

Malcolm Turnbull oblivious as world moves on

Judith Sloan, The Australian, 12:00AM February 2, 2017

Malcolm Turnbull's speech to the National Press Club was predictable, unenlightening guff. It was also gutless. Soaring rhetoric about opportunity and hand-ups doesn't really cut it when the policy cupboard is so bare, particularly in terms of new thinking and new policies.

There is nothing I can think of that was new, apart from instructing yet another government agency to hand out \$20 million on storage demonstration projects in the energy space — batteries and pumping hydro (do people even know what that means?).

But don't worry, Labor's energy policies are a highway to expensive, unreliable electricity, according to Turnbull, whereas the government's policies will lead to cheaper and more reliable electricity. Really? Both sets of policies are essentially the same, bar their aspirations; electricity prices will continue to soar under both scenarios.

And all that stuff about being technology-agnostic while spruiking the benefits of clean coal was just filling in the minutes. With the renewable energy target firmly in place until 2030, there is no way that there will be any investment in any new coal-fired power plants in this country even if this trend is accelerating around the world.

Turnbull even had the hide to talk about Labor's "mindless rush into renewables", when his policy is nearly as mindless. We are sitting at 15 per cent of electricity being generated by renewables and he is sticking with 23 per cent in less than three years. And electricity price rises over the past five years have been the highest of any developed country. We are now seeing electricity retailers opt to pay the shortfall charge rather than invest any further in renewable energy. This means we are paying more for our electricity for no additional investment. And yet the Prime Minister refuses to contemplate any changes to the RET.

And what was all that talk about export trade agreements? Has he been hanging out with the mercantilists in the bureaucracy? Here's a tip: they are trade agreements — exports and imports, outward and inward investment.

Didn't you love the stuff about the centrality of jobs and the example of the defence industry strategy? He almost seems to believe that building overpriced defence equipment that may never work is a recipe for more jobs. What about all the jobs lost as a result of the high taxes that will be necessary to fund this folly over decades?

He got himself into a spot of bother when answering the question about company tax cuts. If you tax something more, you get less of it. True enough, but he cited the example of tobacco excise, in which rates of smoking might decline but revenue is expected to rise. No one is saying that company tax revenue will rise when the rates are cut (it has already fallen). And to suggest that large companies will still invest more because they make long-term decisions and worry about the tax rates that will prevail down the track is a very big call.

Let's face it, big companies don't believe that the government's modest, drawn-out company tax cuts will come to pass. And the current weakness in private-sector investment does not help the government's case. By the way, many small businesses are not incorporated and so don't pay company tax. So the tax cuts for small companies will mean nothing to them.

When it comes to spending more on childcare, my strong advice is just don't do it. The easiest way to control the budget is not to increase spending in the first place.

Are we any wiser after the Prime Minister's speech? We learnt very little in terms of any new policies from a leader who comes across as a classic insider while weirdly denying that he is a political hack. That the world may have moved on doesn't seem to have dawned on him.