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NAB CEO Andrew Irvine opens the 2026 NAB Business Summit

Good morning everyone.

Welcome to NAB's Business Summit.

Today in the room we have business leaders, entrepreneurs and start-up founders. You come from organisations of different sizes, different industries and from across Australia.

If you joined us last year, welcome back. If you're new this year, I hope you enjoy this time to connect, to learn and to share with your peers.

Today I will discuss a number of topics including: the economy – both the immediate and longer-term outlook for the nation, our productivity challenge and the need for urgent supply side reforms, and how AI is going to transform how we all live and work.

When we came together last year, we perhaps did not fully appreciate how well Australia was doing. Economic fundamentals have changed faster than many of us expected.

Geopolitical tensions continue to create uncertainty, from conflict in the Middle East to the impact of US tariffs on businesses and ongoing trade tensions.

And while we've managed fuel supply challenges reasonably well, inflation remains persistent which drives up input costs and makes business planning more difficult.

At the same time, higher interest rates and Federal tax setting changes are affecting property demand and property values, with a broader housing market adjustment now underway.

Compounding each of these pressures, Australia is experiencing one of the worst periods of productivity growth on record.

All this is reflected in our most recent NAB Business survey which shows business confidence and conditions are mixed.

We're seeing resilience in mining, in agriculture and in wholesale trade.

There are bright spots at the luxury and value ends of the retail sector.

However, manufacturing and mid-market retail remain under pressure.

Western Australia, Queensland and Tasmania are doing quite well, while South Australia has started to soften. NSW is challenged and it's been particularly tough here in Victoria.

Through this, businesses are trying to focus on what they can control.   That is, their customers, their people, their costs and the investments that will make them stronger over time.

The utilities sector has become a major destination for capital as businesses invest in the infrastructure needed for energy transition. The rapid build out of data centres to enable the AI transformation is capturing additional equity and debt capital.

This reflects that many of our customers are still looking to grow, but we know others are finding it harder, particularly in sectors relying on discretionary consumer spending.

To all our customers: NAB is here for you. We are Australia's business bank and we have been through many a cycle over the last 150 years.

We have 100 bankers here in the room. Their job is to listen to what we can do for you whether it be enabling your growth or supporting you through a more challenging time.

Longer term, Australia should be optimistic.

We have the resources the world needs, abundant energy, strong institutions, world-class businesses and talented people.

And we have enormous opportunities to drive growth in energy, agriculture, infrastructure, technology and housing.

The ingredients are there. The foundations are strong. But the facts are that we're not making the most of them.

I spoke earlier this year about the risk that we were at Peak Australia. That economic conditions were as good as it gets. We were growing but without real reform we would soon hit the limits of what the economy could deliver.

You see, when demand outpaces supply, inflation goes up and the RBA needs to raise rates to put a hand-break on demand and reduce growth.

That is largely what has happened.

The risk now is not that we are at the peak of the mountain – it's that we slide down the other side, stuck in a low-productivity, low-growth trap that's been slowly strangling Australia for decades.

Without urgent action, we'll be locked in a slow lane – sitting in the rear-view mirror of other advanced economies surging past us.

Consider the facts.

Australian labour productivity growth averaged 2 ¼ % annually over the decade to 2005 and slowed to around 1 ½ % over the decade to 2015. At 1.1%, the decade to 2020 was the slowest productivity decade in 60 years. If anything, this slide has continued to worsen since then.

Today, labour productivity growth in the US is twice that of Australia. In Singapore, it's more than three times higher.

These countries combine high capital intensity, business friendly regulatory regimes, strong digital adoption and deep integration into global value chains.

So my question today is: ‘is Australia prepared to do what it takes to realise our nations ambition?’

Australia will only achieve future prosperity if we deliver broader reform that encourages capital investment, that encourages risk taking and that encourages entrepreneurship.

I have spoken of the need for more housing supply, more reliable affordable energy, more efficient tax settings and a much greater focus on reducing red tape.

Last week, I was in Western Australia where the State Government is intent on ensuring planning is not an impediment to dwelling construction.

The Government there has taken away planning approvals from local councils for housing and commercial developments over 2 million dollars; and has removed approvals for compliant granny flats under 70 square meters.

We need to see similar intensity of effort in other states and territories across the country.

Lifting productivity must be the number one priority for government at all levels. It must also be the number one priority for businesses including NAB, regulators and unions.

Ultimately, we all have the same goal – raising living standards for all Australians.

Without a collective national effort across all jurisdictions, we will not make the progress we need, and future generations of Australians will suffer the consequences of our inaction.

One area that will help with our productivity gap is Artificial Intelligence.

Be under no illusion, AI is the fourth industrial revolution and it will be as consequential to how we live and work as the steam engine, electricity and the computer was to humanity.

Just as steam powered rail and shipping connected people and markets over the world, and as electricity and the computer gave us back time, AI will remove friction from how we learn, how we create and how we solve problems.

At its best, AI will expand human capability by compressing complexity and scaling outcomes at unimaginable speed.

But AI will not be a silver bullet. It's an amplifier. In strong organisations with good cultures, processes and governance, it will accelerate productivity, trust and innovation. It will be a source of competitive advantage.

In weaker organisations, it will expose flaws, magnify problems and deepen distrust between workers and management.

Over the coming years, business models and profit pools will shift at much greater speed and fortunes will be made and lost as businesses jostle to compete.

Organisations that do not adapt quickly to AI will fall behind.

One of the small business owners you will hear from later today is Andrew Blair from Bella Manufacturing on the Sunshine Coast.

His team builds custom food trucks, mobile kitchens and fit outs. This is skilled, hands-on work.

You are going to enjoy Andrew's story because it makes AI tangible to business, regardless of size and complexity.

Andrew has found AI can help with work around his business: drafting emails, summarising meetings, providing insights and preparing proposals. His AI quote-builder means he gets more accurate quotes out to customers faster.

This means Andrew is more productive. He has more time to spend with clients, and also with his family.

I know much of the narrative around AI has been about the impact to jobs, and about the impact to the jobs of our children.

Just like with previous industrial revolutions, some roles will go. Some roles will change. And new roles will be created. For example, at the turn of the 20th century, 25% of Australians worked in agriculture. Today that figure is less than 2%.

Agriculture remains a key contributor to Australia's economy but the majority of those last century jobs have been mechanised and replaced by jobs supporting new industries and new innovations.

Decades ago, NAB employed thousands of bank tellers, thousands of administrative clerks and we had large typing pools. Today, we employ more colleagues than we did then.

The point is, our workforce is always changing. What is important is that we help Australians run to AI not from it, learn how to use it to be better at their work and teach them the skills they need to be future fit.

History shows that economies that lean into technology change and new industries see much better outcomes than economies that seek to protect legacy industries and slow the march of progress.

Lastly, and I believe very importantly, AI will not replace the human skills that matter in business and in life.

I spoke at my son's school recently and explained that in an AI enabled world, human judgment, empathy, the ability to connect, ability to communicate and to build trust will be more important, not less.

Looking ahead, Australia has all the ingredients needed to succeed and continue to be one of the best places in the world to live and work.

Our challenge isn't a lack of potential. It's a lack of ambition, a lack of urgency and a lack of action.

Quite simply, we need to do better as a nation. We need to move faster on productivity. We need to build more homes. We need to diversify our energy mix and deliver more affordable energy sources to market. We need to simplify regulation. And we must make it easier for businesses to invest, to grow and to create jobs.

Because when business succeeds, Australia succeeds.

Thank you for joining us today.

I hope you leave with new ideas, valuable new relationships and the confidence to take the next step in your business.

Enjoy the day.

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