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G20 was money well spent

There will be a lot of people asking whether it was worth spending \$450 million to stage the G20 meeting. Any number of lobby groups could come up with ideas on how they could spend that sort of money.

But here is the point. If Australia wants to be taken seriously — and being in the G20 means being a serious country — it has to show it can host important international events. A country that can't or won't spend that kind of money on a summit isn't up to G20 membership.

And if Australia were to forego its place at the top international table there would be plenty of other countries willing to take its place.

When we were putting the G20 together in the late 1990s, Australia's membership was not guaranteed. We had to work hard to earn it. The negotiations were difficult. We pushed to establish such a group and we won our place out of respect for our record and our contribution.

The staging of this leader's summit in Brisbane shows that Australia can do these things well. It brings an important voice to the international table.

Tony Abbott was right to insist that the meeting focus on economic issues. The members of the G20 were chosen because they broadly represent the global economy.

Its original purpose was to allow finance ministers and central bankers to work together on action to prevent, or lessen the impact of, financial crises. There are a host of other international summits that deal with security, climate change, health issues and so on.



Prime Minister Tony Abbott and Treasurer Joe Hockey are greeted by Mexican President. Picture: Wendon Mechielsen

This is a group that was brought into existence for an economic purpose.

But when the superpowers appear on the international stage they can do as they please. When Barack Obama strode on to the platform at the University of Queensland he placed the issue of climate change firmly on the summit agenda. He received the kind of rapturous applause that is given to an international celebrity, which he is.

He is an accomplished performer and does oratory well. Since he has lost a majority in both Houses of the US Congress his chances of meaningful domestic legislation

back home have diminished. He will use his two remaining years in office to focus on the international stage, where he carries much more influence and respect.

Vladimir Putin had his own message to deliver to the G20, which is that Russia is still a global power capable of naval reach even to the shores of Australia. Superpowers are countries able to project power anywhere around the globe. Russia can't quite do that. But it wants people to know it can project it next door — in the Ukraine — at will.

The rising great powers, China and India, have shown how influential they can be

on the international stage. Prime Minister Modi and President Xi Jinping have both combined their visits with important trade talks. Their countries will shape the global economy of the future. It has been interesting to see how much they overshadowed the old European powers.

At these international economic events it is hard not to conclude that the European age is passing. That is why it is such a curious throwback for the Europeans to insist that one of their number hold the most senior job at the International Monetary Fund.

To have a French finance minister lecture about econ-

omic reform is a bit like having a brewer lecture on temperance — all very interesting in theory.

So what will be the lasting achievement to come out of Australia's year at the helm of the G20?

We hope it will be a determination to lift global economic growth. Some of this can be done by promoting free trade, but most has to be done at the national level.

Each country has filed a "Comprehensive Growth Strategy", setting out what it intends to do to promote growth and jobs at home. The strategies are uneven. As you would expect, Australia's

strategy is one of the most comprehensive.

The first policy response the Australian government lists is budget repair. This is undoubtedly a great priority. But whether this happens or not will depend on a host of factors, not the least being the willingness of the Senate to pass a whole lot of legislation it is currently blocking. Will the Senate be any more ready to help the government now that it lists the budget as a G20 growth strategy?

Other growth strategies listed include proposals to deregulate university fees and introduce a much more generous paid parental leave scheme. Whether this happens will not depend on Obama or Putin or the G20 or anyone else at the international level.

In a sovereign country it is the national parliament, and ultimately the electors who vote it in and out, who decide these things. And the same goes for all the other growth strategies of all the other countries. They have all listed what they would like to do. Whether it happens will depend on domestic politics. International statements of best intentions are useful to concentrate the thinking of a government.

A government serious about reform might use such statements to educate and persuade its own constituency. But the business of economic reform is hard, specific and local.

Tony Abbott and Joe Hockey were right to try to focus the G20 on specific and achievable reform. It might not have the colour and movement of the grand gesture, but it is more likely to produce some tangible results.

Peter Costello is a former federal treasurer.