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TITLE: Cacophony of sound leads to discordant mess

AUTHOR: Richard Denniss

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Despite the skill of individual musicians, orchestras still need a conductor to bring the whole performance together. It is one thing to know how to play the horn, but someone needs to decide when the best time to honk it is. This week the Abbott government sounded like an orchestra without a conductor – there was lots of honking but it was hard to pick the tune.

On Tuesday, for example, the Defence Minister announced a record \$12 billion purchase of Joint Strike Fighters, while on Wednesday the Treasurer gave a major speech designed to soften up the public for the need for big spending cuts to the pension and health. Talk about a mixed message.

But in announcing the new spending the Prime Minister was at pains to say that it was not new spending. Yes, you read that correctly. The Prime Minister said “this is not new spending today. In the context of a tough budget, this is spending money that we need to spend that has been sensibly put aside by government over the past decade or so to ensure that this purchase can responsibly be made”. So has it been spent or put aside?

In explaining the need for Australia to outspend the combined defence budgets of all of our neighbours Mr Abbott argued that because we don't know what's around the corner it pays to be prepared. But while the Prime Minister obviously accepts the precautionary principle when it comes to defence, when it comes to climate change he is willing to suck it and see despite the fact that climate scientists are a lot more united in their support for urgent action than defence experts are about the value of the Joint Strike Fighter.

In taking office the Prime Minister declared that Australia was “open for business” but almost as soon as they were elected the Nationals' Warren Truss and Barnaby Joyce set about ensuring that foreign investors were prevented from buying Graincorp.

And then there is the government's "philosophy" when it comes to corporate welfare. In a rare unity of messages, both the Prime Minister and Treasurer have stated repeatedly that countries can't subsidise their way to prosperity. But despite this apparent agreement in principle, in practice neither man wants to talk about the \$4.5 billion per year in subsidies to the mining industry, the \$7 billion cost of the 50 per cent tax discount on income from capital gain or the ongoing assistance to native forest logging which, per job, is by far the most protected industry in the country.

But while the contradictions within the Coalition front bench are revealing, it is the contradiction between the Abbott government's determination to avoid reforming the superannuation system and the Treasury's determination to publish data on the massive and rising cost of superannuation tax concessions that will ultimately undermine the government's political and budgetary strategy.

Conservative governments typically do well out of attacking low income earners. And Conservative governments typically do well when talking themselves up as "good budget managers". So in theory, talking up the need to cut access to the age pension in order to fix the alleged "budget crisis" should be political jam for the Coalition. But, unfortunately for them, the budgetary facts just don't support their political strategy. In 2016-17, the cost of superannuation tax concessions will overtake the cost of the age pension as the largest single expense in the budget. Of more concern, however, is the fact that while the age pension is growing at 6 per cent per annum, the cost of tax concessions for superannuation is growing at 12 per cent per annum.

The whole point of Joe Hockey's speech on Wednesday night was that you can't fix the budget deficit if you ignore the biggest areas of expense. Unfortunately for Mr Hockey's fiscal fantasies the Prime Minister promised not to touch superannuation in the lead-up to the last election. Just like the promise to spend \$5 billion per year on a new paid parental leave entitlement, the Prime Minister's pre-election thought bubbles ensures that the Treasurer's tune about austerity is not in harmony with the Prime Minister's more populist beat.

While economists have been expressing concern about the cost and inequity of tax concessions for superannuation for many years, politicians have hidden safely behind the bizarre claim that rather than harming the bottom line, giving tens of billions of dollars to Australia's wealthiest people was "taking pressure" off the age pension. In his speech this week, however, Joe Hockey decided to perform an impromptu political solo and admitted that "despite spending billions of dollars in taxation benefits for superannuation, by 2050 the ratio of Australians receiving a full or part pension will still be around four out of five". Decoded: despite the fact that we spent \$35 billion on superannuation tax concessions this year, and despite the fact that they are growing at \$5 billion per year, the cost of the age pension won't be significantly lower in 2050.

Joe Hockey's admission that tax concessions for superannuation are an enormous cost to the budget rather than an "investment" in future savings is the political equivalent of honking his tuba in the middle of the Prime Minister's violin solo.

Good governments need a cohesive policy agenda and good prime ministers need their ministers to play their part in a coherent political strategy. This week's contradictory announcements, coming as close as they do to the government's first budget, suggests that the Abbott government has neither.

John Howard was unchallenged in his 12 years leading the government's policy and political agenda. He achieved most of the big reforms he wanted, and while he lost office after implementing his lifelong goal of Work Choices, much of the legislation on which he risked his job remains intact.

Tony Abbott's public support is the lowest on record for a prime minister in their first year of governing and he is yet to introduce his first "horror budget". Rather than his whole team playing to the same beat Mr Abbott is either letting, or can't stop, his front benchers from engaging in indulgent solo performances. Such creativity and improvisation can work well in a jazz quartet but is usually frowned upon in an orchestra the size of Cabinet. We will know soon whether it all comes together on budget night or if the "creative differences" get too much for the prima donnas.