

## Shayne Elliot with Neil Mitchell re. support in lockdown – 3AW – 19/07/21

**Neil Mitchell:** So a couple of things that that I found fascinating. One, that businesses are storing cash and stocking money at unprecedented levels. And the other thing, there is suggestion that there could be long term scarring from COVID because of what's going on at the moment. I'm not surprised by that attitude; it's hurting a lot of people. Shayne Elliott, good morning.

**Shayne Elliott:** Good morning, Neil.

**Neil Mitchell:** What do you mean by this scarring? What do you think?

**Shayne Elliott:** Well, I think people's lives are shaped by their experiences. And this has been a long one and a damaging one for many people. So I imagine young people will think about the world differently. And I think business owners will always be a little bit more cautious than they might otherwise have been. They will have learnt something during this. And so I think those impacts will stay with people as they think about life and business for a long, long period of time.

**Neil Mitchell:** Both my parents lived through the Depression. I'm sure that influenced them greatly. They were always very, very cautious. But caution from businesses, not necessarily a good thing is it?

**Shayne Elliott:** Well, that's true. It can dampen the sort of classic animal spirits. Right? We need business to take risks to be out there, and be bold and aspirational, and think they can achieve great things. Maybe that'll dampen that a little bit. I don't want to be a doomsday robot, but I do think it will have an impact. It must do, it must mean that people say, hey, or just think twice about that new business I was launching or maybe I won't go quite as bold as I would have otherwise.

**Neil Mitchell:** Is there anything we can do about that?

**Shayne Elliott:** Well, that's a very big question. I don't know, to be honest. I mean, that's a really interesting one, whether that sort of thing governments and public policy makers should be thinking about for a long time. It's a good point. I don't know, Neil, and I know we should be putting our mind to it, because that can't be a good thing. At the end of the day, we need people to be ambitious. And that's part of how the system works.

**Neil Mitchell:** What messages are you getting from small businesses? I know you deal with more than anybody else. I'm getting swamped by messages from people that can't get any assistance and they're getting very frustrated by it. Are you getting that sort of message?

**Shayne Elliott:** So I'm getting a really mixed bag. I was up in Mildura a couple of weeks ago and there are parts of the economy that are just flat out. They can't get labour, but they can't get goods and they need more and more support. And they get borrowing from banks like us to actually build and write. So there is that extreme. And then to your other point, you've got other businesses, basically CBD hospitality, that sort of stuff is in a really, really bad way. And to your point, I think while there's lots of government support programs that were well intended, a lot of it can be overwhelming and really confusing. It can all feel a bit bureaucratic. It feels like as a society, we've got into sort of a culture of big announcements, including the banks, we say these things, but we don't always make it easy for people. And it can be a bit overwhelming.

**Neil Mitchell:** What you're also hearing is businesses, as well as figures are showing, they're sort of stocking money away, too.

**Shayne Elliott:** So for our small businesses, so the deposits that they had with us grew by 25 per cent over the year to about fifty five dollars billion. That's an extraordinary amount of money. So an extra call it 10 billion that people, small businesses put away for a rainy day, put away to be cautious. So that's money. They're not spending it on these things. They're not growing well. But on the other hand, it means that when these lockdowns happen, this is like a year ago, business are in a better position than they would have otherwise been. They've got a bit of cash. They're feeling a bit safer. They've done this before, probably. So psychologically, they sort of know how this rolls. I feel like these lockdowns aren't quite, I mean it's terrible don't get me wrong, but that people have learnt through bitter experience, I think have got a better way of knowing how to manage things.

**Neil Mitchell:** And you're in the real world. How do we convince people to get vaccinated, or encourage people?

**Shayne Elliott:** It's frustrating, isn't it? I wish that was self-evident. We have to make it easy. I think this is a ridiculous analogy, but I was thinking about how we got over plastic bag shopping at the supermarkets. We sort of got over it because we made it easy. We have to make this easy for people. And so that's why as an employer, we're really keen to be able to provide vaccines on site, so that our people can just get on with it. I think we've got to make it as easy as possible. None of us like seeing those shots on the TV with those extraordinarily long lines. That doesn't make it look like a fun thing. Things I think we got to make it as simple as possible. Employers have a really big role for onsite vaccinations, certainly from our perspective it's the way to go.

**Neil Mitchell:** Thank you very much for your time. Thank you. Shayne Elliott, CEO of the ANZ Bank. I agree with him.