

## Turnbull: too many slogans and not enough reality

Judith Sloan, The Australian, 12:00AM August 18, 2016

When Malcolm Turnbull first became Prime Minister, he said some very sensible things.

I guess he had been working on his lines for some time. “We need a style of leadership that explains ... a style of leadership that respects the people’s intelligence, that explains ... complex issues and then sets out the course of action we believe we should take and makes a case for it,” he said.

He was going to be a gun on economic management and spoke about economic liberty.

Sadly, these uplifting words were just that ... words. In practice, Turnbull hasn’t achieved any significant budget repair, just like the failure of his predecessors, Tony Abbott, Julia Gillard and Kevin Rudd. All the fine intentions and optimistic assumptions in the world do not change the fact that no structural consolidation of the budget has been achieved in almost 10 years.

He might now seek to enlist Labor’s co-operation by putting forward an omnibus bill containing a potpourri of budget savings, but we should not forget that these savings have already been recorded in the books even though they are not legislated. A company director would be disbarred for this kind of accounting manipulation.

Mind you, it would be unconscionable for Labor to block those savings measures that it has endorsed and were included in the party’s election costings.

But let us not forget the most memorable lines from this year’s budget, the first under Turnbull’s prime ministership. “The government remains focused on restraining growth in government spending and aims to achieve a steady trajectory towards a balanced budget and lower government debt. The overall impact of new policy decisions in this budget is an improvement to the bottom line of \$1.7 billion over the four years to 2019-20.”

I really thought this must have been a typo. \$1.7bn over four years out of total government spending above \$2000bn and the government thinks this is something about which to brag?

While there were several minutes of complete waffle, there was also some good stuff in the speech Turnbull delivered yesterday. Yes, it is important that we are not paying the grocery bill with the credit card and asking the children and grandchildren to pay it off.

But frankly, the government’s piecemeal approach to budget repair will never cut it, inviting endless arguments about the merits and drawbacks of cutting particular programs and entitlements.

A much bolder approach is required. In particular, the welfare system. Australia should follow the examples of Britain and New Zealand and streamline welfare payments by reducing the number of categories and abolishing supplements. The government should make it clear that those who can participate in the labour market will be expected to do so — something that is good for the person and the person’s family as well as for the budget.

The most disappointing aspect of Turnbull’s speech is the reinforcement of the thinness of the government’s economic agenda: company tax cuts — most of which will be blocked — the \$1.1bn Innovation Statement, investment in overpriced defence equipment and trade agreements. That’s about it.

The government needs to get real about economic management, not just spout slogans.