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Thank you very much, Ebony. And it's a pleasure to be here to this very commendable initiative by the institute, another such initiative that couldn't be more timely or more important, really. Although I'm pleased to be here, I'm already beginning to feel a bit redundant because I'll be speaking very much from the same page that Rob was and that could be a good deal of overlap.

But let me begin my comments with a few observations that might set the context for the comments I want to make later. And for a committed public servant, there's always an element of satisfaction in contributing, however modestly, to the development of policies by governments to set the country on a path and keep on that path to a society that's better and fairer than what it starts out at.

And over the years it's been on some of those paths and we've been off the path as well for long periods of time. But for much of the second half of the last century, we were on the right path, I think, and by the end of the century and living standards had improved and the gaps in the distributions of income and wealth and narrowing ordinary people had regard to getting better and better access to quality education and health services.

Home ownership was increasing. There were some signs that things were getting better and that we were on the right path. And at that time, at the end of the century, there is some hope, I think, and some expectations that that would continue. But sadly, I think it's it's has to be acknowledged that while we coped fairly well and better than many other countries, this was our reaction to that and to the global financial crisis, those couple of decades today to this century have also seen lots of wasted opportunities in the way we handled all the revenue that flowed from those terms of trade gains at the beginning of the century and in our approach to climate change and the missed opportunities there, as well as a proper assault on the challenges. And I mean, there have been a lot of but I think the poor would have been fairly poor policy decisions during those last couple of decades that in many cases reflected reliance and a base of what is what has been a pretty faulty

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and failed philosophy that did stem from and when the Coalition ended its term recently the the situation that one might have hoped earlier on a continuation of those earlier improvements in living standards and progress towards a better and fairer society couldn't have been further off the mark.

We really went off the path and I don't where we went, but we got lost during those last couple of decades and particularly in the last decade. And when the coalition departed the scene, those improvements in closing the gaps in the distribution of income and wealth had been reversed. It was becoming harder and harder for ordinary people to access quality health and education services.

Home ownership was in decline and those sort of things looked and represented a pretty poor performance in terms of getting on and getting on and keeping on a path to a better society. At the end of the day. So the challenge now to get back on that path to a better, fairer, more compassionate society is really in the hands of the newly elected Labor Party.

And I think the Labor Party in many respects has got off to a pretty good step in this regard. It has listened carefully, listened carefully and has heard all the comments by Royal Commissions and other bodies that have pointed out the gaps that have developed over the last couple of decades and have got worse in some cases, and things that have to be addressed and dealt with if we are going to have a better and fairer society.

And Labor's had all those things and not only had them that developed, what I think is a very comprehensive package of measures to address them. And those measures, as you know, extend from improving facilities and care facilities and health facilities and care facilities for all sorts of people, sick people, aged people, disadvantaged people, indigenous people and even kids.

And right through to care for kids and to improvements in education and skills training and right through to include also things like clean air and living environment. So a very ambitious and very comprehensive package of measures out there that Labor has put together and I think that's a good start. But it also has a couple of other things going for it that I think are worth remembering.

One is that it has acknowledged these needs, but it understands that to make and make a real dent on these kinds of problems, the government has to be heavily involved and it has to have access to revenues to be able to follow through and develop those reforms that it's proposing to make. And this is in stark contrast to the previous coalition government, of course, which really, even though it was keen to intervene in some of these activities from time to time, its its whole philosophy that it was for the government, the Federal Government not to get terribly involved in these things and not to spend a lot of money on these things.

It had its faith philosophically in that invisible hand to the marketplace, which interestingly and increasingly, I think people tend to view and describe as the invidious and as a marketplace. And I think there's more substance in that. But Labor accepts that there's problems there, that it's up to governments with revenues to tackle those problems. And the two very important things that are going for the Labor Party, but there's also another that's worth mentioning, and that is that the recent election has delivered a large number of new and independent members to the Parliament, and many of those people, I think it's fair to say, will have views that are consistent with the pursuit of many

the kinds of objectives that the Labor Party is talking about addressing. And I think if Labor plays its cards right with the times ahead with in its dealings with players in dependent new independents

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that are sitting in the Parliament these days, that that will make Labor's task in Parliament more, more easily and more conducive to producing the right sorts of results.

This last, last comment I think about the new Parliament comprising an increased number of people who think about the sorts of things that Rod told about and also mentioned that there is a greater acceptance of the need for governments to be involved and for the taxpayers to put up more to achieve these kinds of improvements. And this is does represent, I think, a helpful closing of that long term communications gap.

The gap between, on the one hand, the expectations that the public has about the provision of all sorts of public services. And on the other hand, the problem as to where where the report is going to come from, but whether, you know, that there hasn't been a lot of concession in the past that governments are people have to pay governments how to pay for these changes to come about.

But I think that that's changing. As Rod has said and as I say, the depositing of that large number of new independent people in the Parliament is testament to that kind of change that's occurring. And I think that's another good sign for the Labor Party as it sets out on this path of reforming all those things that need to be reformed.

So it's a very comprehensive, ambitious program that Labor has and it's also a very costly program. Its implementation will be very costly over a long period of time and this immediately raises the question where is the money coming from? And I think the options here are pretty limited. And but already the services started and started in the traditional way by examining the government's existing government spending programs.

And that's underway. And there may be some savings that will emerge from that waste waste activities identified and low priority activities are identified, but I doubt that there's going to be a great deal of savings found as a result of that exercise, particularly if defense spending and tax are tax expenditures, things like the subsidies that accrue to the fossil fuel industry.

For example, if those kinds of things are exempted from the scrutiny, it's hard to imagine tremendous savings coming out of sustainable savings coming out of this. This exercise is useful as it is, and the traditional target for those exercises, of course, is the public service. And that may well be looked at again this time. But my own view there is that the public service has been so hit over the years by these kinds of reviews and the very creative ability of the public service, in fact, is under scrutiny.

And that's a worry. It's a worry to me because I think rather than being further restricted and cut back, I think the public service needs to be revamped to make it more credible as a policy and not the only policy by the government, but the policy choice policy advisor for First Choice. But as well as the policy advice capacity, I think probably the capacity of the public service to maintain continuous scrutiny of the rapidly growing amounts of government spending, which used to be a big function in earlier times.

That is long past and that's becoming harder and harder. I think, to keep tabs on all these activities by people who say government spending is, you know, something to go after and and the public service needs to be recovered some of its capacity to maintain continuous monitoring. And so the monitoring of those kinds of activities is and in its own sort of way, it would complement the proposed National Commission on Anti-Corruption, which would be DNA and similar sort of things, but at a different level.

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So I don't know that whether the public service will go, but I hope it does on this occasion. But apart from those ritualistic reviews of the existing expenditure programs, what else is there? Well, this government debt is government borrowing. And as Reuters already mentioned, Australia is the Australian government. Net debt is about 31% of GDP, which is well, well below other developed countries.

That's right. Or some other developed countries. But it is at record levels or in the long term level of high levels for Australia and it's rising and it is all unwelcome late in the saddlebags really, and it's going to preclude it in my view the any substantial further and sustainable increase in debt financing for Labor to make its requirements, acquire requirements that the programs that Labor wants to undertake and any of that I really doubt themselves are the kind that lend them to public funding.

So with limited response from government spending and limited option of public borrowing, that really comes back to taxation, which is what we're basically all about today. And there's no question that if Labor is to effectively and comprehensively implement all the reforms, proposed reforms that it has in mind and that package of measures, it's going to be extremely expensive to do.

I think it's very commendable that the Labor Party has come up with such a comprehensive plan and indeed and indeed ambitious program. But it is going to be costly to implement and I think it would be a pity if we if the government is out there, makes it makes a start but is not able to complete the job.

We don't want the package of measures to end up being another aspiration that's gone awry because of a lack of funding. And some of you might remember that that was a sad outcome for the the efforts to establish programs that would eliminate poverty among children in Australia. We don't want any more disappointments of that kind. So where's the revenue going to come from in the tax area?

Because that's going to be the main source of revenue so far as new policies are concerned. The only new thing that seems to my mind to be on the table is this again. Rudd has mentioned that the Australian Government is pressuring with other members of the, I would say, to increase its tax take from multinational corporations and invest in the provision of digital services.

There may be significant revenues there, but the magnitudes and the timetables for getting hold of that revenue are unclear, unknown to me. So that's what that's the only new, new instrument that I'm aware of that is on the table at the moment. Now, maybe after today's discussion and when all the tax experts are going to be participating in subsequent sessions of the summit, maybe there'll be lots of other new, fresh and innovative ideas that will be interesting and and of assistance to the government in raising additional revenues.

And we'll wait and see how that unfolds. I don't have any new proposals myself to suggest, but I do want to argue the case for some concerted review and scrutiny of familiar persons treatments and not mention some of these carbon taxes and taxes on excess profits. I'm not popular in Australia, but they work in other countries and may be in the light of the requirements for revenue.

Now the case for rethinking some of these things. But I think this is it is important to rethink some of the familiar existing instruments in today's context, which is very different in many cases from the circumstances when many of the measures were considered and implemented or were considered, but in the circumstances of those times, often rejected. But in today's different circumstance, this is we really need to do and need to have some detailed scrutiny of many of the existing instruments of

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raising revenue, tax, instrument and for raising revenue to see whether they are more or less appropriate in today's circumstances.

And circumstances did change. Rob mentioned the land tax. Well, the land tax has been around as an idea since the days of Adam Smith, you know, and but it's still cropping up throughout medicine before circumstances have changed. One of the reasons for considering it, thanks to issues at play and unlike other wealth assets, it's not movable, it's fixed.

Another is that part of the value of a lot of land based is contributed by the public infrastructure spending around it that's occurred in the transport facilities and roads and parks and those kinds of things. So there's also kind of an ethical argument for considering land taxes as well as the other of the circumstances. So there are those kinds of solutions and there are a couple of other examples that one could point to.

One is the arrangements for capital gains tax exempt concessions in respect of housing and the negative gearing arrangements. Labor considered these and pushed for time but dropped its advocacy before the last election. But there is and there is a case, I think, given that housing ownership is declining and the other problems in the housing industry to at least have a rethink of this is tax arrangements and to see whether it's sensible and feasible to regard housing primarily of purchase of a house, primarily as a place to live in rather than as an investment opportunity.

So just a few illustrations of what I think is important, and that is having reset things about some existing tax arrangements that were put in place years ago or rejected in recent times to see whether they're there appropriately fair way of raising the six Terrebonne that's going to be required to fund the commendable program that the Labor Party has set in place now.

And of course the bigger async that's required here, of course, is the third stage of the personal income tax arrangements of the I want to be. But what I say is I might look at notes that I put together here, and this is a major that I wouldn't have thought really that I would never have expected Labor to support this measure and I certainly wouldn't have expected it to help ensconce the measure in legislation for various reasons.

The proposal, I think, was quite fair at the time, unfair and unwarranted at the time from the day it was announced. But it's even more unfair and more unwarranted now, given what's happened in that short intervening period last three years or so. And among the things that have happened, the real wages of lower income groups have declined. The impact of the COVID policies, virus and all the things that were said are impacted most severely on the more vulnerable groups in the community.

And yet here we have a proposal on legislation that involves billions and billions of dollars over the years accruing to mostly or largely to more wealthy sections of the community. So that's a very important change in circumstances that really warrants a major rethink of that particular concessional arrangement that was put in place. Another is part of the argument here on changing circumstance and so is Australia's fiscal situation now and its outlook is very different from what it would have appeared at the time.

The major states with announced an and then followed up and put in legislation. So those are some of the reasons why it's most appropriate in this case to be having a rethink about that around arrangements. No, as I said, I didn't think Labor would ever commit to this kind of policy. But Labor Labor continues or Labor leaders continue to assert that the government's position on stage three hasn't changed.

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And I find that hard to fathom really why that position is being maintained in the light of all the other circumstances and things that have changed, including the things that I've just mentioned that are real wages of low income earners and the difficulties that the low income people face during the the COVID situation and the changes in our fiscal outlook, a very important changes.

And yet the government is sitting here saying its position hasn't changed. Now, to be blunt, and I think it's fair to say that Labor signed up to the measure not because it was judged to be in the interests of most Australians because of that, because it was part of the Labor strategy and small target strategy to gain political power for the party.

I think that's not unfair to be saying that. So, you know, if there is a rethink, I think this is the main focus where the most revenue is come from. Is this likely to come from because many of the billions of dollars that the gone under the cost of this particular measure, when it starts to take effect, starts to take effect.

Many of those billions of dollars will flow to really relatively well off Australians, rather than become part of the critical funding that's required to fund the amendable programs that Labor has in mind that will help and promote the wellbeing of all Australians. So, and as I said, it would be a great pity if at the end of the day Labor finds that it has to truncate its package or defer its parts of its package because of a warrant of revenue.

I don't think there's any honor. In fact, there's no honor in the Government standing by what in truth is really a very dodgy commitment and hardly an unbreakable one in current circumstances. I think the more honorable course for labor would be to use the power it now has in government following the election, to use that power to promote the interests of the people of Australia and bring those interests back to the fore.

And that means taking steps to repeal stage three and to get on with the real commitment of the government to Australians, which is building a fairer and healthier and happier country for all its citizens. Thank you very much.