

## Malcolm Turnbull clashes with corporate Australia



Prime Minister Malcolm Turnbull exchanged blows with business leaders over a perceived lack of support. Dominic K Lorrimer



AFR, [Phillip Coorey, 18 July](#)

The Turnbull government's strained relationship with corporate Australia has come under more duress following some heated exchanges between the Prime Minister and the nation's leading chief executives at a private dinner in Sydney on Monday night.

Multiple sources, all speaking on the condition of anonymity, have told The Australian Financial Review that while there was mutual recognition that both sides needed each other and a genuine desire to be constructive, Malcolm Turnbull upbraided the business leaders for not helping out more with donations and generally not being more vocal in advocating the government's agenda.

This invited complaints from the corporate leaders that much of the government's agenda was not friendly to them. One CEO listed as examples the [imposition of the bank tax](#), the implementation of changes to section 46 of the Competition and Consumer Act, or an effects test, an ongoing aversion towards substantial industrial relations reform, and even the decision to phase in company tax cuts over 10 years, putting big business last.

The dinner was attended by board members of the Business Council of Australia – president Grant King, chief executive Jennifer Westacott, Richard Goyder, Ian Narev and Catherine Tanna. Other CEOs and BCA members included the ANZ's Shayne Elliott and BHP's Andrew Mackenzie. The dinner was held in the board room of Sydney law firm King & Wood Mallesons.



The dinner was attended by board members of the Business Council of Australia, including president Grant King. Brook Mitchell

One source said Mr Turnbull, [who handed over \\$1.8 million](#) of his own money to help the cash-strapped Liberal Party get through the 2016 election campaign, prevailed upon corporate Australia to help out more.

The source said after the strong contributions to Labor from such organisations as activist group GetUp and the unions, "there's a view that the more conservative side of politics is not getting the same support from those companies." "He was very testy on this point and has been since the election," the source said of Mr Turnbull. "He's just determined to pursue anyone who should be putting their hand in their pocket. He's had the shits since the election.

"Our view was why would we give you money," a view he said was especially prevalent among the bankers who have been hit with the \$6 billion bank tax and who do not directly donate to political parties..

"He's just determined to pursue anyone who should be putting their hand in their pocket," one source said of Mr Turnbull. LUKAS COCH

Needing each other

Another source said "a lot of businesses chiefs are saying there's a lot of things that haven't been favouring of big business". "There hasn't been support for big business why would we support the government on anything?"

One participant said such dinners between the Prime Minister and business leaders were not unusual and on Monday night "there was a recognition by both sides that they need each other to succeed".. Corporate leaders have complained much of the government's agenda was not friendly to them, such as the bank tax. David Rowe

There was universal support for the company tax cuts and a reaffirmation from business that the government must persist with trying to legislate the remainder of its plan which, by 2026-27, would deliver a company tax rate of 25 per cent for all corporations.

The government has so far managed to [squeeze through the Senate the first few phases](#) of the plan that will deliver a tax cut for firms with annual turnovers capped at \$50 million. Another source familiar with Monday night's soiree said some left satisfied, others infuriated. "There's concern about some of the policy direction. Bits of the conversation were certainly robust."

The Prime Minister argued "business needs to do more, to be out there more, to speak out more, but he's been saying that for a long time". "We still believe that the government has the stronger economic agenda.

"The concern is we need to work together around income growth, business investment and what will accelerate that. "The message from business was strong support for broad economic issues but clearly there are issues like the bank tax that people are not happy about."

## Energy solution

Mr Turnbull's attempts to reform energy policy were also discussed at length. "He's looking for a way through. Business wants to be part of the solution, particularly on energy." The imposition of the bank tax infuriated not only the big five banks that were hit with the impost but alarmed the broader corporate community, which feared profits had now become justification for a revenue-starved government needing to balance the budget. When the [South Australian government imposed its own bank tax](#) during last month's state budget, the BCA vented its anger at the Turnbull government, [saying it had "let the genie out of the bottle"](#).

One senior member of the business community and a BCA member said after the dinner that Mr Turnbull's demands for donations were "naive". As a former treasurer of the Liberal Party, Mr Turnbull knows how hard it is to get money out of donors, he said. "They have got to have something to invest in. It's not like here's our money and we're going to back you."