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## Seven simple tips to help make every day a 'governing' day

In January, when Julia Gillard announced Australians would go to the polls on September 14, she declared: "I do so not to start the nation's longest election campaign — quite the opposite." She said that making the announcement a long way in advance would not distract the government from governing: "It should be clear to all which are the days of governing and which are the days of campaigning."

I have looked at my calendar for the 47 days since she made that statement and tried to work out which were governing and which were campaigning. I am a little slow but it is certainly not clear to me. Perhaps a panel of the parliamentary press gallery could be set up to declare on the nightly news whether the Gillard government has had a "governing day" or a "campaigning day" from now until September.

Which brings me to the question: what would governing look like if it were to happen? It would mean taking decisions in the public interest. It would follow a few key principles:

- DON'T spend money you don't have. Every year for the past five years the Rudd/Gillard/Swan team has spent all the revenue it has collected and then spent some that it didn't have. It has been borrowing money to spend. Now it is gearing up to spend more money it doesn't have, on schools and disability. That



Prime Minister Julia Gillard leaves Rooty Hill Novotel during her week in western Sydney earlier this month. Picture: John Grainger

looks like campaigning. It is not prudent government.

- THINK about future generations. All the money borrowed and spent (the government admits to \$200 billion but in reality it is more) will be a millstone around the neck of future generations. Yet we have lived through the greatest trading conditions since Federation.

Labor promised it would share "the benefits of the boom" but nothing will be shared with future generations. The Future Fund was established to allow this generation to put something

aside for the next. This government has never allocated a payment into it.

In 2020 the ageing of the population will start to detract from living standards. Our children will face mounting costs and wonder why this generation ran up debt during a boom.

- CLEAN up the books. One of the ways the government has tried to hide the extent of the problem is by moving expenditure "off balance sheet". For example it claims that the \$40 billion for the National Broadband Network is not spending — it is buying a

financial asset. The NBN goes past 72,400 homes and has 10,400 active services. Anyone who thinks it is a great asset should buy shares in it. But no one will, so the government funds it and hides the cost.

- LEAVE superannuation alone. The past four budgets have reduced the contributions limits for superannuation and increased tax for higher-income earners.

More changes to raise more money will be in this year's budget. Once we had simple rules: anyone could contribute up to \$50,000 and pay a standard contributions tax.

People are losing confidence. They think if they put money into superannuation these incessant government changes will rob them of it. Their fears are well placed.

- LIFT tax thresholds. People earning the same real wage get pushed into higher tax rates as inflation increases their nominal wage. The thresholds should increase to ensure the tax burden is at least the same (or lower). This government did implement the policy of the previous government to raise the thresholds in its first term, but there has been no action since then. Wage

earners will to carry the weight of all this spending by being pushed into higher taxes.

- PROMOTE productivity. The last Labor government reduced tariffs and began privatisation. The last Coalition government introduced tax reform, GST and freed up industrial relations. This government has no signature productivity reform. It doesn't even talk about it any more.

It should lead the process to establish fully competitive national energy markets with full private competition. Cheaper energy benefits business, jobs and consumers.

- PUT outcomes above spin. We are now being treated to a wave of briefings about how government strategists are cleverly preparing for life after the election defeat — putting people into public service positions, preparing policies that will go down as Labor "legacies" even when they were not implemented.

One of the things those clever strategists should consider is delivering a few outcomes — now — while they still have the power.

If they spent nearly as much time working on government as they do on telling the press how clever they are, then they might actually make a contest of this election.

And what is more, we might actually have some "governing" days between now and September 14. Which would be a welcome change.

Peter Costello is the former Treasurer