— Letters To The Editor

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We are squandering Australia's wealth

Having spent some time in the United Arab Emirates recently, I've had the opportunity to reflect on my 23 years in Australia with a fresh perspective. The contrast is striking.

Since its founding in 1971, the UAE has showcased remarkable vision, ambition, and commitment, transforming from a population of less than 1 million to nearly 10 million today.

This growth was driven by creating an environment that attracted expats, supported by investments in infrastructure, education, entertainment, and housing.

Australia, in contrast, seems content to coast along, buoyed by rising asset prices, primarily in housing and commodities (The ASX's legal mess reveals deep-rooted problems in boardrooms). While we are fortunate to have abundant natural resources, unlike other nations such as Norway, we have largely squandered this value, handing it over to shareholders of global mining companies.

This lack of ambition, unfortunately, extends to corporate Australia.
I have seen firsthand how many boards tend to focus on "box-ticking compliance" rather than pushing their management towards more ambitious goals.

Compliance is easy, providing a sense of safety and relevance. Pursuing excellence, however, is challenging, requires real debate, and demands a diverse and competent board.

Could the issue lie in the composition of these boards, often filled with accountants, lawyers, and auditors rather than successful entrepreneurs and executives?

Or perhaps it's the age and tenure of these boards? With the average chief executive tenure being four years, while non-executive directors often serve six to nine years, we might be missing out on the fresh perspectives and innovative thinking that contemporary former CEOs could bring to the table.

But the blame doesn't rest solely with boards. Shareholders, who have the power to demand better, often settle for modest returns, seeking higher yields offshore and relying on proxy consultants to discharge their responsibilities.

I remain hopeful that one day, Australia will fully embrace its potential.

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