



The Hon Susan Lenehan, chair of three syndicates for The CEO Institute in Sydney recently participated in the 2020 summit in Canberra.

In the first of an occasional series of interviews with chairs and members making news, **Yvonne Howie**, CEO - NSW of

The CEO Institute interviewed Susan about her experience at the Summit and sought Susan's comments on the implications for CEOs and for businesses about how they will relate to both a new Federal Government as well as a new *style* of government.

Susan Lenehan: I was very privileged to be part of such a stimulating networking opportunity, linking across the community with captains of industry, political leaders, artists and creative leaders, environmental leaders, CEOs of not-for-profits and local community leaders and individuals. We were able to mix broadly with fellow attendees, and not just within our own stream.

Yvonne Howie: Which stream were you part of?

SL: I was part of the stream looking at 'Population, Sustainability, Climate Change, Water, and the Future of our Cities'.... quite a broad swathe of key topics and challenges. Greg Bourne, head of the World Wildlife Fund for Nature facilitated our stream entitled *Sustainability*.

YH: What was the rationale for the Summit, in your view?

SL: I believe that over the past five years or so, there has been a shutdown on new ideas on public policy, and no broad general government consultation with industry or the community across the board. It's refreshing to see the 'opening up' of a dialogue with all sectors of the community. The whole meeting was about ideas.

YH: Do you think there were benefits for the Institute through your taking part in the Summit?

SL: As a CEO Institute chair, I talked to other participants about the program we offer to CEOs and believe this provided exposure and positive 'positioning' for the Institute. I was able to use input from the three CEOI groups that I chair to suggest fresh thinking on key issues, which went into the mix for discussion at the Summit. These included factoring environmental costs into our national set of accounts and the need for reasonable pay back periods to drive the take-up of renewable energy alternatives such as solar power.

YH: Could you tell us more about your group's discussions?

SL: The group was asked to come up with ideas and programs to address the challenges of ongoing sustainability and climate change. This stream had young people, mature people, academics, people from regional Australia - in other words, people from diverse backgrounds with a wide range of experience. The whole climate change and sustainability stream was facilitated by Jennifer Westacott of KPMG. Penny Wong, the new federal Minister for Climate Change and Water, and Roger Beale, the former head of the federal Department of Environment, were the co-chairs.

YH: Were there any disappointments for you in the Summit outcomes?

SL: My only concern is that the Summit perhaps did not go far enough. There was a bit too much emphasis on 'what's achievable now', as opposed to the more visionary or radical 'what could be achieved in the longer term'. My stream didn't identify any 'iconic' projects or propose bold initiatives, which in my view is what the Summit was all about. Only one day after the summit, 'The Canberra Times' covered a CSIRO study on solar thermal energy, which it says has the potential to completely replace coal-generated power by 2020. Whatever one's views are about respective energy sources, surely this is just the type of 'big idea' that we should have explored!

YH: Do you support most of the Summit outcomes?

SL: Yes, I support the bulk of the outcomes even if 'big new ideas' didn't eventuate across the board. The Summit showed what's possible from informal clusters and networks, enabling us all to have a '**conversation about the future**'.

I don't see the Summit as 'finished' – rather the conversation about our future will continue as an ongoing, informal process, because people have formed informal networks and made wide contacts. I believe it won't be an annual event, but it may be repeated in some form in the second term of a Rudd Government.

YH: What were the recommendations of your group?

SL: We agreed that by 2020, there should be a national sustainability and climate change agenda, with robust institutions and infrastructure to support that. A **whole of government** approach is needed, involving regulation, investment and tax. The government's performance on climate change should be evaluated. We also proposed a national environment audit for carbon and water accounts to inform the whole community. The public accounting model we have for this is dated and doesn't accurately reflect environmental costs.

YH: The summit looked at big picture issues such as federalism, and whether we should have a republic. What are the directions for change?

SL: One of key outcomes of the summit is to take a fresh look at federalism. It's simply untenable that we have three layers of government in a country with a relatively small population. Our system is top heavy with politicians and bureaucracies and could be streamlined and thus become more efficient and effective. It's timely for us to look at more of a **regional** model, combining the best of local and State Governments. I think there is a mood for change. The summit identified the republic as a first order issue, even if it's been around for some time.

YH: Do you think we are now seeing a different way of running the country?

SL: Yes, but we need to set up mechanisms to do this properly. For example, the Summit recommended seamless national markets, improved productivity, and removal of barriers to competition and reduction in the cost of doing business. That is, changes that are of direct interest to business. These ideas are not new, and the challenge now is for these ideas and benefits to be addressed in a revitalised way.

YH: Could you outline how issues raised at the Summit will be addressed and given substance?

SL: The Summit called for the creation of a new independent body to review the role of government in economic activity. It will have a 'clean sheet of paper' approach. It will report to COAG [Council of Australian Governments] which currently looks at intergovernmental issues, but importantly, it will have a powerful reform agenda moving forward to look at the key areas of government activity, including health and education to name just two.

Prime Minister, Kevin Rudd has said that the recommendations will be assessed by Cabinet, and if some aren't proceeded with – he will explain why. That's very refreshing.

YH: Any other key outcomes?

SL: The critical need for research and development was highlighted - again R & D is something that has slipped off the agenda in recent years. Investment incentives are needed at a level that sustains our competitiveness as a nation.

YH: What do you feel are the implications for CEOs and business leaders for how they relate to government?

SL: There's a huge window of opportunity for CEOs to engage with the federal Government at Ministerial and Departmental level. The CEO of the future will look at the big picture and develop a dialogue with government, through various forums.

Just as important is the opening up of a broader dialogue between the leaders of diverse sectors of society. This inter-sectoral communication can lead to greater awareness, understanding and the development of ideas for addressing common challenges, such as climate change. The Summit provided this opportunity.

Leaders of the future will be concerned with sustainability and their environmental footprint; as well as the impact of their organisations on society.

For example, companies providing family friendly workplaces with sound environmental policies and practices will help employers stand out in the 'war for talent', something that is continually challenging members of The CEO Institute. This will also help employers become 'employers of choice'. Government is looking for big picture thinking, not just tunnel vision from business leaders. The Summit can be seen as a catalyst in enabling the exchange of ideas, expertise and experience between business leaders and other decision makers and Government.

The ideas generated from the Summit will germinate through informal networks, forums, think tanks and so on.

We are at an exciting time in our development as a nation!

YH: Thank you Susan for giving us a fascinating account of the Summit, and congratulations on being invited to participate.