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TITLE: No clear goals in handout culture

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Despite the Abbott government carrying out their commitment to slash tens of thousands of public-sector jobs and the pride taken in the deterrence effect of the death of an asylum seeker on Manus Island, our deputy prime minister in waiting, Barnaby Joyce, describes \$300 million from taxpayers to his constituency as proof that we are a "caring nation".

While the "age of entitlement" may be over for unionised workforces in the public and manufacturing sectors, it has only just begun for the politically preferred corporate welfare recipients in agriculture, financial planning and, probably, Qantas. Qantas is a bit of a special case, of course. The government has suggested that it will only offer Qantas management the support it wants if it promises to introduce the workplace reforms Qantas has been desperate to introduce.

"Oh the pain!" squeals the same Qantas management that was responsible for locking out their workforce, stranding their passengers and staff interstate and racking up a record loss on the back of a 65 per cent market share and one of the best-known brands in the country.

If the government was serious about driving change at Qantas, it should take Nick Xenophon's advice and make policy changes contingent on management changes. Maybe it could insist that senior management take a more significant pay cut and receive no bonuses for five years. This case should once again shine a light on the overly generous executive remuneration enjoyed by many chief executives in Australia.

The hypocrisy with which the Liberals and Nationals have responded to requests for support from the car industry and the agriculture industry is creating not just a political problem for the government but a fundamental policy problem for the Australian economy.

Treasurer Joe Hockey's grand speech about ending the age of entitlement and Prime Minister Tony Abbott's one-liner that "no country has ever subsidised its way to prosperity" imply the existence of a clear philosophical and policy framework. But every day they spend telling us

about the exceptions to their "rules" is a day spent confusing the public, the public service and industry. The biggest winner out of such confusion is the lobbying industry.

In an environment where almost anything is possible, the industries that have had their hands out for years, along with the ones filling in their first application for corporate welfare, will be spending up big on former Coalition ministers and staff to represent their causes. The recent revelations from assistant Health Minister Fiona Nash's office suggest that the serious industry players get the taxpayer to fund their advocates.

While Abbott may be able to avoid the political problems that flow from posting cheques to friends and cutting funds to perceived foes, the economic problem is that letting lobbyists shape our industry policy is unlikely to deliver long-term productivity or employment growth. In fact, history suggests it will deliver the opposite.

While Hockey received plenty of cheap praise for his age of entitlement speech, it would have been far more useful and honest of him to simply state that the Australian government can, does and will continue to spend tens of billions of dollars per year on industry assistance.

He knows that is true for the same reason we all do - his Treasury Department and Productivity Commission both publish annual stocktakes of the value of some, but not all, of the subsidies and tax concessions his government grants. According to the government, the miners got \$4.5 billion last year, the farmers got \$4.3 billion and the aviation industry got \$1.2 billion.

Having come clean with the public that his government will continue to spend billions a year on picking winners, supporting losers and playing favourites, he could have then spelt out the criteria by which he thought that money should be spent. If the goal is to increase jobs, then we should look at which industries create the most jobs per dollar spent.

If the goal is regional development, then we should look at which programs best spread the funds around the regions we are concerned about. And if the goal is to prevent any firms shutting down in agriculture, we should look at whether there are other industries in which we want to keep all of the incumbents going until things pick up. But, rather than give us a framework and some clear goals, Hockey gave us platitudes, which means Qantas chief executive Alan Joyce can now give us platitudes.

All Australians should be concerned about the impact of drought on farmers, farm labourers and small businesses in regional communities. Indeed, we should be just as concerned about the impact of the high exchange rate on manufacturing workers and the impact of technological change on employment in call centres.

But because Hockey pretends that his government does not pick winners, and because he pretends that the age of entitlement is over, we can't have an honest conversation about which industries or communities we want to help or discuss the best way to help them.

Significantly, the Coalition has recognised that the impact of poverty and job insecurity is not just financial and, in turn, it announced an additional \$10 million to support the mental health of regional communities. Given its intention to shed 10 times as many public service jobs as Ford plans to shed, we can only wonder how large the support package and mental health assistance package for public servants will be.

The Howard government recognised the devastating impact of indefinite detention on the mental health of people who seek asylum. We should take Joyce at his word, that we are a "caring nation". And now that the horrors of Manus Island have been revealed to the Coalition cabinet, surely we can expect a multimillion-dollar mental health package for suffering refugees. A caring nation would do nothing less.

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