

## PAUL'S PERSPECTIVE – OCTOBER 1<sup>ST</sup>, 2015

### On productivity and competitiveness

As I ate in the Old Pearler heritage restaurant in Shark Bay at 7.30pm last Saturday night, six Chinese tourists entered to be accosted by the owner, “Nah, kitchen’s closed, only one service tonight. Bye!” How hard would it have been to serve them, or at least politely direct them to another venue?



There’s a real sense of entitlement in the high prices and poor service in Australia compared to Asia, where usually any request is catered for. And an expensive wine doesn’t feel too dear when served by a charming Roman owner called Vincenzo rather than a surly teenager whose attitude screams, “I’m only doing this to get through uni”. As Chinese tourism continues to rise, Australia’s service industry needs to compete, or word of mouth will write us off as difficult, expensive and unfriendly.

But it’s not just our service sector – across the board, Australia needs to truly earn its wealth. In an era when jobs can increasingly be either replaced by technology or offshored to low-cost centres, more than ever we must be better than the rest of the pack. There’s still enough of the can-do attitude from our pioneering spirit, along with educated and open-minded people. Australians are known overseas for sorting the wheat from the chaff and simply getting on with the job. The challenge in the digital era is not only to maintain our strengths but to extend them.

### On the Paris Climate Change Conference

Australian Government bureaucrats will be among thousands flying to the UN’s Climate Change Conference (“COP21”) in Paris in December, which aims to reach a binding global climate agreement. The 2009 Copenhagen Conference tried for the same but failed when China and India protested risks to their development, much to Kevin Rudd’s infamous fury.



Australia has committed to lower CO2 emissions by 26% of 2005 levels by 2030. No debate was held, no input sought from the public on such a massive change to our economy and way of life. The burden will fall on our electricity and industrial sectors, which account for most emissions. Both must either pass on higher costs or shut down, destroying jobs. Renewables will be built, but on top of being hugely expensive, the existing options – wind, solar and wave - are only fit for a minor, boutique role, as they require constant backup from diesel and gas-fired power due to their intermittence and unpredictability. Bill Gates, an avid renewable investor, echoes this point [here](#). What’s the point of “green energy” that needs constant support from large diesel engines?

Bureaucrats have been quietly drafting the COP21 scheme to avoid another Copenhagen. Whether it is a global emission trading scheme or a global tax, it will bribe the developing world to participate with wealth transfers from the West. There are good reasons to be sceptical of “Climate Change” catastrophists, from

the highly political campaign to the “ClimateGate” data fraud, from the theory’s simplistic linearity to the 19 years of no temperature rises and huge emissions increases from China that refute the theory. But whether one is sceptical or not, it is a “First World Problem” in the eyes of hungry Indian peasants.

So brace yourselves for the Turnbull-Bishop-Hunt team to sign Australia to a global emissions agreement at Paris in December. Chances are it will be ruinously expensive and anti-industry, particularly so for wealthy, developed economies like Australia. Our living standards are under threat.