



HIGH TIME TO PUT AN END TO WASTE

Rudd was a disaster and Gillard must do better but the portents so far aren't good

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WE have been blessed with some brilliant political leadership in the past six months. No, I mean it.

The Labor Party deposed Kevin Rudd, the most incompetent leader of modern times, and Tony Abbott destroyed the Carbon Pollution Reduction Scheme, saving the nation from immense losses on a folly. For these we should be grateful. But that is about as good as it gets.

In all likelihood, on Saturday the Gillard Labor government will be returned, albeit with a reduced majority. The electorate may feel uneasy about the performance of the Rudd Labor government but it will consider the Gillard ascendancy an opportunity to restart the clock.

The Coalition should thank Abbott for pulling it back from the precipice.

Whether Labor deserves a second chance is moot. Its performance, to put it politely, has been crap.

The litany of waste is now notorious. Labor's most enduring

legacy has been to destroy value, to waste capital.

Indeed, I thought I saw this slogan on a billboard in my home town, Brisbane: "Hi, I'm an economic conservative. I only wasted \$52 billion of your money", but I must have been mistaken.

Labor promised to govern responsibly, but the moment it thought it could get away with it, it returned to its old ways, spending for spending's sake.

Judging from its campaign promises — the National Broadband Network, suburban rail in Sydney and Brisbane — the prospects for changing its bad habits are not good.

Assuming Labor is given a second chance, it is to be hoped that somewhere in the bowels of the Labour caucus emerges a better government.

Using the most conservative assumptions, Australia will grow to be a nation of at least 30 million people by the turn of the century. We must hope that it maintains its liberal democratic institutions, its English language and a strong defence force at a time of declining US hegemony.

With these fundamentals in mind, a better government should do five things for Australia.

Begin a staged and serious root and branch reform of the taxation system, as set out in the Henry tax review.

Reform does not mean Robin Hood style change, it means taxing to minimise the influence of taxes on economic behaviour at the same time as raising revenue.

In addition, as a contribution to placing discipline on government spending, the government should establish a parliamentary budget office to ensure that all members are aware at all times of the government's true fiscal position.

Just as all big government funded or supported infrastructure projects require an environmental impact statement, ensure that each project has a business plan and a cost-benefit analysis.

If the federal government is to muscle in on the states in infrastructure, those monies should not be used to buy favours or prop up failing governments.

Put the immigration and population debate back in its box by being tough on people-smuggling and creating the political space for continuing to shift immigration towards long-term high skills candidates, suited to a more mobile and footloose global workforce.

Ensure that our burgeoning foreign aid budget is spent almost entirely in our region.

This means getting out of Africa, a region squarely in Europe's and the Arab peninsula purview. In essence, aid is our first line of defence.

Governments should set the ground rules and get out of the way



Work to have the electorate understand that Australia's moral duty is to help the poor of the world by providing the best and cheapest resources to the world. This means selling uranium to India. It also means continuing to be the best miners in the world, with a competitive tax regime.

Work to have the electorate understand that adverse climate change is not solvable through carbon abstinence or pricing.

A small carbon tax could be incorporated into the design of the new tax system, purely to raise funds for long-term research and development on new energy technologies. Australia must prepare to adapt to whatever climate change befalls this country and this region because it is not humanly possible to stop the climate changing.

In the tradition of Bob Hawke and Paul Keating, Julia Gillard should return to the more humble means of selecting her ministry by ensuring caucus selects the executive. Quiet backroom consultation usually ensures the right result and a stronger base in caucus. Just ask Kevin.

All in all, the lesson of the past three years is that less is best. Governments should set the ground rules and as far as possible get out of the way.

Just remember that the black plastic covered sign you see at the school you vote at on Saturday is a covered Building the Education Revolution sign. It is a black hole into which a Labor government poured your money, never to return. Make sure no other government does that again.

Gary Johns was a minister in the Keating Labor government.

