

OPINION

'Miracle man's' economic reform test

Robert Carling

WE'VE recently been hearing the term "miracle election" after the May poll result, but Australia has long been described in terms of another "miracle" - an economy that has enjoyed 27 years of growth.

However, the economic miracle is looking a bit ragged after another sluggish quarter.

There is still growth, but barely enough to match population expansion, and not enough to stop unemployment from rising.

Our miraculously re-elected economic managers have already received a barrage of advice - including from the Reserve Bank Governor, no less - that they must turn their attention to structural reforms to rev up the economy.

Structural reform is economic jargon for permanent changes in the government's taxation, expenditure and regulatory policies designed to lift investment, productivity, real wages and living standards to a higher level.

That is all very well. A concerted effort along these lines would end the reform drought of the past 10-20 years.

The economy would benefit as it did from the last burst of structural reform in the 1980s and 1990s.

Real wages and living standards would be higher, and the domestic economy would be more resilient in the face of any weakness in the global economy.

However, a dose of reality is needed. Structural reforms work slowly and their full benefits are not felt for many years.

It would be a mistake to think of them as a short-term stimulus in the event of a recession.

There are also political obstacles to be overcome in implementing structural reforms.

The electorate has not been prepared for policies that many voters would find confronting.



Treasurer Josh Frydenberg, left, and Prime Minister Scott Morrison are facing calls to implement significant economic reforms.

The Morrison government was not re-elected for singing from the structural reform song-sheet. In fact, it ruled out several items that often appear on the reform menu, including industrial relations reform and various taxation measures such as tax cuts for large companies.

Even if Morrison was willing to do a somersault on the GST, it is difficult to imagine any increase or broadening getting through the Senate.

Furthermore, some reforms would require the cooperation of the states and territories.

Getting agreement on reforms among nine governments can be like shepherding unruly

lynxes.

The Howard government's experience in introducing the GST is a sobering example of how difficult fundamental reform can be.

For all these reasons, it is not surprising that Morrison and Frydenberg give every impression of wanting to cover their ears to the barrage of advice they are receiving on structural reform.

The top priority for them is implementing the limited program they ran on in the election, starting with the roll-out of personal income tax cuts over five years.

The nation will be the poorer for the lack of an adventurous approach to reform.

But, just as the benefits of reform take a long time to show up, the costs of not doing it also take a long time to become apparent.

It may take an economic crisis of some kind to jolt the political system into action, but even then, don't count on it.

In the meantime, provided the world economy doesn't fall into a hole, the Australian economy is likely to continue plodding along and reaping the benefit from any upsurges in global commodity prices that come our way.

But if the world economy does fall into a hole, this time we are likely to fall with it.

▀ Robert Carling is a Senior Fellow at the Centre for Independent Studies.

Here's why 'the customer is always right' is awfully wrong

Gary Martin

IF YOU have ever worked in a customer-facing role, how many times have you had to grit your teeth, take a deep breath and silently repeat to yourself "the customer is always right" while dealing with a consumer more painful than toe-nail removal?

The reality is the much-maligned motto of "the customer is always right", which has been drilled into anyone working in a customer service role, is just so wrong.

This phrase, coined in 1909 by British department store owner Gordon Selfridge, was an attempt to convince employees to give great customer service. It was - and still is - widely recognised that in so many ways the happiness of a customer is vital to business success.

Fast-forward a century and many businesses are blasting out this well-intended but misdirected motto whenever they can, often to the exception of their exasperated employees.

Customer service operatives will explain that consumers are increasingly pushing boundaries by making unreasonable requests that prompt employees to break rules, threatening to post derogatory customer service reports on social media if they don't get their way and - most alarmingly - intimidating, abusing, spitting at and slapping those who are there to help.

A survey by the Shop, Distributive and Al-

Bosses who put customers before employees will always create morale problems larger than Donald Trump's ego.

lied Employees Association revealed that in the past year 88 per cent of employees had experienced verbal abuse from a customer, 15 per cent had been subjected to physical violence and 11 per cent had encountered sexual harassment.

These startling statistics simply confirm what many involved in the delivery of customer service have known for some time.

Take, for example, the couple arriving at a trendy restaurant only to be told by the *matre d'* that there was no record for their booking. After berating the head waiter for inconceivable incompetence, the couple checked their calendar only to discover they had turned up a week early.

And what about the barista who was spat at when he told a customer he was unable to fill a coffee order for a cappuccino without milk, foam or chocolate sprinkled on top.



Angry customers leave many customer service operatives marinating in misery. Picture: Shutterstock

Or even the electricity customer who yelled down the phone at a client service employee that he had been receiving his quarterly accounts only every three months.

It is these types of customers who leave many customer service operatives marinating in misery because increasingly the line between rational expectations and unreasonable demands is being crossed.

And with some customers simply being bad for business, it is no wonder some businesses have started to "fire" their worst customers, compile lists of secretly banned customers and drift away from another oft-quoted maxim - the more customers, the better.

When bosses try to instill a "customer is always right" mentality in their workplace they create winners and losers - because if the buyer is always right then it follows that the employee must always be wrong.

That arrangement puts the consumer in a position of authority that in today's world seems to act as a solid platform from which to discharge a raft of dysfunctional behaviours - many of which impact adversely on the health and safety of customer service employees.

And it is not just health and safety that are at stake. Bosses who put customers before employees will always create morale problems larger than Donald Trump's ego.

It is those morale problems that lead to disengagement and lower productivity, which ultimately extinguishes any semblance of quality customer service.

The bottom line is the customer isn't always right. Thinking otherwise will only deliver service with a scowl. Put employees first and then watch them put customers first - happy people equal happy customers.

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