

BE BOLD, WAYNE, AND TRY SOMETHING NEW... THE TRUTH

Peter Costello



ABANDON THE SPIN

The May 14 Budget could acknowledge the failures of the past five years

AS Wayne Swan begins to prepare his sixth and final Budget speech for May 14, he should think about doing something different.

To date, his strategy has been to make bold promises to catch favourable headlines and distract attention from the obvious failings.

Year after year, the over-promise has been followed up with under-achievement. The media “spin” has always been the focus rather than the actual outcome.

Three years ago — on May 11, 2010 — he announced this year’s Budget surplus for the first time.

He has reannounced it in every Budget and every Mid-Year Review since then, which means he has announced it in the last six formal Budget statements.

He has said it over and over again in media interviews, and was still announcing it right up until last December when he announced it wasn’t likely to happen — and it didn’t matter that it wasn’t.

Forests were felled in the name of that surplus. On May 14, Swan will be promising another Budget surplus; this time for next year and the year after that and a whole host of years long after he has left the Treasurer’s office.

But the public is over it.

These promises on the never-never use up so much energy.

Let’s all save time. Let someone announce the Budget has balanced once it has actually happened.

Labor needs a new strategy. The usual tricks are getting very tired.

One thing Swan could try for this year’s Budget would be to tell the truth. It would be unexpected.

It would be bold. It would take him to ground where he has not ventured before.

The Budget could start with an acknowledgment of the failures of the past five years, it could set out the challenges that now lie in front of our country and it could implement a few concrete and measurable steps to move us towards meeting those challenges.

A person can sometimes redeem their career by the way they finish it.

But by all accounts, Swan is working on the next big headline, which will be along the lines of: “Tonight I introduce the largest, most far-reaching educational reforms in Australian/world/intergalactic history” and “Under the new National Disability Insurance Scheme (NDIS)

introduced tonight, no family/parent/older Australian need live

without support in the event of a disabling illness or condition”.

If either of those sentiments is in a headline on May 15, he will feel his mission has been successful.

Neither statement will be true. It is not hard to announce something to happen in the future.

Anyone can do that. The real issue in delivering a program that will go forever is to find the money that will pay for it forever — not a pilot scheme, not something to happen in 2016 or 2017 or some date as far away now as our non-existent Budget surplus was when it was first announced. What counts is delivery, not puffery.

THE people who really care about these things are those who care enough to be careful with their promises, who know that to raise expectations beyond the capacity to deliver is cruel and who don’t want to play with the emotions of vulnerable people. A fully-funded scheme backed by legislation and full appropriations would be a wonder to behold.

The rest is just political spin. And since the Government is going to raise expectations on the spending side, it has also begun to position its targets on the revenue

side. Up until now the mining industry has been the chief villain.

Mr Swan has been demonising mining entrepreneurs who, he claims, are failing to spread the “benefits of the boom” to the wider community. In this morality tale there are evil people who have money: The miners — and good people — as represented by him and the American singer Bruce Springsteen, who should have it.

The chosen instrument of redistribution to take from the rich and give to the poor is the mining tax. Except that it hasn’t. And since that disastrous flop, it is time to find some new villains hoarding their pots of gold.

These villains will be high-income earners who put their money into superannuation. Over the long term, the Government will save money from people who fund their own retirement.

But the long-term is several elections away. So in the last four Budgets, the Government has changed the superannuation rules four times. It has generated much more confusion than it has generated revenue.

It all comes back to the difference between announcing something and delivering it. The Government

announced it would get billions from the mining tax. It hasn’t.

It will announce proposals to get billions from superannuation. It won’t. The gulf between promise and outcome is huge and growing. A sane person would look at this and conclude that the lesson is to be more sober on the promise and work harder on the outcome.

BUT this Government is going in the other direction. After proving that it cannot deliver promises over short time frames, such as the mining tax, it is going to make bigger promises on the longer term, such as the NDIS and the so-called “Gonski” reforms to education.

The Government promises things it can’t deliver. The media reports things they know won’t happen. Everyone plays their part in this pantomime.

But sometimes, the audience cries out: “Look behind you.” There are real problems. And wouldn’t it be nice if, just for once, the Budget became a time to be honest and realistic about fixing them.

It would be worth a try.
Peter Costello is a former federal treasurer