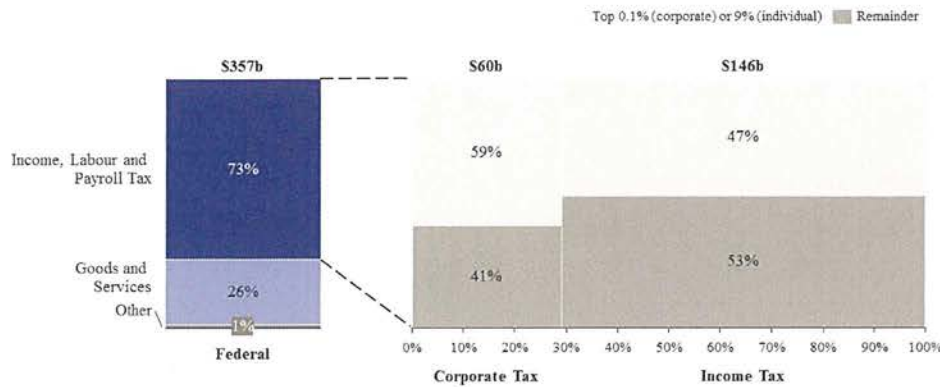
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⁸ Australian Bureau of Statistics, *5506.0: Taxation Revenue*, 2014-15

⁹ Australian Taxation Office, *Corporate Tax Statistics*, 2011-12

¹⁰ Australian Taxation Office, *Income Tax Statistics*, 2012-13

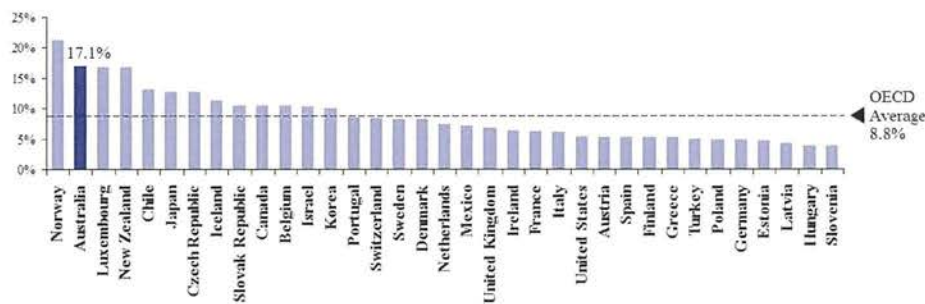
Figure 1.6: Australian Federal Government Tax Composition



Australia surpasses almost every other OECD nation in terms of its reliance on corporate and income tax. For example, Australia's company tax as a percentage of taxation revenue is 17.1%, compared to the OECD average of 8.8%¹¹ (excluding social security taxes, as Australia has a private sector managed superannuation scheme).

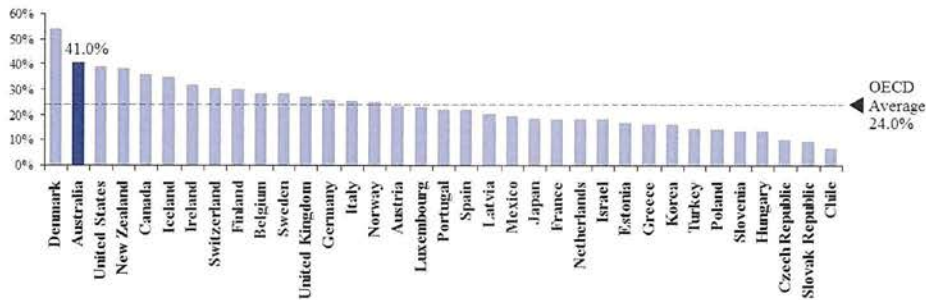
At the same time, Australia relies less on more efficient and less volatile taxes such as consumption taxes (Figure 1.7 and Figure 1.8). Indeed, the Mid Year Economic and Fiscal Outlook of December 2016 showed the extreme volatility of the company tax base by having to write down company tax revenue by \$6 billion over the forecasted estimate due to the decline in the Terms of Trade.

Figure 1.7: Corporate Tax (% of Tax Revenue)



¹¹ OECD, Revenue Statistics, 2016

Figure 1.8: Personal Income Tax (% of Tax Revenue)



The concentration of taxes (personal and company taxes) adds considerably to the risk to the Commonwealth in terms of the reliability and predictability of tax revenue. Reducing Australia's tax revenue volatility by broadening its base is a key challenge in managing Australia's structural deficit.

Options paper one "Balancing the budget" will include an examination of the sustainability of the budget (both the revenue and expenditure sides of the Commonwealth and State budgets).

This paper will be released in conjunction with options paper three "Better services" which will look at the allocations of responsibilities within the Federation, and improving service delivery through effectiveness and efficiency in government.

2. Australia requires **effective, accountable and efficient** government for all of its functions and services. Australians have the right to feel empowered and secure, but not entitled.

Closely related to Challenge 1, is the need for government to spend in an efficient and accountable manner. Effective and efficient government spending is a prerequisite to boosting productivity and improving public sector performance, which in turn is critical to our growth as an economy.

Regrettably, the effectiveness of government programs and grants is rarely measured in outcomes and there is often inefficient and duplicated spending across the Commonwealth and the States. Benchmarking Australia's government spending against other governments around the world, Australia trails in the World Economic Forum's Competitiveness Index, disgracefully ranking 53rd overall in terms of how efficiently it spends public revenue (Figure 2.1). This is particularly relevant in a time when governments around the world are being asked to "do more, do it better, and do it with the same amount of taxes".¹²

Figure 2.1: Wastefulness of Government Spending¹³

"In your country how efficiently does the government spend public revenue?"
[1 = extremely inefficient; 7 = extremely efficient in providing goods and services]

Rank	Economy	Value
1	Qatar	6.0
3	Singapore	5.9
5	New Zealand	5.1
14	Hong Kong SAR	4.5
20	Germany	4.2
22	Japan	4.1
23	Canada	4.1
34	United Kingdom	3.8
53	Australia	3.5
75	United States	3.1

To date, the Australian government's inefficient and contradictory spending is largely a result of two significant problems which fall out of the World Economic Forum's analysis include:

1. The nation's heavy vertical fiscal imbalance and having three levels of Government with a population of only just 23 million people; and
2. ~~Its~~ Our complex and largely unsustainable system of government support.

A heavy vertical fiscal imbalance

Public financing in Australia is marked by a high degree of vertical fiscal imbalance. This refers to the significant mismatch between State Governments' large spending responsibilities but with a very limited appetite to use its revenue ~~limited revenue~~ generation capacity, and the Federal Commonwealth's Government's capacity to raise more revenue than it requires for its own expenditure needs. The States' current fiscal outlook is better than the Commonwealth. However, in the longer term, the States bear rising health and education costs which are unsustainable.

Inefficiency indelibly marks the Australian tax system: the States' tax base relies on inefficient stamp duties while the Commonwealth uses personal and company income taxes

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¹² McKinsey, *Global Trends Affecting the Public Sector*, June 2007

¹³ World Economic Forum, *Global Competitiveness Index*, 2016

to the point direct taxes destroys economic activity in a competitive global environment. Both the States and the Commonwealth are guilty of relying on tax systems which entrench community confusion on accountability but also damage Australia's economy.

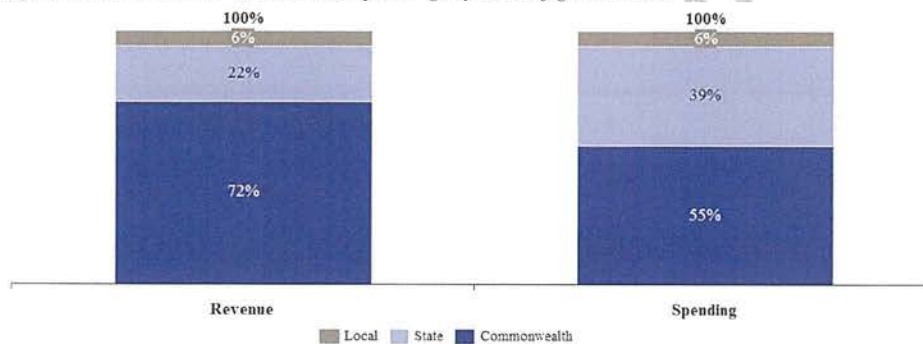
Between the three levels of government, the fiscal imbalance results in difficulty in holding a single government to account for the provision of core services such as health and education, welfare and development.

In 2015/16 the States spent \$b and received \$?b from the Commonwealth in the form of GST(\$?b) and Grants both tied and untied(\$?b).

INSERT NUMBERS IN ABOVE SENTENCE (MRC)

Historically, the Federal Government has accounted for 72% of own-source revenue raised by all levels of government, but is responsible for only 55% of government own-purpose spending. By comparison, State Governments have accounted for 22% of own source revenue and 39% of own purpose spending (see Figure 2.2).

Figure 2.2: Own source revenue and spending, by level of government¹⁴



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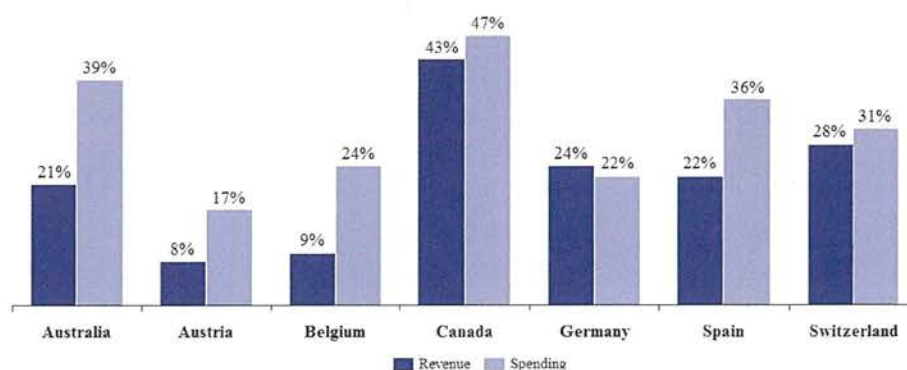
The result is difficulty in determining the degree of responsibility each tier of government has in providing services such as health, education, welfare and development. Typifying this confusion is the fact that Australia's States campaign in elections only being accountable for half their budget. Conversely, the Federal government campaigns in each State, having collected around 80% of Australia's tax revenue (including the GST which belongs to the States) but only spends a portion of that revenue in each jurisdiction.

Comparing Australia to other federations, the extent of vertical fiscal imbalance (and resulting transfers) is generally higher in Australia. Figure 2.3 compares the States shares of total government revenue and spending across a number of federations. As shown, the absolute gap between State share of total revenue and total spending is highest in Australia, while the relative gap is only surpassed in Belgium and Austria amongst the countries profiled.

Figure 2.3: State Government own resource/own-purpose spending, as a share of total government revenue/spending¹⁵

¹⁴ NSW Treasury and Australian Bureau of Statistics, 5512.0: Government Financial Statistics, 2008-09
¹⁵ International Monetary Fund, Government Finance Statistics Yearbook, 2008

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Such a significant gap leads to shared responsibilities in the funding and delivery of services by the Commonwealth in functions that are better left to the States, leading to duplication and inefficiency.

The 2014 National Commission of Audit (NCOA) and the 2015 Federation White Paper proposed numerous options to reduce the funding gap. Apart from research by the Samuel Griffith Society, there has been minimal public discussion on the lack of accountability within our federation in recent years.

This imbalance is also reflected in significant and inefficient duplication and overlap in the provision of services between the two levels of Government. This was also highlighted by the NCOA.

Complex and potentially unsustainable system of government support

Government support as it relates to Australia's transfer system must also reflect a commitment to values of fairness and support for those who need it most. It must be efficient, sustainable and transparent. Presently, cash transfer payments are the most significant component of Australia's social support system in terms of expenditure. For example, social security and welfare payments accounted for over \$152 billion¹⁶ in 2016 – more than a third of total federal spending and by far the largest and fastest growing component.

Given the nature of Australia's ageing population, its shrinking tax base (already discussed under **Challenge 1**), changes are needed to make Australia's transfer system more sustainable. In particular, imminent challenges faced by the transfer system include the:

- 1) Falling rate of workforce participation;
- 2) Complexity surrounding income support and incentives to work; and
- 3) The ever growing rise in eligibility for entitlement.

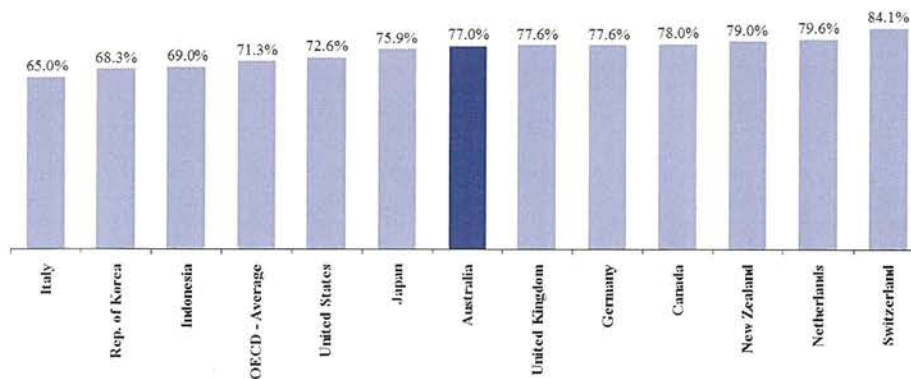
Improving workforce participation

Policy reform is required to balance the set of work incentives, assistance and welfare requirements to ensure that transfer recipients who are able to support themselves through work will do so. While Australia's labour force participation rate (i.e. the number of people either employed or actively looking for work) is high compared to other G20 countries at 77%, there is still room for improvement when compared with other well developed OECD countries (Figure 2.4).

GROWTH IN CASUALISATION, PART TIME AND UNDER EMPLOYMENT (MRC)

¹⁶ Australian Budget, *Statement 5: Expenses and Net Capital Investment*, 2016-17

Figure 2.4: Labour force participation rate, 15-64 year-olds, % in same group¹⁷

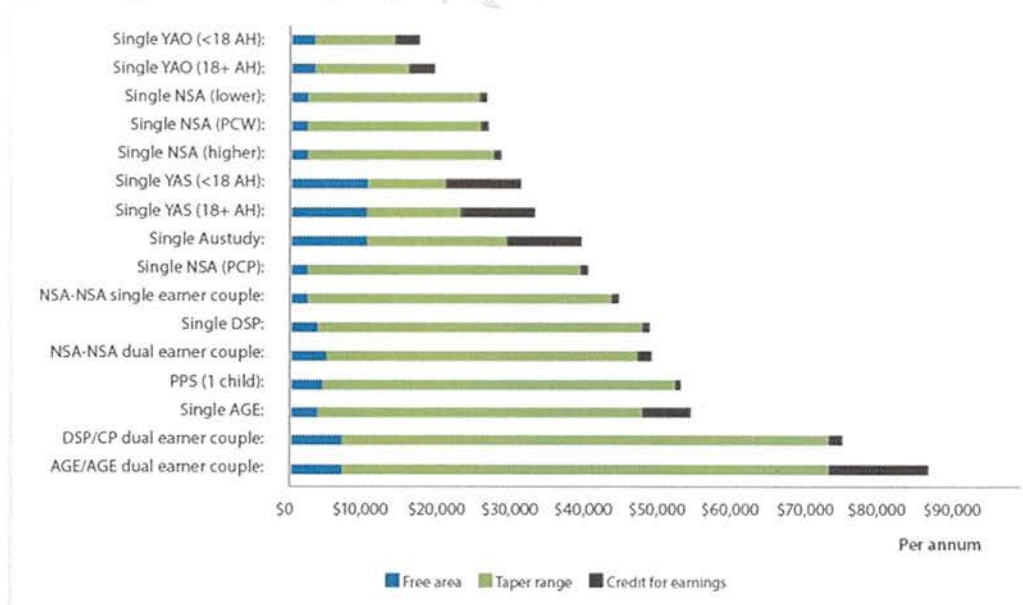


Hand-in-hand with increasing the labour force participation rate is the challenge of ensuring employment opportunities actually exist for those people looking for work. One means of immediately achieving this could be through greater investment in nation-building infrastructure projects (as discussed in more detail under **Challenge 4** of this Statement).

Income support complexity

Additionally, changes are needed to make income testing arrangements less complex. Australia has one of the most targeted income support systems in the OECD and, as stated by the McClure Report, the level of government support for different income support categories can vary widely (Figure 2.5).

Figure 2.5: Different Income Tests for Different Payments¹⁸



¹⁷ OECD, *Labour Force Participation Rate*, 2015

¹⁸ Department of Social Services, *McClure Report: A New System for Better Employment and Social Outcomes*, 2015

While a nuanced approach to income support is necessary to accommodate individuals with different capacities to work, an overly complex system can confuse welfare recipients about the potential benefits of becoming self-reliant. In these cases, the complexity of the system inadvertently undermines the incentive arrangements underpinning it – leading to some recipients applying for welfare payments even though their situation would be better served by pursuing an income from paid work.

Conversely, the complexity of the system (and the fact that welfare payments are made tax-free) can also lead to unintended situations where an individual is actually better off receiving an income through welfare than through full-time employment.¹⁹ As such, reform is needed to clearly and carefully consider the effects the existing support system has on incentives to work, so as to ensure it does not produce different outcomes for people with similar abilities to work.

Options paper three “Better Services” will investigate the need for potential changes to the funding systems of a federated government, and the need to improve service delivery through effectiveness and efficiency in government.

¹⁹ The Australian, *Parental welfare pays more than work*, October 2016

3. Australia requires a *competitive* economy and open markets to prosper

Australia also faces a challenge in maintaining its status as a resilient and internationally competitive economy. This is critical since a competitive economy is the driving force behind markets. It fosters innovation, productivity and growth, all of which create wealth and reduce poverty.

The World Economic Forum's *Global Competitiveness Index* ranked Australia's global competitiveness as 21st overall (down five spots from 16th position five years prior) (Figure 3.1). An examination of the key indicators underlying this score reveals a performance that is "consistent but never stellar".²⁰

Figure 3.1: Global Competitiveness Index Key Factors Rankings²¹

Pillar of Competitiveness	2016 Rank	2011 Rank	Change in Rank
1: Institutions	19	14	↓ 5
2: Infrastructure	16	22	↑ 6
3: Macroeconomic Environment	28	17	↓ 11
4: Health and Primary Education	9	13	↑ 4
5: Higher Education and Training	8	14	↑ 6
6: Goods Market Efficiency	27	18	↓ 9
7: Labour Market Efficiency	36	11	↓ 25
8: Financial Market Development	7	3	↓ 4
9: Technology Readiness	21	23	↑ 2
10: Market Size	22	18	↓ 4
11: Business Sophistication	27	29	↑ 2
12: Innovation	23	21	↓ 2
Global Competitiveness Index Overall	21	16	↓ 5

Principal drivers of the collapse in our position over the past five years are Australia's tax and industrial relations systems.

The overarching challenges facing Australia relate to our ability to:

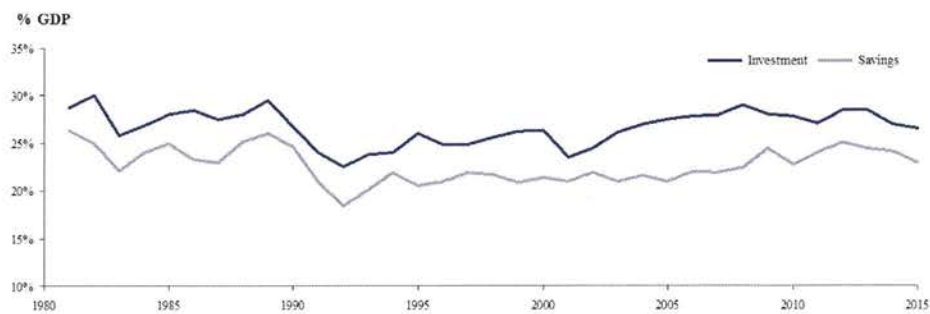
1. Attract and retain foreign investment;
2. Maintain free and open international trade;
3. Improve the cost of living; and
4. Encourage business innovation and investment (to be discussed in more detail under **Challenge 5** of this Statement).

Attracting and retaining foreign investment

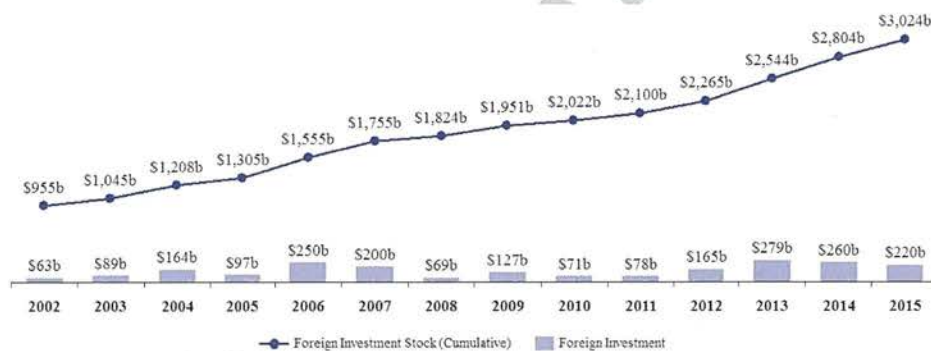
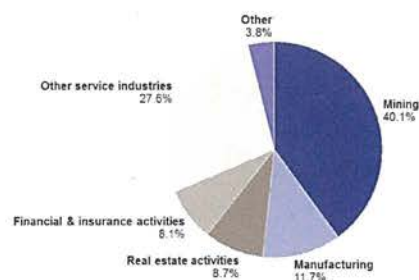
Australia is falling behind other countries in productively using its people, tools and resources to attract and retain foreign investment. Foreign investment is critical to Australia's strategy in financing the shortfall between the demand for national investments and national savings (Figure 3.1). Due to this gap, there is a significant risk of a national funding shortage if foreign investments continue to decrease or if there is another global freeze in capital movement as experienced during the GFC.

²⁰ World Economic Forum. *Global Competitiveness Index*, 2015-16

²¹ World Economic Forum. *Global Competitiveness Index*, 2015-16

Figure 3.1: Australia's National Investment and Savings Gap²²

Over the past 20 years, foreign investment into the Australian economy has accounted for over \$3 trillion in investment (Figure 3.2), and at the end of 2015 the stock of direct foreign investment in Australia was valued at \$735.5 billion.²³ Furthermore, industries that have traditionally underpinned Australia's growth have been the major recipients of this significant capital flow, with resources (40.1%) and manufacturing (11.7%) accounting for the largest shares of the stock (Figure 3.3).

Figure 3.2: Foreign Investment in Australia²⁴Figure 3.3: Foreign Direct Investment in Australia by Industry – stocks²⁵

²² Treasury of Australia, *Foreign Investment into Australia*, 2016

²³ Department of Foreign Affairs and Trade, *International Investment Australia 2015*, 2016

²⁴ Australian Bureau of Statistics, *5352.0: International Investment Position*, 2015

²⁵ Department of Foreign Affairs and Trade, *International Investment Australia 2015*, 2016

By the same rationale, the potential impact of *increasing* foreign investment is also significant. In a study commissioned by the Business Council of Australia by Deloitte Access Economics, it was found that a 10% increase in foreign investment could increase real GDP and wages by more than 1% by the year 2020.²⁶

"Year after year, for more than two centuries now, capital from the rest of the world has helped build our country. If we had to rely on our own resources, we would not be enjoying the prosperity that we do today. Our asset base and our productive capacity would be lower, and so too would be our standard of living"

- Phillip Lowe, RBA Governor

In this sense, foreign investment is (and has been for over 200 years) critical in supporting Australia's economic growth. It is concerning then that foreign investment in Australia actually decreased by more than 20% in the two years from 2013 to 2015 (Figure 3.2).

Although Australia remains a relatively attractive destination for foreign investment this is largely due to the residual optimism surrounding Australia's business environment following the Global Financial Crisis. However, as global mobility of capital continues to increase, competition for foreign investment is becoming more intense.

Australia's ~~Three significant~~ challenges in attracting foreign investment in the future ~~is thus driven by~~ three key factors. ~~They are include:~~

1. A relatively high corporate tax rate and complex tax system;
2. An inflexible labour market; and
3. A slow, rigid and costly regulatory system across three levels of government.

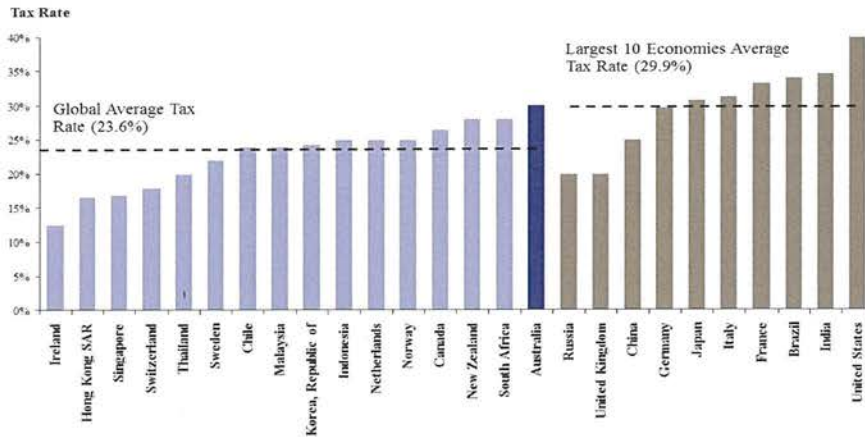
A high corporate tax rate

Australia has a very high corporate taxation rate which is a significant drag on the nation's desirability as a destination for foreign investment. At 30%, Australia's corporate tax rate is higher than most OECD countries it competes with, and almost 7% above the OECD average (Figure 3.4).

Figure 3.4: Corporate Tax Rates with Selected Trading Partners²⁷

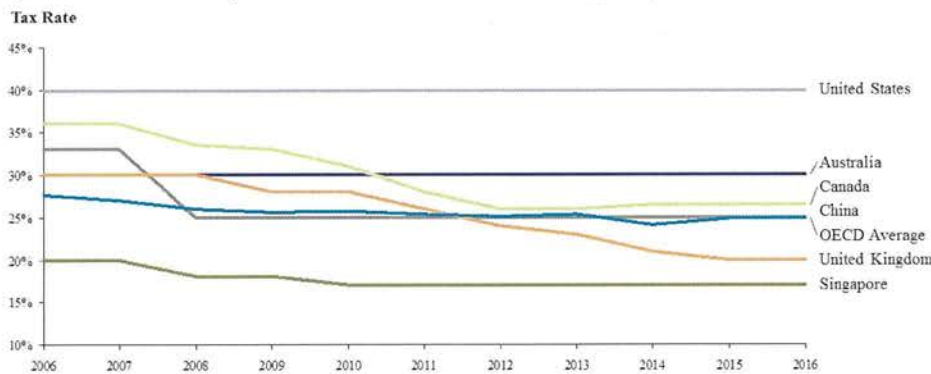
²⁶ Business Council of Australia, *Higher Foreign Investment a Key to Maintaining our Edge*, 16 April 2010

²⁷ KPMG, *Corporate Tax Tables*, 2016



Simultaneously, Australia's high tax rate is compounded by other countries (e.g. United Kingdom, China, Canada, and Singapore) proactively reducing their corporate tax rates to attract investment (Figure 3.5). Indeed, while the World Bank's "Ease of Doing Business Index" ranked Australia at 13th overall, the nation ranked very poorly in terms of "paying taxes" (42nd).²⁸

Figure 3.5: Trend in Corporate Tax Rates in Selected Economies²⁹



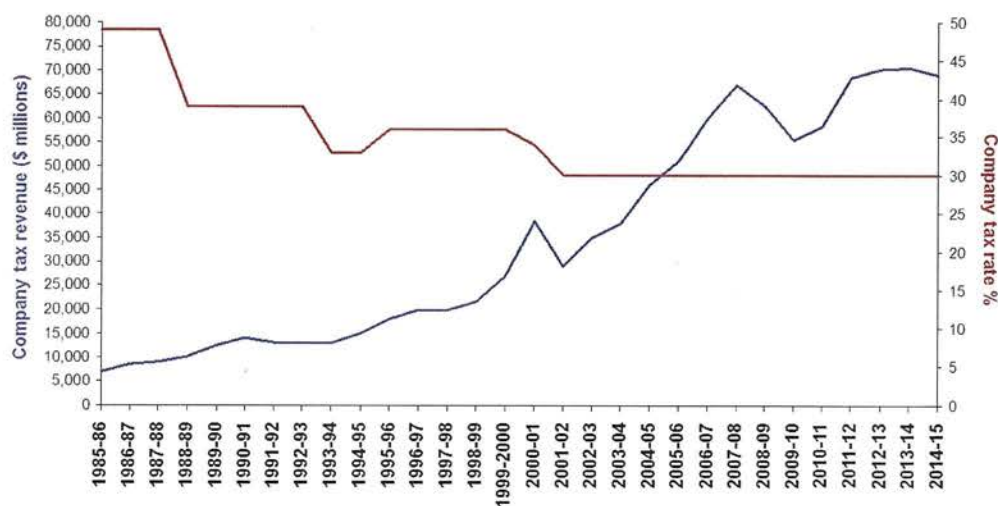
A reduction in the corporate tax rate would not only improve the nation's desirability as a destination for foreign investment, but a recent analysis of corporate tax rates by the Australian Chamber of Commerce and Industry actually showed a correlation between a cut in the corporate tax rate and a rise in corporate tax revenue (Figure 3.6).³⁰

Figure 3.6: Revenue from company tax and tax rate

²⁸ World Bank, *Ease of Doing Business Index*, 2016

²⁹ KPMG, *Corporate Tax Tables*, 2016

³⁰ Australian Chamber of Commerce and Industry, *No risk to budget from company tax cut, analysis shows*, 13 February 2017



An inflexible labour market

Australia's desirability as a destination for Foreign Direct Investment is also hampered as a result of its poor labour market efficiency. Ai Group's analysis of the *Global Competitiveness Index* provides some insight into this:

*"Australia continues to rank relatively poorly on 'labour market efficiency' despite a large movement in this indicator, up 8 places to 28th place. Australia still trails behind other economies on many labour market measures. Australia still ranks poorly on hiring and firing practices (118th), flexibility of wage determination (111th) and taxation incentives to work (111th)."*³¹

In fact, restrictive labour regulations have been identified by Australian businesses year after year as one of the most problematic factors when doing business and investing in Australia (see Figure 3.7)³².

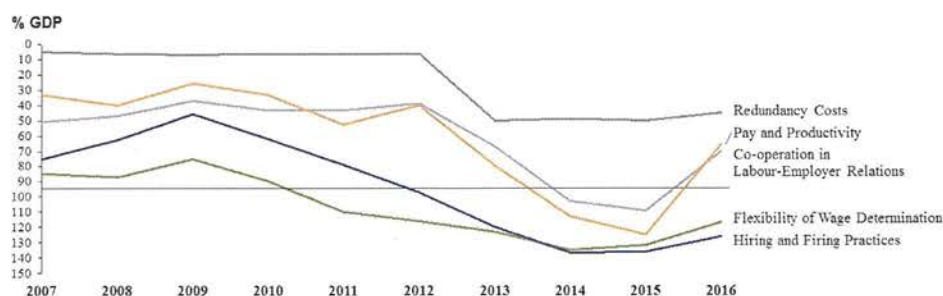
Overly restrictive labour regulations prevent firms from making adjustments to labour inputs in response to economic shocks and technological developments, which can handicap domestic firms relative to countries where labour market rigidity is low. In the resources sector alone, KPMG estimates our relative lack of competitiveness costs thousands of jobs and \$11 billion per annum in GDP growth.³³

Figure 3.7: Labour Market Efficiency Indicators: Australia's Ranking

³¹ Ai Group, *WEF Global Competitiveness Rankings Slip in 2016-17*, 28 September 2016

³² World Economic Forum, *Global Competitiveness Index*, 2016-17

³³ Australian Mines and Metals Association, *Workplace Relations and the Competitiveness of the Australian Resources Sector*, 2015



Slow and rigid regulatory system

In recent years, attempts to improve our competitive position have been examined in acknowledgement of the country's deteriorating competitiveness. These have included various tax reviews, as well as investigations by the Harper Competition Review, Productivity Commission and Heydon Royal Commission with respect to Australia's industrial system.

While some progress has been made, changes have been slow. In November 2016, the Parliament passed laws to improve governance of trade unions and employer organisations, and restored the Australian Building and Construction Commission. However, the Heydon Royal Commission recommendations are yet to be progressed. Implementing these and other recommendations expeditiously will be critical in boosting Australia's competitiveness.

Options paper two "Boosting Australian competitiveness" will catalogue the major drags on our competitive position – this will include tax, investment and industrial relations.

Maintaining free and open international trade

Australia must also maintain free and open international trade.

By supporting a thriving export sector, Australia increases its productivity through growing the market beyond our small domestic demand. Exploiting our comparative advantage in certain sectors (eg resources, agriculture, education and legal, finance and accounting), exposes businesses to global best practices and technologies and in doing so raises Australia's standard of living.

Indeed, free and open trade has underpinned Australia's performance from European settlement in 1788 making it the 13th largest economy in the world despite a relatively small population.

The challenges for increasing competitiveness via free and open trade are twofold, namely:

1. maintaining growth in the export of goods and services through expanding free trade and lifting our competitiveness; and
2. maintaining supply of cheap imports of goods and service as inputs for our exports.

Growth in Exports

Australia's export sector's growth has stagnated, even though the value is significant at over \$312 billion in 2016, and represents approximately around 4.205 per cent% of GDP. Moreover, increases in service-related exports (e.g. education and travel) has not compensated for declines in goods exports (Figure 3.8).

As such, Australia must look to deliver:

1. Better support growth in service exports; and
2. Institute Reforms which encourage the export of goods by increasing Australia's competitiveness.

Australia must work harder to achieve success in the export of services. While services represent 70% of the economy, they remain only 22% of exports. Barriers to trade in services are not tariffs but legal architecture, and abolishing non-tariff barriers requires the creation or reform of legal frameworks.

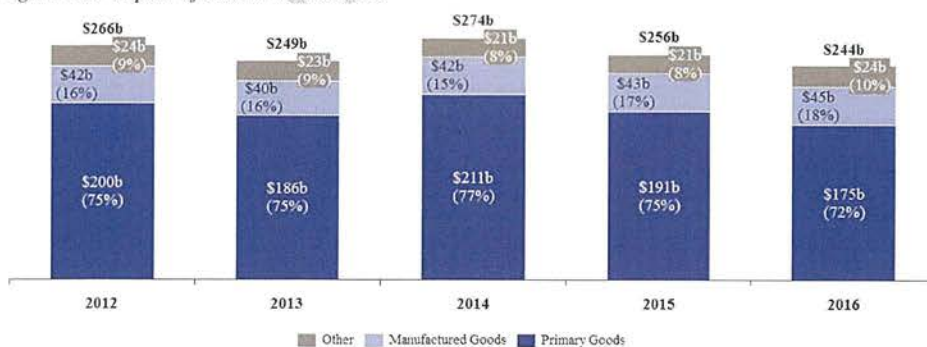
Figure 3.8: Exports of Goods and Services in Australia³⁴



In terms of goods exports, the decline is mainly attributable to the export of primary goods or raw materials that do not enter a manufacturing process. Between 2012 and 2016, this segment alone fell by \$25b, and was not compensated by a \$3b growth in the manufactured goods segment (Figure 3.9).

This further elaborates that while Australia has historically been a nation focused on primary goods exports, competitive advantage is being eroded. Agriculture remains our only globally competitive exporter of goods but is constrained by regulation, lack of efficient infrastructure and high input costs particularly energy.

Figure 3.9: Export of Goods in Australia³⁵



Cheaper imports for input goods

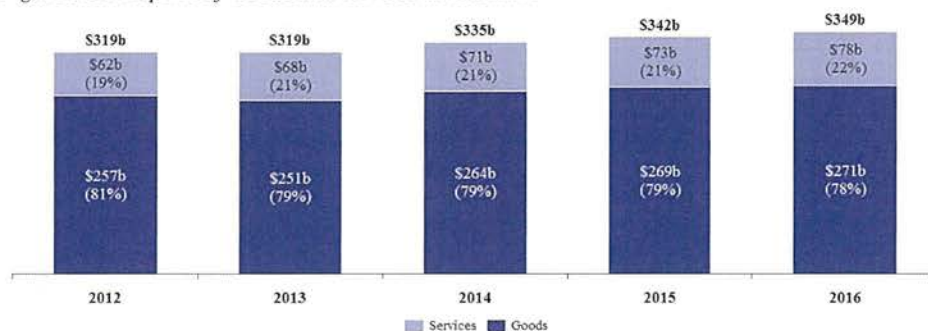
Simultaneously, free trade allows for cheaper imports into Australia lowering our cost of living and reducing the cost of inputs to our export sector. In 2016, Australia's import sector was valued at over

³⁴ DFAT, *Composition of Trade*, 2015-16

³⁵ DFAT, *Composition of Trade*, 2015-16

\$349 billion in goods and services, and has experienced strong growth over the last five years (Figure 3.10).

Figure 3.10: Imports of Goods and Services in Australia³⁶



Low cost imports reduce the cost of living for ordinary Australians and reduce the input cost for value added goods for export.

This is crucial as Australia continues to move from being a primary producing industry (e.g. raw goods and materials) towards a value added and services based economy. As such, it is vital for Australia to encourage policies that help businesses become more competitive via cheaper primary inputs.

Addressing the Cost of Doing Business & Cost of Living

Finally, the rising cost of doing business in Australia is a significant concern for global competitiveness. The rising cost of energy is covered under challenge 4 below.

Domestically, a rise in the cost of goods and services disproportionately affects lower income households who spend a greater proportion of their income on goods and services consumption. On the global stage, rising costs discourage foreign investors because of uncompetitive cost structures, unfavourable foreign exchange rates and high operating costs.

According to a Deutsche Bank survey (May 2016), Australia ranked as the fourth most expensive country worldwide in terms of purchasing power parity (behind only Switzerland, Denmark and Sweden).³⁷ Similarly, housing affordability in Australia has broadly declined, with the housing price to income ratio increasing by 78% between 1980 and 2015, and the ratio of average household disposable income to median house prices increasing from approximately 3.3 in 1981 to just over 7 in 2015 (Figure 3.11).³⁸

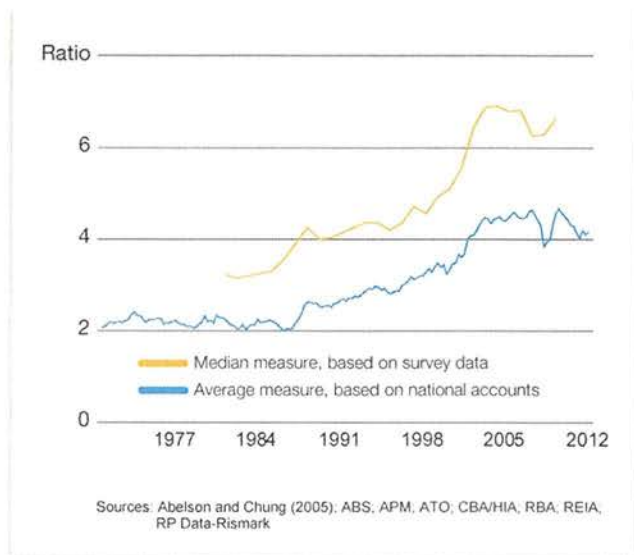
CHECK THE EXCHANGE RATE IMPACT COMMENTS ABOVE (MRC)

Figure 3.11: Dwelling Price-to-Income Ratio

³⁶ DFAT, *Composition of Trade*, 2015-16

³⁷ Deutsche Bank Markets Research, *Mapping the World's Prices*, 2016

³⁸ Parliament of Australia, *Housing Affordability in Australia*, August 2016



Options paper two "Boosting Australian competitiveness" will also catalogue the factors needed to maintain free and open international trade and examine how to boost goods and services exports.

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4. **Infrastructure & energy underpins our future:** Australia depends on continued investment in nation building infrastructure and affordable and secure energy supplies to remain productive and competitive

Infrastructure and access to affordable and secure energy are key to fuelling a productive and growing economy. As such, Australia must carefully and strategically consider its pipeline of investment in new infrastructure and develop a long term strategy with respect to reliable and affordable energy.

Infrastructure

High quality economic and social infrastructure which directly lift productivity is vital to ensuring Australia maintains its high standard of living. When executed well, infrastructure lays the foundation for a sustainable future. It fosters business and trade, connects people and communities and creates the ecosystem for a healthy and educated society.

As such, infrastructure investment policy in Australia should be long term and strategic and coordinated at all levels of Government.

Comparing Australia's infrastructure globally, Australia falls well short in the world rankings which is disappointing given our relative wealth and good fortune. The World Economic Forum ranked the quality of Australia's transport overall infrastructure as 35th in the world (including 34th on railroad infrastructure, 32nd on port infrastructure and 41st on road infrastructure)³⁹. Similarly, in a global report produced by Akamai on the state of internet connectivity, Australia ranked 50th in the world (behind developing nations Thailand (36th) and Kenya (43rd)), signalling the importance of local infrastructure projects like the NBN.⁴⁰ This is a disturbing assessment for a dispersed and remote country which relies heavily on local and global interconnectedness for its prosperity.

Pressure for high quality infrastructure will only intensify as Australia's population grows. Australia's population is projected to grow by 30% to 32 million by 2035, with capital cities accounting for the majority of growth. As a direct result, Infrastructure Australia estimates that each of Australia's largest cities would need to provide for the development of around 500,000 to 700,000 new dwellings over the next 15-20 years, and additional roads, precincts and other infrastructure amenities that would be required to service the growing population⁴¹.

Energy

Energy affordability and resilience is also essential to Australia's economic success. Its availability, affordability and efficient use underpin the competitiveness of Australia's industries and the cost of living for Australian households. Simultaneously, as a net exporter of energy (primarily coal), Australia derives considerable national wealth from satisfying global demand for low-cost energy (Figure 4.1).

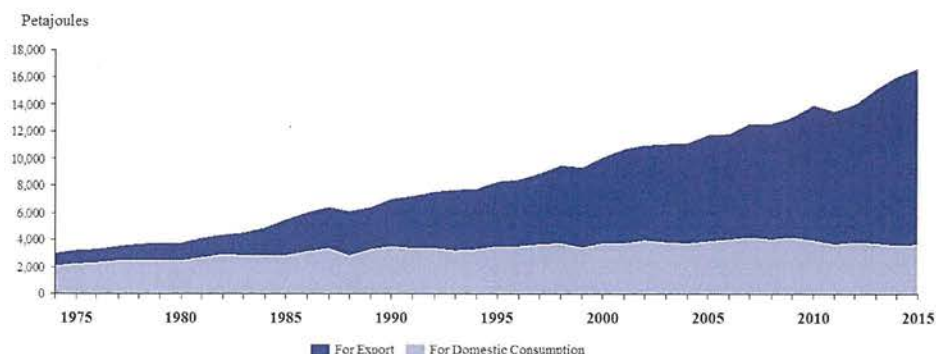
*Figure 4.1: Energy Production in Australia*⁴²

³⁹ World Economic Forum, *Global Competitiveness Index: Transport Infrastructure*, 2015-16

⁴⁰ Akamai, *State of the Internet: Q3 2016 Report*, 2017

⁴¹ Infrastructure Australia, *Australian Infrastructure Audit*, 2015

⁴² Bureau of Resource and Energy Economics, *Australian Energy Statistics Table J*, 2016



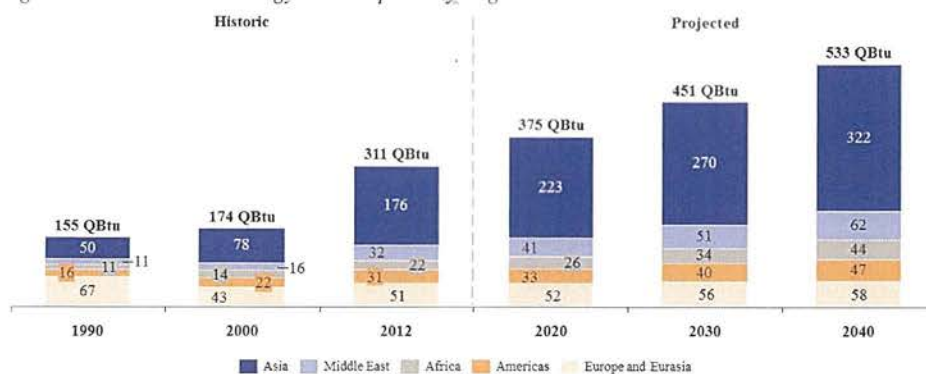
As a result, Australia has a vested interest in supporting its existing position(as a world leader in the supply of low-cost and sustainable energy). Australia faces three key challenges in this regard, principally:

1. Deteriorating global competitive advantage;
2. Rising energy costs; and
3. Reliability and security of supply.

Deteriorating competitive advantage

In the past, Australia has enjoyed a competitive advantage in the export of energy as a result of its wide variety of large, low cost energy resources. Energy exports have been, and still are, a cornerstone of Australia's economic growth. Looking forward, the expected increase in global demand for energy from emerging economies (in particular Asia) represents a significant opportunity for Australia (Figure 4.2).

Figure 4.2: non-OECD Energy Consumption by Region⁴³



However due to a variety of market trends (downturns in the price of gas and coal, shifting demand conditions and increasing international export competition), Australia's competitive advantage is rapidly eroding. By way of example, Australian resources projects are approximately 40% to 200% more costly to deliver than the United States,⁴⁴ and the cost of delivering Australian LNG to Japan is up to 30% higher than in competing projects in Canada⁴⁵.

⁴³ U.S. Energy Information Administration, *International Energy Outlook*, 2016

⁴⁴ Business Council of Australia, *Pipeline or Pipe Dream? Securing Australia's Investment Future*, 2012

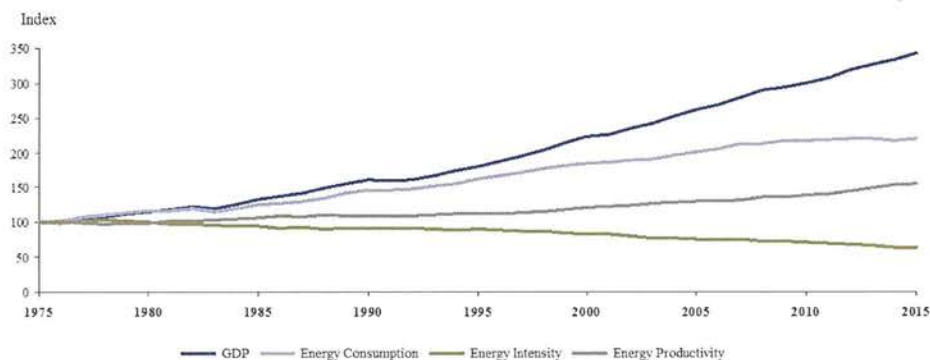
⁴⁵ McKinsey & Company, *Extending the LNG Boom: Improving Australian LNG Productivity and Competitiveness*, 2013

Given the significance of Australia’s energy sector to the continued growth of the economy, failure to address these competitive pressures could over expose the country to unexpected energy shocks and steadily increasing production costs.

Rising domestic costs

Due to improvements in energy efficiency and a shift in the economy towards less energy intensive sectors (e.g. services), growth in domestic energy consumption in recent decades has remained below the rate of economic growth (Figure 4.3).

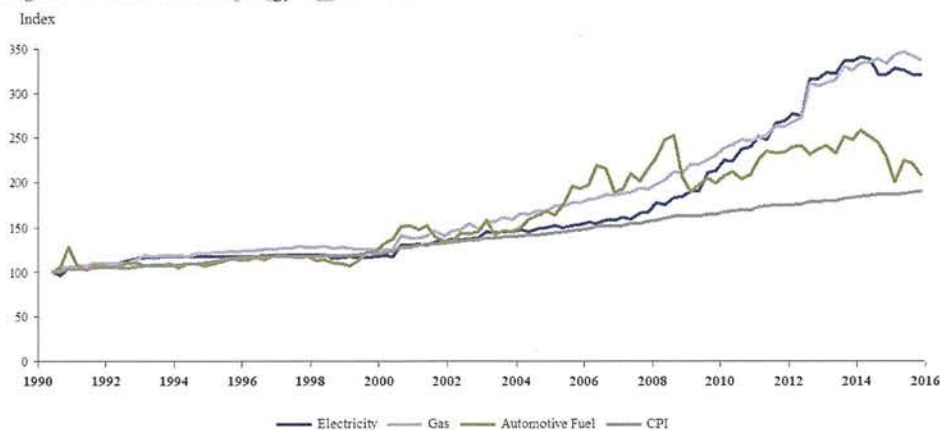
Figure 4.3: Australian Energy Intensity and Energy Productivity⁴⁶



More concerning, the cost of energy has been surging, and is evidenced as prices for energy increase at a faster rate than CPI despite a decrease in demand (Figure 4.4). In Australia, household energy costs have increased on average by a staggering 72% for electricity and 54% for gas between 2003 and 2013, despite a 7% decrease in household energy consumption.

Similarly, the energy price for manufacturing businesses have increased by 60% for electricity and 29% for gas, despite a 14% decrease in consumption⁴⁷. Failure to address rising domestic energy costs is increasing barriers for households and businesses to increase productivity and grow the economy.

Figure 4.4: Household Energy Price Index⁴⁸



⁴⁶ Bureau of Resource and Energy Economics, *Australian Energy Statistics Table B*, 2016
⁴⁷ Parliament of Australia, *Energy Prices – The Story Behind Rising Costs*, December 2013
⁴⁸ Australian Bureau of Statistics, *Consumer Price Index*, June 2016

A large driver of cost increases according to the Australian Energy Market Operator is the policy mess on renewable energy and a lack of exploration for gas for which the states are primarily responsible. A nation of 25 million people should not end up with a renewable energy target of 23.5 per cent at the national level and over a half dozen inconsistent state targets ranging from nothing to 100 per cent.

In 2015, the average South Australian reliance on renewables was 41 per cent. The trouble is, on some days it was zero. It is hard to believe we would look to go to 50 per cent renewables when we can't get it right at 41 per cent.

Further, why would we export coal and gas to power the world but not use it at home? As Bluescope CEO Paul O'Malley said, gas was being "hoovered up and sent overseas... If there is gas in Australia and we say it can go overseas, and we don't have any baseload generation, I think we are going to have an energy catastrophe in Australia."

Australia's second and third exports should not become affordable indulgences only away from home.

Options paper three "Securing and building our platform" will unpack the options to ensure Australia has reliable, affordable and sustainable energy supplies.

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5. Australia must be *imaginative and adaptive* in dealing with a changing economic landscape. Innovation drives improvement in the standard of living of all Australians, which is the gift that the current generation can pass onto future generations

Australia is at the crossroads of a changing global, regional and local economic landscape. In a post-mining boom investment economy, Australia's core engines of growth are slowing while traditional industries are being challenged by new and disruptive forces unprecedented in scale, scope and speed. Simultaneously, engines for new growth – critical to our future economic success – are still to emerge.

If Australia is to maintain its economic growth, productivity growth and competitiveness, greater regard must be given to:

- 1) Proactively exploiting global disruptive technologies and developing our own;
- 2) Taking full advantage of the other growth technologies such as computing, biotech, materials, nano ;and
- 3) Nurturing a culture and our natural capability in innovation to create, deliver and capture value for future generations,

In this way we will take full advantage of new technologies that will maximise the productivity of the nation and create new industries and products.

The decisions we take today will impact future generations and underwrite a commitment that each generation makes to the next – to leave the nation in a better state and with a higher standard of living than when we found it.

This is a commitment to intergenerational fairness that has always applied in Australia from colonisation to today and is inherently achievable as long as we take full advantage of the tailwinds of innovation.

Impact of disruptive technologies

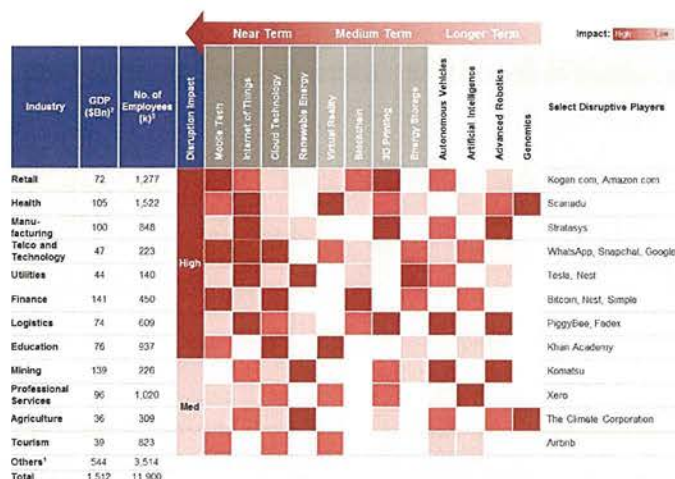
Technology change is occurring at an unprecedented speed. New trends have the potential to challenge current business models, define new industries, and disrupt consumer interactions and expectations. In a recent study prepared by A.T. Kearney, twelve disruptive technologies are projected to hit Australia over the next decade.

These technologies have the potential to erode or even eviscerate elements of Australia's economy. A.T. Kearney's analysis on Australia's largest industries demonstrates the potential impact of such technologies (Figure 5.1).

However, at the same time those technologies could also offer unprecedented opportunities to achieve accelerated growth on a global scale.⁴⁹ The question is not *if* industries will be affected, but rather *when* and *to what degree* disruptive technology will impact Australian industries.

Figure 5.1: Disruption Impact on Australian Industries

⁴⁹ A.T. Kearney, *Taking Bigger Steps*, 2016



Australia and Australian businesses cannot wish these disruptive technologies away, and nor should do so as they as they represent an opportunity to be part of a reshaping of the global economy and should be embraced.

However, ensuring Australia takes advantage of the environment of change requires Australia to be proactive rather than reactive – to play offensive rather than defensive. Doing so will require a culture and capability of innovation and far greater flexibility.

Culture and capability to innovate

Amidst the challenge posed by new technologies, Australia's ability to leverage, or even develop its own, disruptive technologies depends on businesses creating a culture and capability of innovation and governments and markets reducing the limitations and impediments.

Despite general acceptance that “persistent innovators significantly outgrow other businesses in terms of sales, value added, employment and profit growth”,⁵⁰ the performance of Australian businesses to date has been lagging. In the latest Global Innovation Index for example, Australia's position fell for the second consecutive year to 19th in the world⁵¹.

However, more concerning was the fact that Australia's innovation *output* scores ranked significantly lower than its innovation *input* scores, at 27th in the world for outputs and 11th for inputs.

This indicates that Australia struggles in terms of converting its inputs and ideas into tangible technological and creative outputs that will drive future growth. By comparison, regional competitors (e.g. Singapore, the Republic of Korea, Hong Kong, Japan and New Zealand) have systematically developed a plan of action to lift their innovation capabilities as a nation⁵².

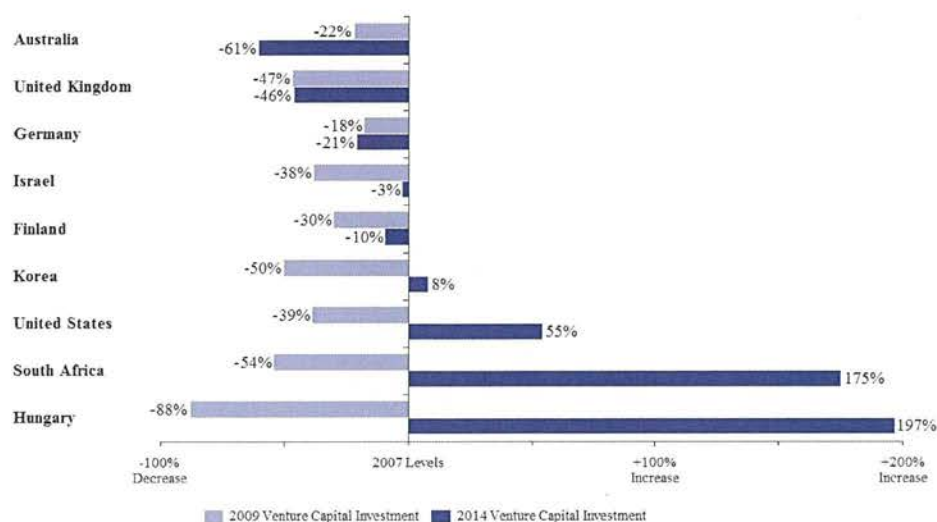
The overall decline of venture capital investment is symptomatic of Australia's failure to generate value creating outputs through innovation. While capital investment since the Global Financial Crisis has turned around in many countries, Australia's capital investment has fallen by 61% since the GFC (Figure 5.2), reflecting a failure to generate high quality and investable outputs.

Figure 5.2: Venture Capital Investment post-Global Financial Crisis

⁵⁰ Office of the Chief Economist, *Australian Innovation Systems Report*, 2016

⁵¹ Cornell INSEAD WIPO, *Global Innovation Index*, 2016

⁵² Cornell INSEAD WIPO, *Global Innovation Index*, 2016



There are many hypotheses that surround Australia's innovation challenge. However, two in particular hamper Australia's ability to foster an imaginative and adaptive environment. These include:

- 1) The administrative and regulatory burdens imposed on all Australian companies – particularly SMEs, including startups, which are often at a regulatory disadvantage in relation to larger incumbent companies – by Australia's complex regulatory environment;
- 2) The underlying capability of Australian businesses to adapt in an unpredictable world ;
- 3) The poor performance of the education and training sector in producing STEM qualified people;
- 4) Twenty six years of continuous growth has bred a culture of complacency in business and government and this is exacerbated by the short term investment horizons of investors; and
- 5) A regulatory environment which sacrifices global competitiveness for domestic competition.

If we take the dairy products industry as an example, the New Zealand regulator allowed Fonterra to grow to a size capable of being globally competitive while the ACCC focussed on keeping a number of medium sized companies in close competition. As a result Fonterra has 40% of the global dairy products market while Australia remains at 15(?) % . The creation of global leaders is an imperative for countries like Australia with a small domestic market. We have done that in mining despite a significant cost disadvantage through innovation and scale but not in any other sector.

CHECK THE ABOVE NUMBERS (MRC)

Complex regulatory environment

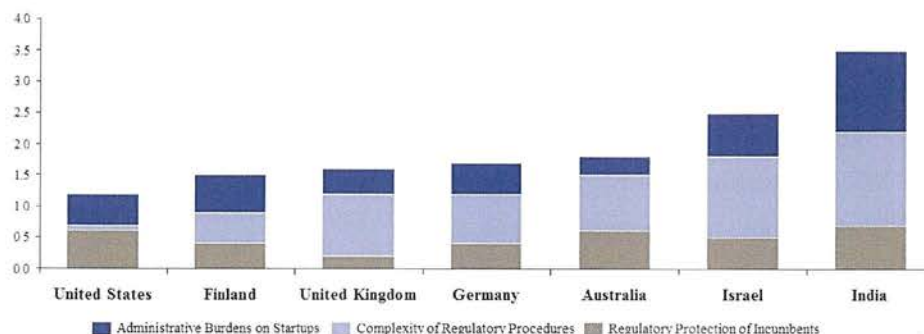
The administrative and regulatory burdens required to manage a business and navigate complex regulatory procedures in Australia disproportionately affects start-ups and small businesses who do not have the support or experience of larger firms.

As an example, it takes Cochlear 18 months to obtain clearance of a new product in Australia, compared to just 6 months for the same product in Europe. This has long been the case in Australia, and has had minimal change in the ten years between 2003 and 2013 (Figure 5.2)⁵³.

⁵³ OECD. *Science Technology and Industry Scoreboard*. 2015

Robust government policy is required to reduce these compliance hurdles that burden small business, so as to facilitate the rapid and adaptive business culture that Australia requires to realise its national potential.

Figure 5.2: Barriers of Entrepreneurship, Rating from Least Restrictive (0) to Most Restrictive (6)



Underlying capability to innovate and adapt

In addition, Australian businesses and their investors must develop and encourage the underlying capability sets to rapidly adapt in an unpredictable world. In particular, this will mean:

1. Adopting an expansive mind-set;
2. Instilling an agile culture to create new and greater value,⁵⁴ and
3. A longer term view of investment beyond the six monthly return.

After 25 years of economic growth, many companies may not have tested and honed their ability to constantly explore new value-creating opportunities. Our focus on the half yearly return encourages short term investment horizons and an abhorrence to risk taking.

An expansive mindset encompasses the ability to understand and imagine where value will be found as it migrates across a broadening economic landscape. Two mega trends stand out in this regard: engaging with Asian (new markets) and unlocking shared value (understanding that markets now value the societal and environmental consequences of traditional business activities which cannot be measured in dollars and cents).

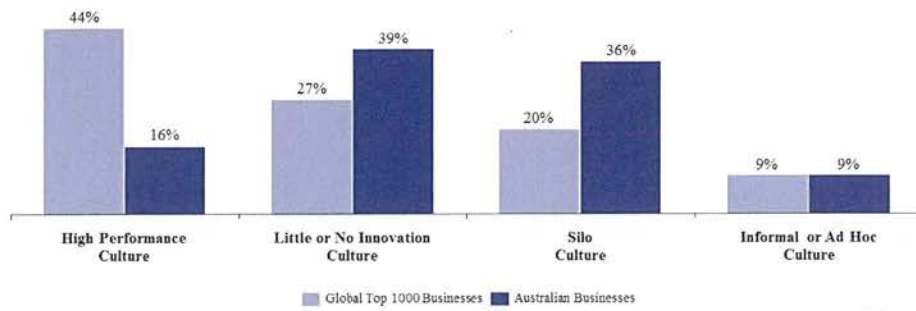
Additionally, disruption will severely impact Australian industries that have not adopted an agile enterprise DNA. This capability is necessary to rapidly change in response to new opportunities and challenges. While this concept is widely recognised in Australia, it is rarely seen.

Moreover, when compared against the top global 1000 businesses, Australia's attitude towards implementing innovative culture patterns as a matter of routine is lagging (Figure 5.3). The global business environment is changing, and a negligent attitude by companies and fund managers towards fostering the capabilities required to win is a significant challenge to the longevity of Australia's business interests.

Figure 5.3: Innovation Culture of Australian and Global Businesses (2012-13)⁵⁵

⁵⁴ N Andrade & P Munro, *Australia 2034: Luckier by Design*, 2015

⁵⁵ Department of Industry, *Australian Innovation System Report*, 2015



Options paper five "Ready to exploit tomorrow" will explore the impact of disruptive technologies and the changes in terms of innovation, adaptability and flexibility required to lead in the Australian landscape.

CONFIDENTIAL DRAFT

Appendix 1 – Comparison of Economic Assumptions between the 2013-14 MYEFO and 2016-17 MYEFO

Assumptions	2013-14 (per cent per annum)	2016-17 (per cent per annum)	2016-17 MYEFO (per cent per annum)
Real Gross Domestic Product			
Budget year		2½	2
FE1 (a)		2½	2¾
FE2 and FE3 (b)		3	3
Medium term (c)		Around 3	2¾ (from 2022-23)
Inflation			
Budget year			1¾
FE1 (a)		Around 2½	2
FE2 and FE3 (b)			n/p
Medium term (c)			2½
Nominal Gross Domestic Product			
Budget year		3½	5¾
FE1		3½	3¾
FE2 and FE3		4¾	n/p
Medium term (c)		5½	n/p
Unemployment rate			
Budget year		6	5½
FE1		6¼	5½
FE2 and FE3		Around 6	n/p
Medium term (c)		Around 6	Converge to 5
Participation rate			
Budget year		65	64½
FE1		Assumed to fall as population ages	64½
FE2 and FE3			n/p
Medium term (c)			n/p
Productivity		1.6	n/p
Wages growth			
Budget year		2¾	2¼
FE1		2¾	2½
FE2 and FE3		4	n/p
Medium term (c)		4	n/p
Terms of trade growth			
Budget year		Declining until 2019-20, then remaining constant at the 2006-07 level	14
FE1			-3¾
FE2 and FE3			n/p
Medium term (c)			Constant at the 2005 level

s 22

From: s 47F <s 47F@menziesrc.org>
Sent: Wednesday, 4 January 2017 6:56 AM
To: Grebe, Sasha
Subject: Afr today

Lots of credit to your boss for these changes

<http://www.afr.com/news/policy/welfare-for-millionaires-unions-defend-the-indefensible-20170103-gt15iw>

s 47F

Director of Policy & Research

Menzies Research Centre

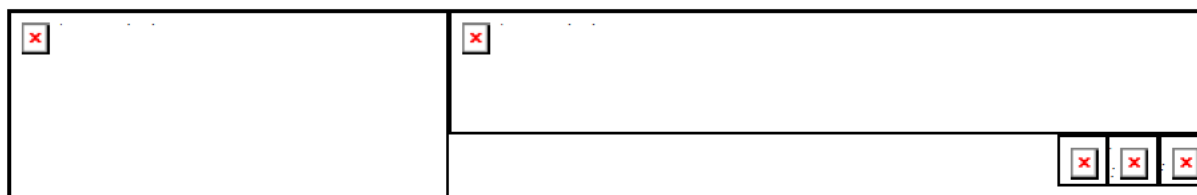
P: s 47F

T: @s 47F

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s 22

From: s 47F <info@menziesrc.org>
Sent: Tuesday, 18 April 2017 9:19 AM
To: s 22
Subject: An unforgettable evening - "The Forgotten People" 75th Anniversary Gala Dinner



Dear ^{s 22}

It gives me great pleasure to invite you to join me for an unforgettable evening to celebrate the **75th anniversary** of the greatest oration in Australian political history – **Sir Robert Menzies' *Forgotten People* Address**.

On 22 May 1942, during one of the darkest periods of World War II, Sir Robert broadcast to the nation, delivering a speech setting out his vision for a free and prosperous nation after the war was won.

His appeal to the forgotten people – the ambitious middle class – resonates strongly in today's political environment.

To mark this historic occasion, the MRC will host a gala dinner in Old Parliament House, Canberra.

At 9:15pm, 75 years to the minute after Menzies began speaking, his speech will be delivered again by a distinguished actor. The address will be broadcast live to the nation via the Macquarie Radio Network.

Special guests include former Prime Minister **The Hon John Howard OM AC**, Sir Robert Menzies' daughter **Mrs Heather Henderson**, **Alan Jones AC** and current and former Parliamentarians.

Please click here or the invitation below for more details, including how to secure discounted accommodation in Canberra:



I look forward to seeing you there.

Kind regards



s 47F

Executive Director

Contact Information



(02) 6273 5608

RG Menzies House



From outside Australia: +61 2 6273 5608 Cnr Blackall & Macquarie Sts



info@menziesrc.org

Barton ACT 2600



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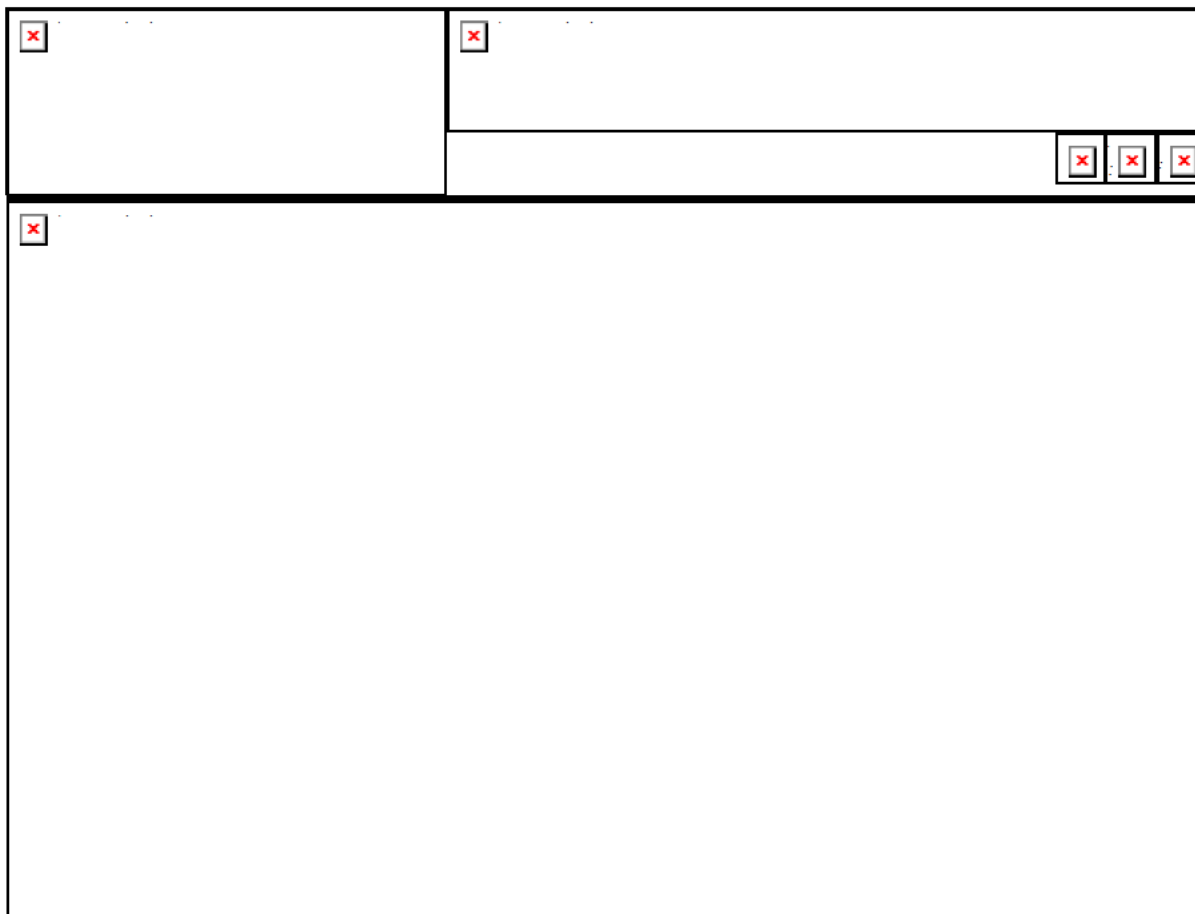
From: s 47F <s 47F@menziesrc.org>
Sent: Monday, 9 January 2017 4:28 PM
To: Jeremenko, Robert
Subject: Article
Attachments: 708280024.pdf; ATT00001.htm

Rob
As discussed
Cheers

The information contained in this e-mail, and any attachments to it, is intended for the use of the addressee and is confidential. If you are not the intended recipient you must not use, disclose, read, forward, copy or retain any of the information. If you have received this e-mail in error, please delete it and notify the sender by return e-mail or telephone 02 6273 2564.

s 22

From: s 47F <info@menziesrc.org>
Sent: Wednesday, 24 May 2017 1:58 PM
To: Leembruggen, Julian
Subject: Celebrating the broadcast that defined modern Australia - a recap



24 May 2017

Dear Julian

The 75th anniversary of Bob Menzies' *Forgotten People* address on Monday was a proud moment for his party.

Peter Cousins' enthralling and inspiring performance reminded us that it is principles - not politics or ideology - that define us. Menzies' focussed mind and mastery of the English language have provided us with a rich canon that helps us frame the present as well as understand the past.

When we first discussed the idea of a gala event to mark the occasion, our first goal was to restore the broadcast to its proper place in history, and to cement Menzies' contribution to the creation of modern Australia in the public

imagination.

Our second was to create a celebratory event that would remind us of the enduring principles that speak directly to many of the civic and economic challenges with which we wrestle today.

On Monday night I believe we accomplished both. We went further, by staging an event that will live in the memories of those fortunate enough to be in Old Parliament House.

I stood at the back of the room for Cousens' rendition. I have never seen an audience so engrossed for so long. It was testimony to the power of Menzies' words and the quality of the performance.

Many more would have heard the address, broadcast live on dozens of Macquarie Radio stations, or would have watched the Facebook livestream from the MRC.

Please [share this link](#) with friends and family who might want to watch a video of the performance. You will also find a photo gallery of the event.

We are currently working on a full multi-camera HD version that will be available shortly online and on DVD.

Our 75th anniversary reprint of the original *The Forgotten People* book is available [on our website](#) together with other important books about Menzies and public policy.

The event generated a lot of interest. You can listen [here](#) to one of the many radio interviews I gave on the subject.

Finally, if you are not already a subscriber, we'd be delighted to welcome you into our growing circle of friends and supporters. You'll find details [here](#).

Kind regards



s 47F

Executive Director

Photographer: Irene Dowdy | idphoto

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RG Menzies House



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info@menziesrc.org

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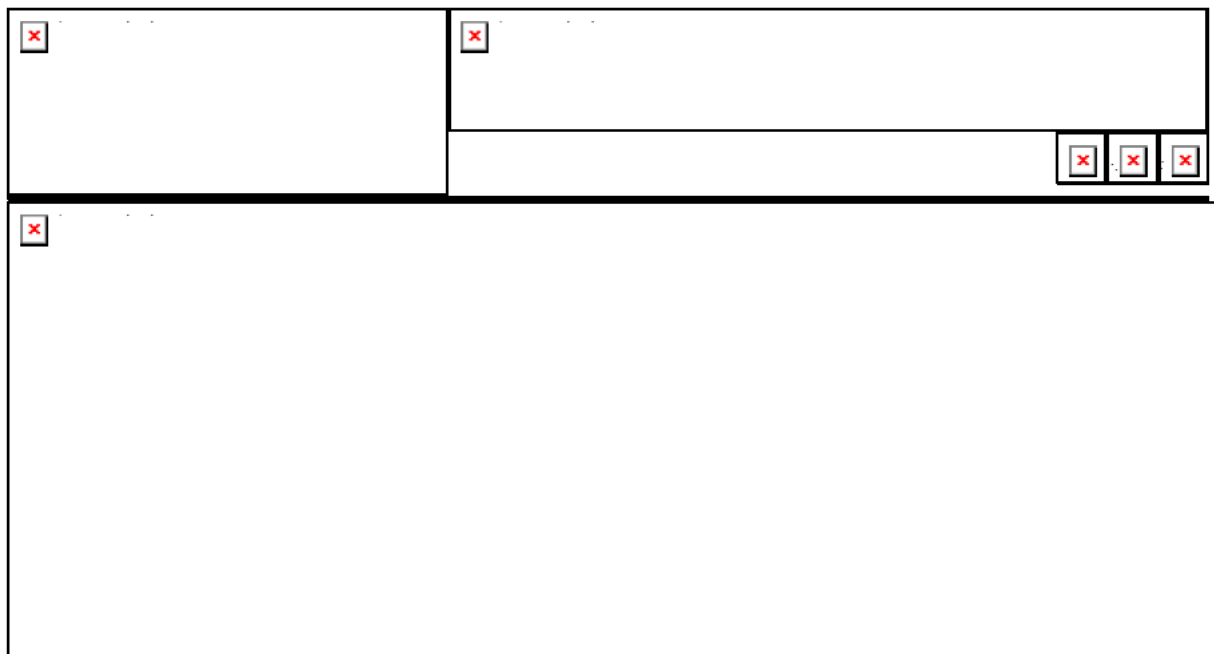
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s 22

From: s 47F <info@menziesrc.org>
Sent: Monday, 16 January 2017 1:04 PM
To: s 22
Subject: [DATE CORRECTION] INVITATION: MRC National Security Network Forum with the Hon Christopher Pyne MP



"Ready, set, launch: Propelling defence materiel to global markets"

Dear s 22

Last Friday, you will have received an invitation to attend our upcoming National Security Network event with the Minister for Defence Industry, the Hon Christopher Pyne MP. As some of you may have already noticed, there was some inconsistency surrounding the date of the event. We confirm that the event will be held next month, on **Tuesday, 14 February 2017**. Apologies for any confusion this may have caused! Thank you to those who have already booked.

Minister Pyne will update us on the implementation of the Defence Industry Policy Statement and on the importance, and potential of the defence industry sector to our economy, technology, and nation.

The Minister will also speak on the promotion of export markets for our world class materiel: just the first step in a Defence Export Strategy currently under development that will create new markets overseas and help boost the Australian economy.

The Minister's address will be followed by Q&A and refreshments. I do hope you will be able to join me.

Date

Tuesday, 14 February 2017

Registration is mandatory

Click **HERE** to book

Guests welcome - please register one person at a time. Due to security pass arrangements at Parliament House, registrations **close February 9. Spaces are limited.**

Cost

Free (for Platinum subscribers)

\$5.00 (for Gold and Silver subscribers)

\$25.00 (for non-subscribers)

To take advantage of securing discounted tickets to this and future events held by the MRC, join our growing community of subscribers. To sign up or for more information on other subscriber benefits offered, click [here](#).

Time

5:30pm arrival

7:30pm finish

Please allow ample time to complete the Parliament House security process as formalities begin promptly at 5.30pm.

Venue

Main Committee Room, Parliament House Canberra

Catering

Refreshments and networking from 6.30-7.30pm

Contact

For further enquiries please contact ^{s 47F} at events@menziesrc.org or
(02) 6273 5608

I look forward to seeing you there.

Kind regards



s 47F

Executive Director

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s 22

From: s 47F <s 47F@menziesrc.org>
Sent: Monday, 30 January 2017 1:19 PM
To: Flavel, Matthew
Subject: Fwd: Update from MRC's Enterprise Policy Unit

G'day - please come along to the book launch in Canberra if you can.

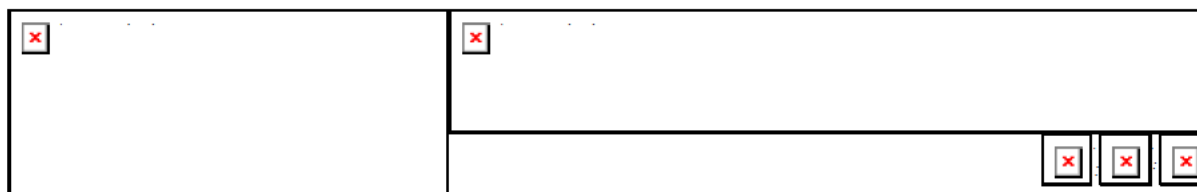
Cheers

s 47F

Director of Policy & Research
 Menzies Research Centre
 M s 47F
 E s 47F menziesrc.org
 Level 57, MLC Centre 19 Martin Pl SYDNEY NSW 2000
 T @s 47F

Begin forwarded message:

From: s 47F <s 47F@menziesrc.org>
Subject: Update from MRC's Enterprise Policy Unit
Date: 30 January 2017 at 8:16:41 am AEDT
To: s 47F <s 47F@menziesrc.org>
Reply-To: s 47F <s 47F@menziesrc.org>



Monday 30 January 2017

Good morning

It has been a busy January in the Enterprise Policy Unit. The primary project for 2017 is the **MRC's Shepherd Review**. The Panel has met twice in January and is distilling the economic challenges for the release of the Review's first stage on 21 February in Sydney. You can register by emailing info@menziesrc.org. We will send confirmation of details closer to the date.

On 13 January I returned to the hypocrisy and rent seeking of the union movement in the **Financial Review** which poisons public debate on economic policy. Three examples were cited: one, arguing for competition across the economy but not for industry super funds, two, opposing pension increases for its members to pursue cheap political opportunism.

Third, industry super spent \$9 million of retirement savings building a newspaper to argue its case whilst failing to declare howling conflicts.

The backend of January highlighted the lack of consensus on economic policy in Australia – which is one of the drivers of the Shepherd Review. The Trump presidency has resulted in a fierce debate on trade policy.

As I wrote in the *Daily Telegraph*, we cannot forget:

- Trade is more important to Australia than the United States (trade as a share of GDP is 41 per cent compared to 28 per cent);
- Trade creates better lives with more opportunities – cheaper, better goods at home and lower input costs for our businesses as well as the ability to export our products in much larger nations compared to our own small market;
- Our new trade agreements with China and Japan are the type of deals Trump will want. For example, they are already doubling export volumes of grapes, oranges and cherries as well as delivering export volume increases of up to 70 per cent of frozen meats to North Asia;
- We should not take dictation from the US on trade policy. Australia needs all our irons in the fire. The TPP is a big iron as it brings in Mexico and Canada, where we do not have deals. It also upgrades some of the concessions we get in Japan. That's why the farmers, winemakers and cane-growers all want the TPP.

Australia must row its own boat and remain genuinely committed to our region, given we'll see three billion people in the Asian middle class by 2030. I made these points on radio interviews last week on 2CC, 2GB and ABC NewsRadio. Click [here](#) to hear my interview with 2CC's Tim Shaw.

I spoke to Laura Jayes on *Sky News* about trade and housing / tax policy. In our discussion on negative gearing, I reiterated the major problem we have in large cities is lacking supply. Negative gearing is no rich man's lurk. More train and tram conductors use it than tax accountants according to the ATO data.

Finally, returning to trade, the Prime Minister is launching my book *Fit for Service* on 8 February at Parliament House. The book extolls the virtue of free trade recognising our history of protectionism failed Australia and proposes a new framework for services exports. Please register [here](#).





Thanks for your support.

Best wishes



s 47F

Head of Enterprise Policy Unit

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	From outside Australia: +61 2 6273 5608	Cnr Blackall & Macquarie Sts
	info@menziesrc.org	Barton ACT 2600
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s 22

From: s 22
Sent: Tuesday, 27 June 2017 2:33 PM
To: s 47F
Subject: hello [SEC=UNCLASSIFIED]

Hi s 47F

s 47F

Thanks in advance,

s 22

s 22

Senior Advisor, External Engagement
The Treasury | Level 5, 100 Market Street, Sydney NSW 2000
s 22

s 22

From: Events <Events@menziesrc.org>
Sent: Sunday, 21 May 2017 5:58 PM
Subject: IMPORTANT: Venue access information for guests - MRC Gala Dinner - 22 May 2017

Good afternoon,

We are very much looking forward to welcoming you to our *'Forgotten People' 75th Anniversary gala dinner* tomorrow night, **Monday 22 May 2017**.

Please find below important information regarding access to and from the venue.

Date: 22 May 2017

Venue: Old Parliament House, Canberra

If you are able to attend the **pre-dinner drinks from 6:30 – 7:30pm**, please enter via the **front main entrance** into King's Hall.

If you are only able to attend the **main dinner event from 7:30pm – 10:30pm**, please enter via the **Queen Victoria Terrace Bridge** located at the back of Old Parliament House into the **Members' Dining Rooms**.

Please note that **no entry will be available via the main front entrance after 7:30pm** and exit will be via the **Queen Victoria Terrace Bridge** upon conclusion of formalities.

Thank you. Hope you have a wonderful evening and see you tomorrow night.

Warm regards,

s 47F

Menzies Research Centre

E s 47F menziesrc.org

T (02) 6273 5608

W <http://www.menziesrc.org>

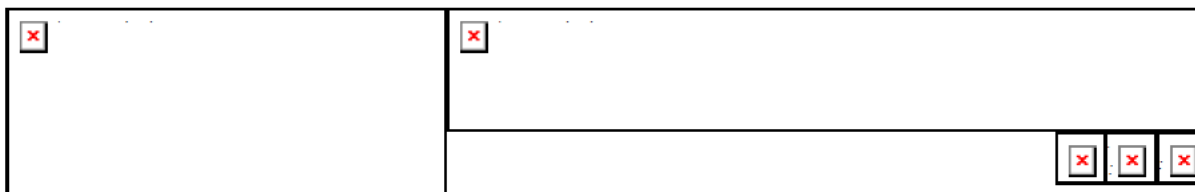
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From: s 47F <info@menziesrc.org>
Sent: Monday, 27 February 2017 2:31 PM
To: Leembruggen, Julian
Subject: INVITATION: "Brexit, Trump, and the Trade Challenge" breakfast with Rt. Hon. Peter Lilley MP



"Brexit, Trump & the Trade Challenge"

Dear Julian

I am delighted to announce that **Rt. Hon. Peter Lilley MP**, a former trade secretary in Margaret Thatcher's government, will be the guest of honour at our next breakfast briefing in Sydney.

Mr Lilley, a current member of the House of Commons, will be speaking on the topic ***Brexit, Trump, and the Trade Challenge***.

At a time of flux and uncertainty in US and European politics, there has never been a more important time to discuss what this all means for Australian trade. An *Exiting the European Union Select Committee* member, Mr Lilley will offer an articulate, international perspective on these events' impact upon Australia's trade deals and relationships with Britain and the US, what our government should do and how we can better protect ourselves from global forces.

Joining me as moderator of the discussion will be **Janet Albrechtsen**, fellow columnist for *The Australian*.

Click on the invitation below to book. I hope you can join me and leading members of the business community for this important conversation.



Kind regards



s 47F

Executive Director

Contact Information



(02) 6273 5608

RG Menzies House



From outside Australia: +61 2 6273 5608 Cnr Blackall & Macquarie Sts



info@menziesrc.org

Barton ACT 2600



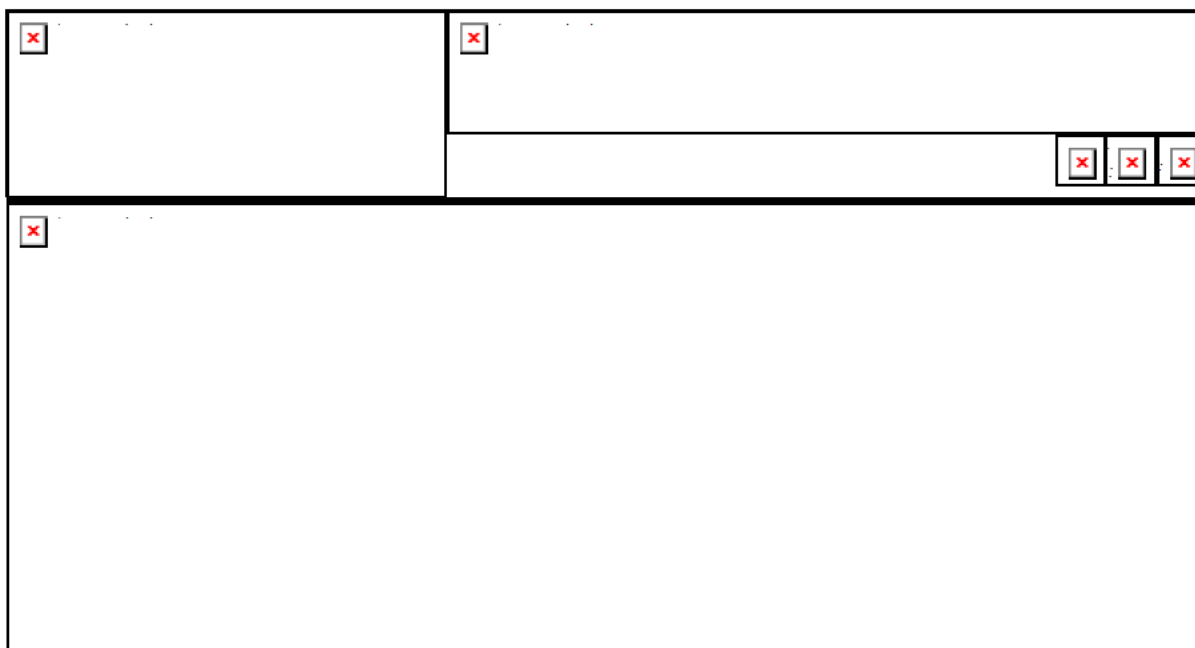
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From: s 47F <info@menziesrc.org>
Sent: Tuesday, 21 February 2017 5:22 PM
To: s 22
Subject: INVITATION: Launch of "Oceans of Opportunity" Report with the Hon Julie Bishop MP



Launch of Menzies Research Centre Report: "Oceans of Opportunity"

Dear s 22

I am delighted to invite you to the launch of the latest Menzies Research Centre report, *Oceans of Opportunity: How labour mobility can help Australia and its neighbours*.

The MRC is honoured to be joined by the **Hon Julie Bishop MP, Minister for Foreign Affairs**, who will be launching the report.

The MRC has a proud track record of developing practical foreign policy. The report examines ways of freeing up the Pacific labour market in a way that would benefit Australia and our Pacific neighbours. It is a policy proposal that links both foreign policy and economic objectives to improve living standards and governance for the Island states.

Date

Wednesday 1 March 2017

Cost

There is no charge to attend however **registration is essential.**

Click **HERE** to book.

Due to security pass arrangements at Parliament House, **registrations close FRIDAY 24 February. Spaces are limited.**

Guests welcome - please register one person at a time.

Time

9.00 – 10.00am

Please allow ample time to complete the Parliament House security process as formalities begin promptly at 9.00am.

Venue

Senate Alcove, Parliament House, Canberra

Contact

For further enquiries please contact ^{s 47F} at events@menziesrc.org or (02) 6273 5608

I look forward to seeing you there.

Kind regards



s 47F

Executive Director

Contact Information



(02) 6273 5608

RG Menzies House



From outside Australia: +61 2 6273 5608 Cnr Blackall & Macquarie Sts



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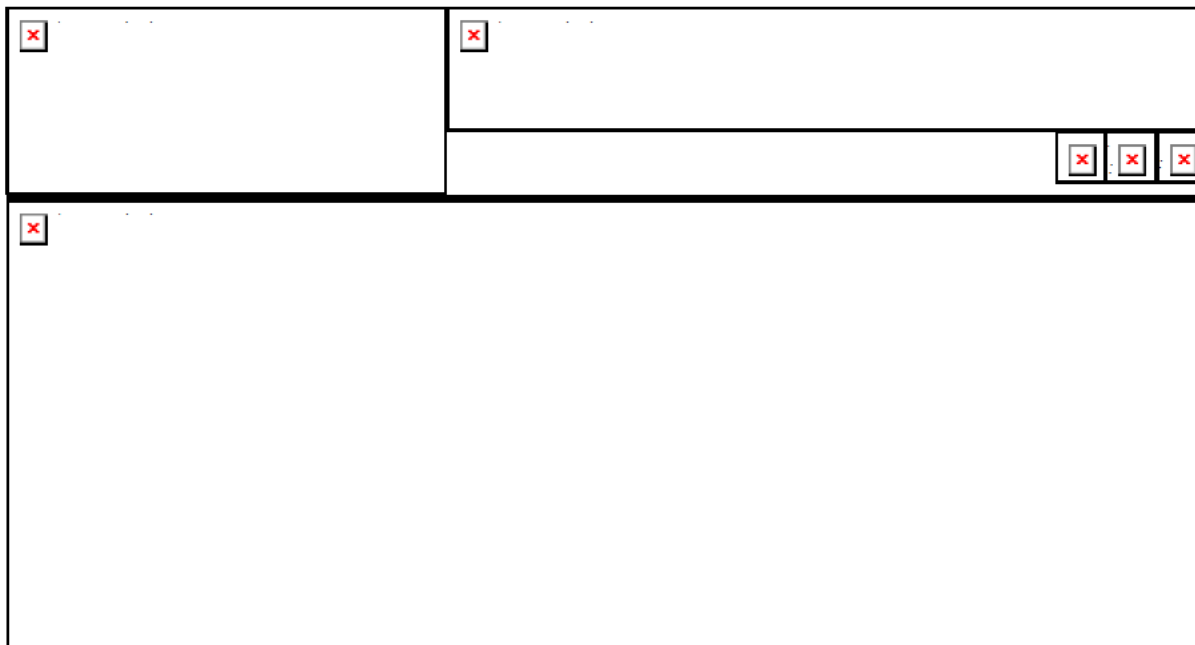
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s 22

From: s 47F <info@menziesrc.org>
Sent: Tuesday, 24 January 2017 3:29 PM
To: s 22
Subject: INVITATION: Launch of R G Menzies Essay No.5 with the Hon Malcolm Turnbull MP

Follow Up Flag: Follow up
Flag Status: Completed



Launch R G Menzies Essay "Fit For Service"

Dear s 22

I am pleased to invite you to the launch of the latest R G Menzies Essay, *Fit For Service: Meeting the demand of the Asian middle class* by MRC's Director of Policy & Research, s 47F

The MRC is honoured to be joined by the **Hon Malcolm Turnbull MP, Prime Minister of Australia**, who will be launching the monograph.

At a time of mounting protectionist sentiment, our North Asian trade agreements open the door to increased service exports to the region's rapidly growing middle class. But does Australia have what it takes to capitalise on these deals? *Fit For Service* examines what Australia must do to succeed in exporting the know-how that is disrupting the 21st century.

Date

Wednesday 8 February 2017

Cost

There is no charge to attend however **registration is essential**.

Click **HERE** to book.

Guests welcome - please register one person at a time. Due to security pass arrangements at Parliament House, **registrations close 2 February. Spaces are limited.**

Time

4.00 – 5.00pm

Please allow ample time to complete the Parliament House security process as formalities begin promptly at 4.00pm.

Venue

House of Representatives Alcove, Parliament House, Canberra

Contact

For further enquiries please contact ^{s 47F} at events@menziesrc.org or
(02) 6273 5608

I look forward to seeing you there.

Kind regards



^{s 47F}

Executive Director

Contact Information



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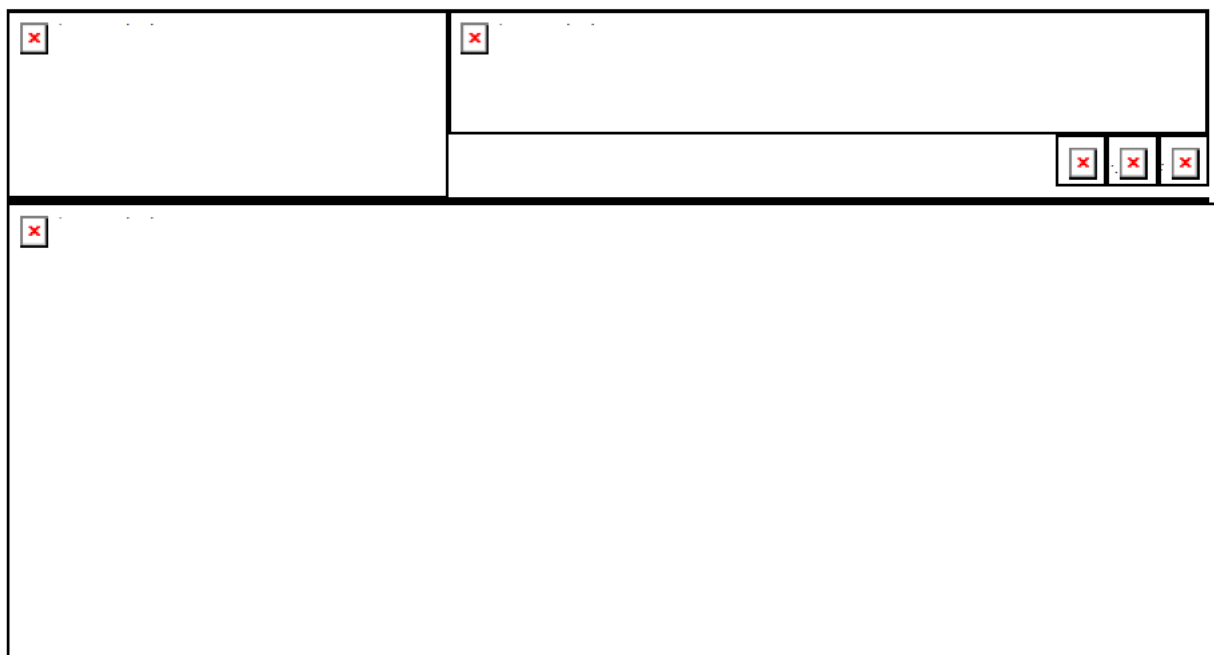


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From: s 47F <s 47F@menziesrc.org>
Sent: Friday, 13 January 2017 5:10 PM
To: s 22
Subject: INVITATION: MRC National Security Network Forum with the Hon Christopher Pyne MP



"Ready, set, launch: Propelling defence materiel to global markets"

Dear s 22

I am delighted to announce that the Minister for Defence Industry, the Hon Christopher Pyne MP will be addressing the National Security Network in February.

Minister Pyne will update us on the implementation of the Defence Industry Policy Statement and on the importance, and potential of the defence industry sector to our economy, technology, and nation.

The Minister will also speak on the promotion of export markets for our world class materiel: just the first step in a Defence Export Strategy currently under development that will create new markets overseas and help boost the Australian economy.

The Minister's address will be followed by Q&A and refreshments. I do hope you will be able to join me.

Date

Tuesday, 14 November 2017

Cost

Free (for Platinum subscribers)

\$5.00 (for Gold and Silver subscribers)

\$25.00 (for non-subscribers)

To take advantage of securing discounted tickets to this and future events held by the MRC, join our growing community of subscribers. To sign up or for more information on other subscriber benefits offered, click [here](#).

Time

5:30pm arrival

7:30pm finish

Please allow ample time to complete the Parliament House security process as formalities begin promptly at 5.30pm.

Venue

Main Committee Room, Parliament House Canberra

Catering

Refreshments and networking from 6.30-7.30pm

Registration is mandatory

Click [HERE](#) to book

Guests welcome - please register one person at a time. Due to security pass arrangements at Parliament House, registrations **close February 9. Spaces are limited.**

Contact

For further enquiries please contact ^{s 47F} at events@menziesrc.org or
(02) 6273 5608

I look forward to seeing you there.

Kind regards







s 47F

Executive Director

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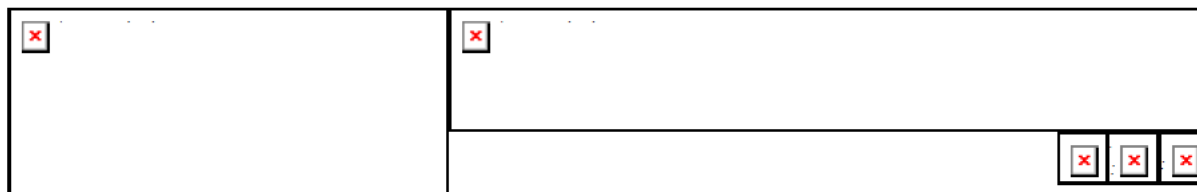
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s 22

From: s 47F <info@menziesrc.org>
Sent: Tuesday, 13 June 2017 5:07 PM
To: Leembruggen, Julian
Subject: INVITATION: Senator The Hon Marise Payne MP addresses MRC's National Security Network



New National Security Network Event

Dear Julian

I am delighted to announce that the Minister for Defence, **Senator the Hon Marise Payne MP** will be addressing our National Security Network event in Canberra on **21 June 2017**.

Minister Payne will be discussing the key developments since the release of the 2016 Defence White Paper and the initiatives which have been implemented to build Australia's defence capability.

The National Security Network is an initiative by the MRC that seeks to engage politicians, defence, and national security professionals on Australian and defence security matters.

The Minister's address will be followed by Q&A and refreshments. I do hope you will be able to join me.

Cost

Free for Enterprise and Platinum Subscribers

\$10 for Gold and Silver Subscribers

\$25 for Non-Subscribers

Registration is mandatory

Click [HERE](#) or the invitation below to book. Please register **ONE** person at a time. Due to security pass arrangements at Parliament House, registrations **close Friday 16 June 2017. Spaces are limited.**



Contact

For further enquiries please contact ^{s 47F} at events@menziesrc.org or
(02) 6273 5608

I look forward to seeing you there.

Kind regards



s 47F

Executive Director

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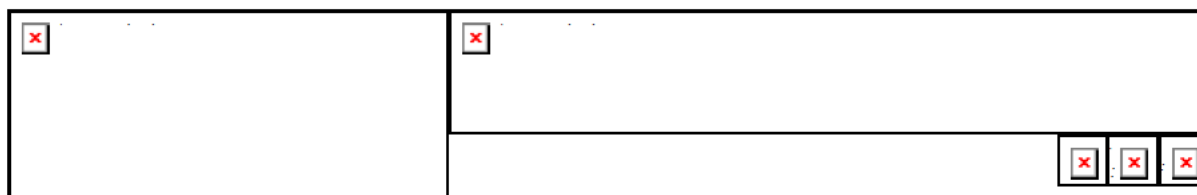
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s 22

From: s 47F <info@menziesrc.org>
Sent: Monday, 29 May 2017 5:26 PM
To: Leembruggen, Julian
Subject: [INVITATION] The Hon Peter Dutton MP addresses MRC's Thought Leader Series



New Thought Leader Series Event | 5 June 2017

Dear Julian

You are cordially invited to our next *Thought Leader Address* in Sydney on **Monday 5 June** given by the **Hon Peter Dutton MP**, Minister for Immigration and Border Protection.

Mr Dutton will be discussing the changes required to our immigration system if it is to maintain its reputation as one of the most successful in the world.

The *Thought Leader Series* offers an opportunity to escape the tyranny of the 24-hour news cycle for a broad based discussion about policy, principles and values.

It will be followed by an opportunity to network over drinks.

Ticket prices:

Platinum / Enterprise Subscribers: **Complimentary**

Gold / Silver Subscribers: **\$10**

Non-subscribers: **\$30**

Please click here or the invitation below to book your place.



I look forward to seeing you there.

Kind regards



s 47F

Executive Director

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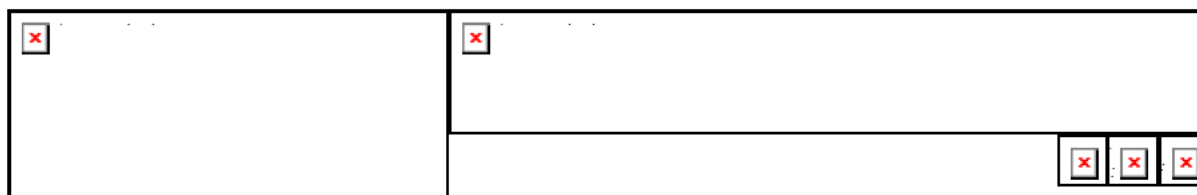
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s 22

From: s 47F <info@menziesrc.org>
Sent: Thursday, 16 March 2017 1:31 PM
To: Carnell, Kate
Subject: [INVITATION] The Shepherd Review - Release of the Statement of National Challenges



THE SHEPHERD REVIEW - PHASE ONE

Dear Anne

In December 2016, the MRC's Enterprise Policy Unit announced its lead project, the ***Shepherd Review*** - an independent review led by **Tony Shepherd AO** to distill our nation's economic challenges and address our high debt levels, falling competitiveness and slowed investment.

The Review Panel has made significant progress since then, and we are delighted to invite you to ***PHASE ONE of the Shepherd Review: Release of the Statement of National Challenges***. This will be an objective presentation on the economic truths Australia must address.

This is an important occasion for Western Sydney businesses to join together and take part in this crucial conversation about the future of Australia's economic landscape.

I hope you will be able to join us.

Please click here or the invitation below to register.



Kind regards



s 47F

Executive Director

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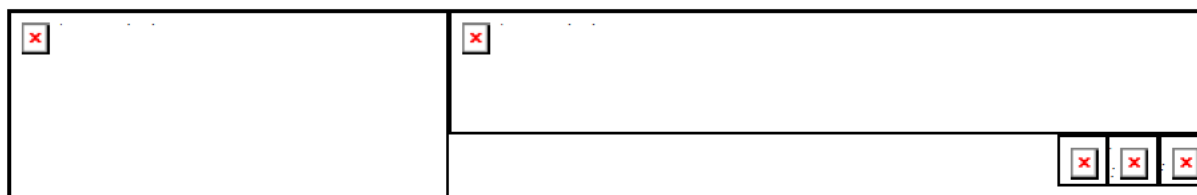
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s 22

From: s 47F <info@menziesrc.org>
Sent: Monday, 10 April 2017 9:53 AM
To: s 22
Subject: [INVITATION] Thought Leader Series Event with the Hon Andrew Constance MP



New Thought Leader Series Event | 20 April 2017

Dear s 22

I am pleased to announce that the state Minister for Transport & Infrastructure, the **Hon Andrew Constance MP**, will be addressing our next *Thought Leader Series* event where he will be revealing his vision for transport's future in NSW.

The world of transport is changing. We are seeing a steady progression towards contactless payments, driverless cars and on-demand transport. Just how close can we expect to enjoy this new wave of technology-driven transport? According to the Minister, the future of transport is closer than we all think.

Ticket prices:

*Platinum / Enterprise Subscribers: **Complimentary**

*Gold / Silver Subscribers: **\$10**

*Non-subscribers: **\$30**

Please click here or the invitation below to register.



I look forward to seeing you there.

Kind regards



s 47F

Executive Director

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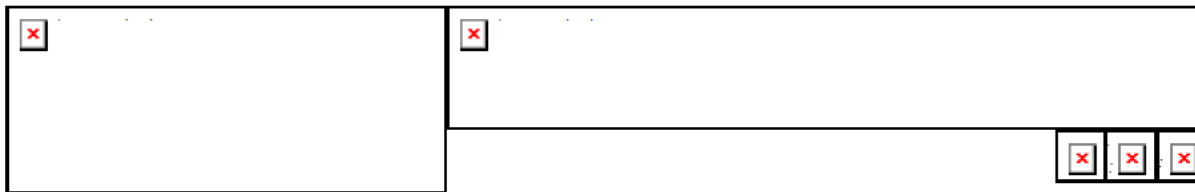
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s 22

From: s 47F <info@menziesrc.org>
Sent: Thursday, 15 June 2017 5:35 PM
To: s 22
Subject: Invitation to Melbourne, Brisbane and Sydney Launches of "Menzies: The Forgotten Speeches"



Dear s 22

 I am delighted to announce that we will be holding launches for our latest book ***Menzies: The Forgotten Speeches*** in Melbourne and Brisbane, as well as Sydney.

The book will be launched in **Melbourne** by **The Hon. Josh Frydenberg MP** on **28 June 2017**, followed by a **Brisbane** launch on **14 July 2017**. As we announced last week, the **Sydney** launch will be held next Friday on **23 June 2017**.

Edited by MRC's Research Fellow Dr David Furse-Roberts, the book is a selection of previously unpublished speeches by Robert Menzies which have been retrieved from the vaults and brought back to life in a high quality volume. This publication is much more than a record of our history; it is a guide to the present that charts a path to the future.

Please book using the links below.

I hope you will be able to join me at one of the launches.

Kind regards



s 47F

Executive Director

MELBOURNE



MELBOURNE LAUNCH WITH **THE HON. JOSH FRYDENBERG**
MP

Wednesday 28 June 2017

4:00pm - 5:30pm

Parliament of Victoria

[TO REGISTER CLICK HERE](#)

BRISBANE

BRISBANE LAUNCH

Friday 14 July 2017 commencing at **6PM**. Details of location will be provided separately upon registration.

[CLICK HERE TO REGISTER](#)

SYDNEY - LIMITED SPACE REMAINING



SYDNEY LAUNCH WITH **MR JULIAN LEESER MP**

Friday 23 June 2017

3:30pm - 4:30pm

International Convention Centre, Sydney

[TO REGISTER CLICK HERE](#)

Reminder|National Security Network Event registrations close tomorrow 16 June 2017



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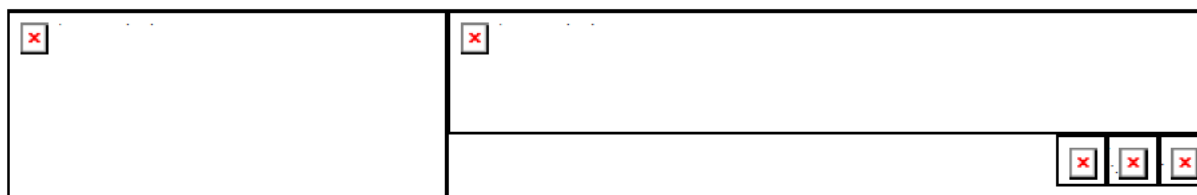
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s 22


From: s 47F <info@menziesrc.org>
Sent: Wednesday, 7 June 2017 4:48 PM
To: s 22
Subject: Invitation to the 59th Federal Council Gala Dinner & MRC Book Launch - 23 June 2017



Two special events on 23 June 2017


Dear s 22

I am delighted to invite you as a valued supporter of the MRC to join me at the **Gala Dinner** of the **59th Federal Council of the Liberal Party of Australia**.

 The dinner is on **Friday 23 June** in Sydney and will be addressed by the Prime Minister of Australia, **the Hon Malcolm Turnbull MP** and also special guest **General David H. Petraeus (Ret.)**. David Petraeus is one of the most eminent US military leaders, former Director of the CIA and currently Chairman of the KKR Global Institute.

Please find attached at the bottom of this email a gala dinner invitation flyer with further details about this special event.

This special dinner ticket price is available by registration, using the attached form at the bottom of this invitation. Registrations close **Friday 16 June 2017**. Further details of the pre-dinner gathering, which will commence at 7:30pm, will be sent to you in due course.

 I also take this opportunity to invite you to the launch by **Julian Leeser MP** of ***Menzies: The Forgotten Speeches*** at 3.30pm the same day. Edited by MRC's Research Fellow **Dr David Furse-Roberts**, the book is a selection of previously unpublished speeches by Robert Menzies, brought back to life in a high quality volume that will entertain, challenge and inspire in equal measure.

Attendance is complimentary but registrations are essential. You can book [here](#).

I hope you can join me in Sydney on 23 June.

Kind regards







s 47F

Executive Director

More on David Petraeus: <http://www.kkr.com/our-firm/leadership/david-h-petraeus>

Attachments:	2017_Federal_Council_Gala_Dinner_-_Invitation_Flyer_23.6.17-1.pdf 2017_Federal_Council_Gala_Dinner_-_Registration_Form-1.pdf
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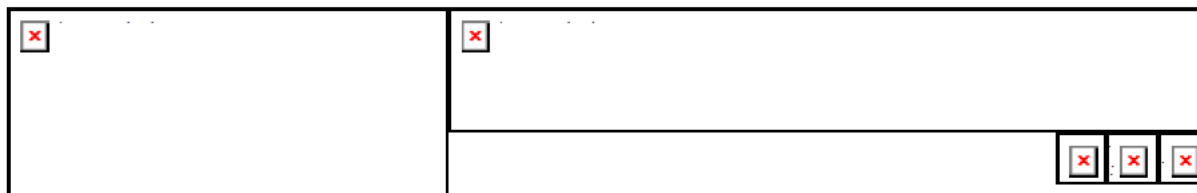
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s 22

From: s 47F <info@menziesrc.org>
Sent: Friday, 24 March 2017 3:04 PM
To: s 22
Subject: Join in on the conversation.



24 March 2017

Dear s 22

Next week the Menzies Research Centre will begin a determined attempt to persuade Australians of the need for economic change.

Our economy is on track to set a world record for continuous growth this year, yet the public mood is changing.

Australians are prepared to work as hard as ever to get ahead, but their goals feel more difficult to reach. The cycle of increasing prosperity which previous generations came to expect seems far from assured.

The **Shepherd Review's Statement of National Economic Challenges**, to be released on Monday, will show that there is reason to be anxious.

If we continue on our current high debt, high spending, low growth trajectory, Australians will have fewer opportunities to prosper. Businesses will find it harder to compete and investment will decline.

The task of providing solutions for these considerable challenges begins next week when the Shepherd Review Panel starts to formulate the policy changes needed to encourage an environment in which business prospers and citizens thrive.

Our ambitions do not stop there. Our ultimate goal is to see the Review's policies translated into action with a campaign to persuade Australian voters of the need for change.

You can learn more about the Shepherd Review [on our website](#).

The review will be launched by the Review Chairman **Tony Shepherd AO** in Parramatta, an epicentre for small and medium sized business activity on which our fortunes depend.

We encourage you to come along and join in on this important conversation. You can register at the link below. For those unable to attend in person, the launch will be streamed live on [our Facebook page](#) from 10am on Monday.

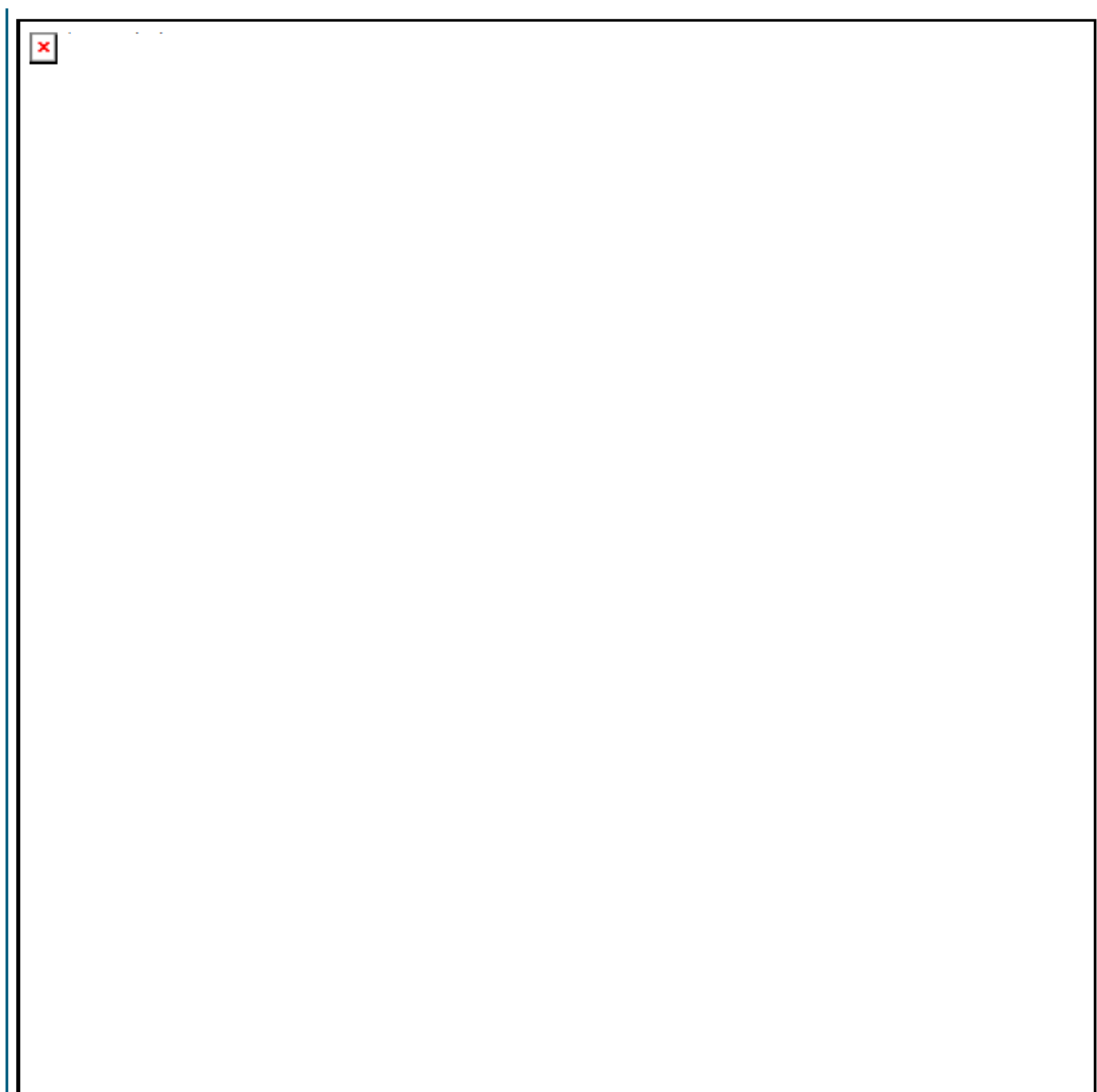
Kind regards



s 47F

Executive Director

Upcoming Events



27 March 2017

[CLICK HERE TO REGISTER](#)

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Barton ACT 2600

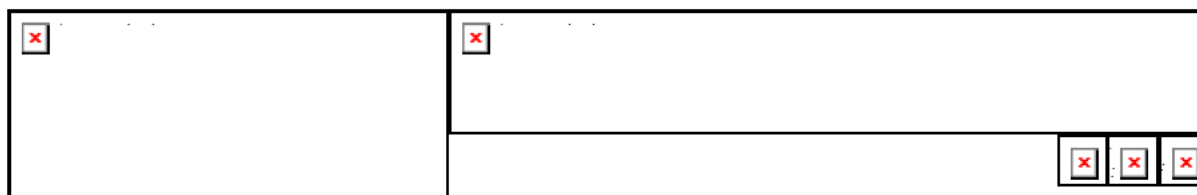


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Australia

s 22

From: s 47F <info@menziesrc.org>
Sent: Tuesday, 27 June 2017 5:23 PM
To: s 22
Subject: MRC appointments strengthen focus on enterprise and growth



27 June 2017

Dear s 22

I am writing to you as a friend of the Menzies Research Centre to tell you about some important appointments that will strengthen our strategic focus on enterprise and growth.

Kevin McCann AM, a former Chairman of Macquarie Bank and Origin Energy has been appointed Chairman.

The Hon Warwick Smith AM, the Chairman of ANZ Bank NSW & ACT and the Australian Capital Equity Advisory Board, and **Mitch Hooke AM**, a former chief executive of the Minerals Council will also be joining the board.

Spiro Premetis has been appointed to head the MRC's Enterprise Policy Unit and will work on our major review of economic policy led by **Tony Shepherd AO**.

Mr McCann said: "I am delighted to be working with Executive Director s 47F and the board to develop research-based policies that ensure the future prosperity and security of Australia."

Kevin, Warwick and Mitch bring considerable experience to the board from the private sector. They reflect our commitment to policies that embrace freedom, empower individuals and allow businesses to thrive.

Finally may I offer an **important reminder** that the end of the tax year is just three days away. It is the perfect time to make a **tax-deductible donation** to the Menzies Research Centre and help us achieve our goal of

increasing our activity and influence in 2017-18.

Kind regards



s 47F

Executive Director

Contact Information



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RG Menzies House



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info@menziesrc.org

Barton ACT 2600



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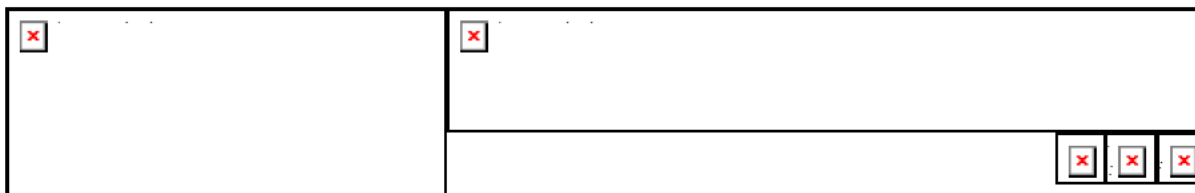
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s 22

From: s 47F <info@menziesrc.org>
Sent: Tuesday, 21 February 2017 10:26 AM
To: Leembruggen, Julian
Subject: New Focus on Menzies in NSW Schools



Tuesday 21 February 2017

Dear Julian

Last year I wrote to ask for your support for our [campaign](#) to put Sir Robert Menzies and his legacy on the school curriculum. We launched a program to turn the ABC documentary series *Howard on Menzies* into source material for schools to develop a better understanding of the Prime Minister and the philosophy that created modern Australia.

I am delighted to tell you that we have made progress. *The Australian* reports [today](#) that the NSW Curriculum Board is planning to include Sir Robert and his legacy in its revised curriculum.

NSW Education Standards Authority chairman Tom Alegounarias told the newspaper, "You can't study post-World War II Australia without studying Menzies."

I want to thank all of you who have supported our campaign, in particular those in the teaching community who have offered us practical assistance and encouragement.

There is much more work to do, however. The MRC has purchased the educational rights to *Howard on Menzies* and is working with the producers and curriculum experts to develop units of material that can be used in schools.

We will soon be announcing the launch of content-rich, multi-media digital hub that will house educational resources and research material.

We need your tax deductible donations to help us fund this project. Please click

here and consider donating \$100 today.

With thanks and best wishes



s 47F

Executive Director

Contact Information



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info@menziesrc.org

Barton ACT 2600



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s 22

From: s 47F <s 47F@menziesrc.org>
Sent: Saturday, 18 March 2017 2:00 PM
To: Flavel, Matthew
Subject: Re: 22nd [SEC=UNCLASSIFIED]

Ok I will revert

s 47F

Director of Policy & Research
 Menzies Research Centre
 P: s 47F
 T: @s 47F

On 17 Mar 2017, at 5:26 pm, Flavel, Matthew <Matthew.Flavel@TREASURY.GOV.AU> wrote:

I have meetings at Parl House at that time. A bit earlier than that would be better for me.

From: s 47F [<mailto:s 47F@menziesrc.org>]
Sent: Friday, 17 March 2017 12:42 PM
To: Flavel, Matthew
Subject: Re: [SEC=UNCLASSIFIED] Re: 22nd

Is around 5pm possible ?

s 47F

Director of Policy & Research
 Menzies Research Centre
 P: s 47F
 T: @s 47F

On 17 Mar 2017, at 10:25 am, Flavel, Matthew <Matthew.Flavel@TREASURY.GOV.AU> wrote:

Yes, should be able to fit in a quick catch up. What time are you thinking?

Matt

On Mar 17, 2017, at 10:07 AM, s 47F <s 47F@menziesrc.org> wrote:

Hi Matt
 Have you got any time to see and Tony Shepherd on the 22nd
 at all ?
 thanks
 s 47F

Director of Policy & Research
 Menzies Research Centre
 M s 47F
 E s 47F [menziesrc.org](mailto:s 47F@menziesrc.org)

Level 57, MLC Centre 19 Martin PI SYDNEY NSW 2000
T @s 47F

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s 22

From: Jeremenko, Robert
Sent: Sunday, 8 January 2017 11:55 AM
To: s 47F
Subject: Re: catch-up [SEC=UNCLASSIFIED]

Sure. See you then.

Regards,
 Robert Jeremenko

On 8 Jan 2017, at 11:26 am, s 47F <s 47F <menziesrc.org> wrote:

Yep. Is 330pm possible ?

s 47F

Director of Policy & Research
 Menzies Research Centre
 s 47F

On 6 Jan 2017, at 12:59 PM, Jeremenko, Robert <Robert.Jeremenko@treasury.gov.au> wrote:

Happy New Year! Mon 9 Jan will now work for me if you're available in the afternoon. Say we meet at 3pm at 100 Market St, ground floor foyer?

R

From: s 47F [<mailto:s 47F@menziesrc.org>]
Sent: Thursday, 5 January 2017 9:27 AM
To: Jeremenko, Robert
Subject: Re: catch-up [SEC=UNCLASSIFIED]

OK that would be great and happy new year

cheers

s 47F

Director of Policy & Research
 Menzies Research Centre
 M s 47F
 E s 47F [menziesrc.org](mailto:s 47F@menziesrc.org)
 Level 57, MLC Centre 19 Martin Pl SYDNEY NSW 2000
 T @s 47F

s 22

s 22

From: s 22
Sent: Friday, 2 June 2017 10:57 AM
To: s 47F
Subject: RE: coffee [SEC=UNCLASSIFIED]

On my way over – if you need me you can ring me at s 22

See you soon!

s 22

From: s 22
Sent: Wednesday, 31 May 2017 1:30 PM
To: s 47F
Subject: RE: coffee [SEC=UNCLASSIFIED]

Hi s 47F

Friday at 11 at NLA works for me – see you then!

Cheers,

s 22

From: s 47F [<mailto:s 47F@menziesrc.org>]
Sent: Wednesday, 31 May 2017 12:28 PM
To: s 22
Subject: RE: coffee [SEC=UNCLASSIFIED]

Hi s 22

Friday would be ideal, I'll be doing some research at the National Library just across the road from Treasury. How about we meet at the café there at, say, 11am?

s
47F

From: s 22 [<mailto:s 22@treasury.gov.au>]
Sent: Wednesday, 31 May 2017 9:57 AM
To: s 47F
Subject: RE: coffee [SEC=UNCLASSIFIED]

Hi s 47F

It was great meeting you too! Hope you guys didn't have to stay too late that night.

I've been out of office all week and only just got in this morning. Coffee sounds good – how's later today or sometime during the day on Friday?

Cheers,
s 22



s 22

Foreign Investment Division
The Treasury, Langton Crescent, Parkes ACT 2600
☎: s 22 treasury.gov.au
🌐: www.firb.gov.au 📠: www.treasury.gov.au

From: s 47F s 47F [menziesrc.org]
Sent: Monday, 29 May 2017 5:00 PM
To: s 22
Subject: coffee

Hi s 22

Good to meet you at the dinner last Monday – was a busy yet enjoyable night. Would you like to have coffee one day later this week (not Thursday)?

s
47F

Project and Liaison Coordinator
Menzies Research Centre

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s 22

From: s 47F <s 47F@menziesrc.org>
Sent: Monday, 13 February 2017 11:23 AM
To: Flavel, Matthew
Subject: Re: Next week [SEC=UNCLASSIFIED]

Done

s 47F

Director of Policy & Research
 Menzies Research Centre
 P: s 47F
 T: @s 47F

On 13 Feb 2017, at 8:51 am, Flavel, Matthew <Matthew.Flavel@TREASURY.GOV.AU> wrote:

Good for me. Just ring my extension (x3204) when you arrive.

From: s 47F [<mailto:s 47F@menziesrc.org>]
Sent: Saturday, 11 February 2017 12:29 PM
To: Flavel, Matthew
Subject: Re: Next week [SEC=UNCLASSIFIED]

Yep. Middy ?

s 47F

Director of Policy & Research
 Menzies Research Centre
 P: s 47F
 T: @s 47F

On 10 Feb 2017, at 11:47 am, Flavel, Matthew <Matthew.Flavel@TREASURY.GOV.AU> wrote:

Is there any time after 12 on the 14th which you could do?

From: s 47F [<mailto:s 47F@menziesrc.org>]
Sent: Thursday, 9 February 2017 4:40 PM
To: Flavel, Matthew
Subject: Re: Next week [SEC=UNCLASSIFIED]

11 am on 14th @ treasury ?

s 47F

Director of Policy & Research
 Menzies Research Centre
 s 47F

On 9 Feb 2017, at 3:34 PM, Flavel, Matthew <Matthew.Flavel@TREASURY.GOV.AU> wrote:

Yes, certainly. Let me know what timing works for you.

From: s 47F [mailto:s 47F@menziesrc.org]
Sent: Thursday, 9 February 2017 3:24 PM
To: Flavel, Matthew
Subject: Next week

G'day have you got any time next week to meet with me?

cheers

A
s 47F

Director of Policy & Research

Menzies Research Centre

M s 47F

E s 47F [mailto:s 47F@menziesrc.org]

Level 57, MLC Centre 19 Martin Pl SYDNEY NSW 2000

T @s 47F

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s 22

From: s 22
Sent: Monday, 22 May 2017 11:55 AM
To: s 47F
Subject: RE: Personal Invitation by s 47F - "The Forgotten People" 75th Anniversary Gala Dinner [SEC=UNCLASSIFIED]

Hi s 47F

I've mentioned this to the Treasurer and if there is a seat available for him he would like to attend after cabinet.

Please let me know if this is ok or if there are any issues.

Kind regards

s 22

From: s 47F [<mailto:s47F@menziesrc.org>]
Sent: Thursday, 18 May 2017 15:04
To: s 22
Subject: RE: Personal Invitation by s 47F - "The Forgotten People" 75th Anniversary Gala Dinner [SEC=UNCLASSIFIED]

Hi s 22

Thank you so much for following up!

In that case, we won't hold a seat for him - however in saying that, should the Treasurer be able to attend after dinner, we can certainly sit him in a vacant seat - it just won't be in the middle of the room (which we normally would do), but amongst our beloved 'Forgotten People' guests around the edges of the room. Due to the timings and late arrival of many members they will be spread out amongst tables across all the Members Dining Rooms, which will certainly be a delight for everyone attending.

I hope this plan will be okay for the Treasurer?

Many thanks,

s 47F

From: s 22 [s 22@treasury.gov.au]
Sent: Thursday, 18 May 2017 1:16 PM
To: s 47F
Subject: RE: Personal Invitation by s 47F - "The Forgotten People" 75th Anniversary Gala Dinner [SEC=UNCLASSIFIED]

Hi s 47F

I can't get an answer out of the Treasurer so I'm happy for you not to hold a seat. I'm probably not going to get to speak to him until Monday.

s 22

From: Invitations
Sent: Monday, 1 May 2017 17:52
To: s 47F menziesrc.org
Subject: FW: Personal Invitation by s 47F - "The Forgotten People" 75th Anniversary Gala Dinner

[SEC=UNCLASSIFIED]

Importance: High

Dear ^{s 47F}

Thank you for your email and the invitation from ^{s 47F} to the Treasurer to attend the Gala dinner on Monday 22 May.

Unfortunately due to the Treasurer's parliamentary commitments he is unable to attend and I would be grateful if you could pass on his apologies.

Kind regards

^{s 22}

Executive Assistant to the Treasurer and Chief of Staff

The Hon. Scott Morrison MP
Treasurer

Phil Gaetjens
Chief of Staff

Phone – ^{s 22}

From: Events [<mailto:Events@menziesrc.org>]

Sent: Friday, 28 April 2017 16:23

To: scott.morrison.mp@aph.gov.au

Cc: ^{s 22}

Subject: Personal Invitation by ^{s 47C} - "The Forgotten People" 75th Anniversary Gala Dinner

Importance: High

Dear Treasurer

I attach a personal letter from ^{s 47F} inviting you to attend as a guest of the MRC to our upcoming 75th anniversary gala dinner on 22 May 2017 at Old Parliament House, Canberra.

More details of the event are attached in the letter.

Thank you and we do hope you can join us at this pivotal event.



The speech that defined today's Australia

The Forgotten People

75th anniversary gala dinner

Featuring a live to air re-enactment of
Robert Menzies' wartime broadcast

Special guests: Mrs Heather Henderson
Hon John Howard OM AC
Alan Jones AC

Old Parliament House Canberra
22 May 2017 7:30pm – 10:00pm*

BOOK NOW

 **MENZIES**
RESEARCH CENTRE

 **MACQUARIE**
MEDIA LIMITED

 **nab**

*event starts at 6:30pm for those attending the exclusive pre-dinner drinks gathering.
Guests eligible for discounted rates at Doma Hotels - subject to availability.

Warm regards,

s 47F

Menzies Research Centre

E s 47F menziesrc.org

T (02) 6273 5608

W <http://www.menziesrc.org>

PO Box 6091 Kingston ACT 2604

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s 22

From: Jeremenko, Robert
Sent: Friday, 10 February 2017 10:49 AM
To: s 47F
Subject: RE: Revenue sustainability [SEC=UNCLASSIFIED]

s 47F - Expected by the end of the month

Regards
Rob

From: s 47F [<mailto:s 47F@menziesrc.org>]
Sent: Friday, 10 February 2017 8:48 AM
To: Jeremenko, Robert
Subject: Revenue sustainability

G'day - I was wondering whether any statements or work on revenue sustainability are likely to be far away? I wanted to quote newer work on revenue sustainability in the Shepherd Review papers if possible
Cheers

s 47F

Director of Policy & Research
Menzies Research Centre

M s 47F

E s 47F [<mailto:s 47F@menziesrc.org>]

Level 57, MLC Centre 19 Martin Pl SYDNEY NSW 2000

T @s 47F

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s 22

From: Events <Events@menziesrc.org>
Sent: Thursday, 9 February 2017 11:55 AM
To: s 22
Subject: RE: RSVP [SEC=UNCLASSIFIED]

Noted, thanks^{s 22}

s
47F

From: s 22 [mailto:s 22@treasury.gov.au]
Sent: Wednesday, 8 February 2017 3:54 PM
To: Events
Subject: RSVP [SEC=UNCLASSIFIED]

Hi^s
47F

I hope you're well.

Unfortunately the Treasurer is unable to attend the MRC forum on Tuesday 14 February with Minister Pyne. I would be grateful if you could please pass on his apologies.

Kind regards

s 22

Executive Assistant to the Treasurer and Chief of Staff

The Hon. Scott Morrison MP
Treasurer

Phil Gaetjens
Chief of Staff

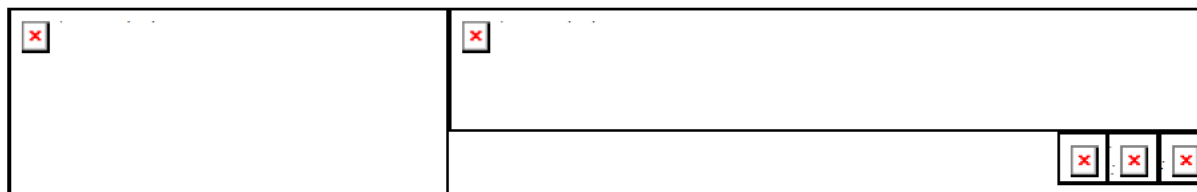
Phone – s 22

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s 22

From: s 47F <info@menziesrc.org>
Sent: Tuesday, 28 February 2017 3:19 PM
To: s 22
Subject: REVISED INVITATION: "Brexit, Trump, and the Trade Challenge" breakfast with Rt. Hon. Peter Lilley MP



"Brexit, Trump & the Trade Challenge"

Dear ^{s 22}

Yesterday's invitation appeared incomplete on many screens, particularly for those who use Outlook. We have done some tweaking which should hopefully make it viewable now. If not, you can find all the details of the event [HERE](#).

I am delighted to announce that **Rt. Hon. Peter Lilley MP**, a former trade secretary in Margaret Thatcher's government, will be the guest of honour at our next breakfast briefing in Sydney.

Mr Lilley, a current member of the House of Commons, will be speaking on the topic ***Brexit, Trump, and the Trade Challenge***.

At a time of flux and uncertainty in US and European politics, there has never been a more important time to discuss what this all means for Australian trade. An *Exiting the European Union Select Committee* member, Mr Lilley will offer an articulate, international perspective on these events' impact upon Australia's trade deals and relationships with Britain and the US, what our government should do and how we can better protect ourselves from global forces.

Joining me as moderator of the discussion will be **Janet Albrechtsen**, fellow columnist for *The Australian*.

Click on the invitation below to book. I hope you can join me and leading members of the business community for this important conversation.



Kind regards



s 47F

Executive Director

Contact Information



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RG Menzies House



From outside Australia: +61 2 6273 5608 Cnr Blackall & Macquarie Sts



info@menziesrc.org

Barton ACT 2600



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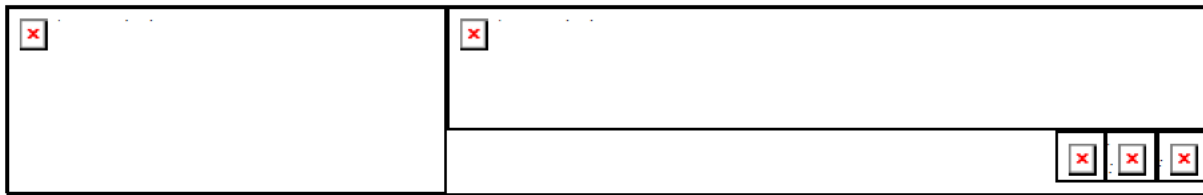
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s 22

From: s 47F <info@menziesrc.org>
Sent: Friday, 3 March 2017 5:36 PM
To: Leembruggen, Julian
Subject: This week's highlights from the Menzies Research Centre



3 March 2017

Dear Julian

I'm writing to you at the end of a busy week to highlight a few of our contributions to the battle of ideas.

On Thursday I joined *The Australian's* Paul Kelly and John Roskam, my counterpart at the IPA, to discuss the **future of conservatism** on *Between the Lines*, hosted by Tom Switzer on ABC Radio National. It is rare to get a full half hour of broadcasting for a serious discussion on political philosophy. It's available as a podcast and **can be downloaded here**.

Julie Bishop launched an MRC report that called for a review of migration arrangements with the Pacific. A better program of working visas would be a win for the Australian economy and for the economies of our Pacific neighbours. We argue that working visas and the remittances they encourage are far more effective than foreign aid alone.



Our colleague **David Furse-Roberts** in this month's *Quadrant* argues why Robert Menzies would have opposed section 18C of the *Racial Discrimination Act*. It is an article that will provoke much discussion.

Finally, we are planning a major event in Canberra on **May 22**, the **75th anniversary of Sir Robert's Forgotten People speech**. More details soon - in the meantime save the date.


With thanks for your support and encouragement,



s 47F

Executive Director

Upcoming Events




30 March 2017

"Brexit, Trump & the Trade Challenge" Breakfast Briefing with Rt. Hon.
Peter Lilley MP

[Click here for info & tickets](#)

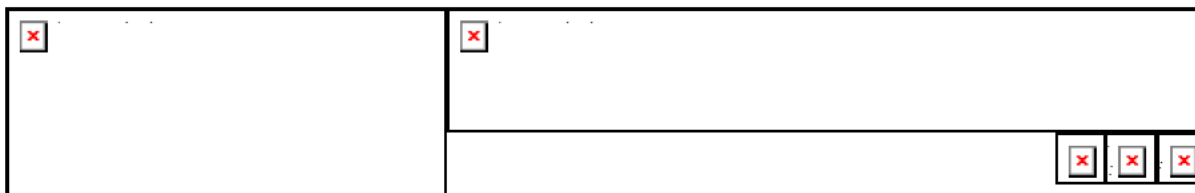
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s 22

From: s 47F <info@menziesrc.org>
Sent: Monday, 22 May 2017 11:21 AM
To: Leembruggen, Julian
Subject: Tonight is the night - 75th Anniversary of The Forgotten People speech



22 May 2017

Dear Julian

Today is the **75th Anniversary of Bob Menzies' Forgotten People** radio broadcast, one of the most significant addresses in political history.

The speech, in the darkest days of World War 2, framed the manifesto for the modern Liberal Party and sketched a blueprint for a more prosperous post-war Australia.

Many of our supporters will be joining me in Old Parliament House Canberra for a historic re-enactment of the speech by actor **Peter Cousins**. The event will be attended by four Liberal leaders who are heirs to the Menzies tradition: **John Howard; Brendan Nelson, Tony Abbott** and the Prime Minister **Malcolm Turnbull**.

For those who can't be there, the Macquarie Radio Network will broadcast the speech live. Steve Price will broadcast his show from the event from 8 pm including the speech from 9.15 pm.

The evening will be streamed on Facebook live on the Menzies Research Centre page.

I do hope you will be able to join us for this inspiring occasion either in person, on social media or by listening in on the good old wireless! You'll find a list of stations carrying the broadcast below.

Kind regards



s 47F

Executive Director

2GB Sydney

3AW Melbourne

4BC Brisbane

Talking Lifestyle (2UE) (Sydney, Melbourne and Brisbane)

6PR Perth

2CC Canberra

2AY Albury

2BS Bathurst

2EC Bega, Batemans Bay, Eden and Narooma

2LT Lithgow

2NM Hunter Valley

2QN Deniliquin

2ST South Coast, St Georges Basin, Ulladulla

3CS Colac

3HA Hamilton

3NE Wangaratta

3SH Swan Hill

3WM Horsham

3YB Warrnambool

Gippslands 1242

4BU Bundaberg

4DB Toowoomba, Emerald, Roma, Goondiwindi, St George

4HI Emerald, Blackwater, Rolleston, Clermonts, Dysart, Moranbah

4LG Longreach

4LM Mount Isa, Cloncurry

4RO Rockhampton

4SB Kingaroy

4VL Charleville, Augathella, Quilpie, Cunnamulla, Tambo, Wyandra

4ZR Roma, St George, Mitchell

8HA Alice Springs

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