

## BUDGET 2015 : 'SO BLAND, EVEN LABOR MPs FIND IT BORING'

### Roger Scott

Queensland Treasurer Curtis Pitt would have been delighted that Steven Wardill of the *Courier Mail* described the budget as 'So bland, even Labor MPs find it boring'<sup>1</sup>, and the grudging admiration of spokespersons from the business community.

How Joe Hockey would have loved such an adverb in 2014 or 2015. Yet it was the combination of his two federal budgets which made the boringness possible.

Hockey's 2014 austerity budget rested on assertions about gloom, despondency and the fiscal irresponsibility of the previous ALP regime creating unacceptably high mountains of government debt. These assertions about debt and future crises were all challenged by professional economists, but welcomed by the business community as rational in the circumstances. However, the 2014 budget fell apart because of the perceived unfairness of measures which protected any challenge to business interests while imposing severe cuts across the rest of the community: from pensioners to university students, unemployed and socially disadvantaged.

Hockey's 2015 budget was an exercise in soft soap to allow Prime Minister, Tony Abbott, to regain the confidence of his troops and to open up the possibility of calling an election before the 2016 budget. This dramatic change of tack could only be papered over by suggestions that the mountains of national debt had either mysteriously disappeared due to a year of unprecedented and superb fiscal rectitude or, more credibly, that it actually was a mirage: Australia had problems, but not as serious as most other developed countries and these problems could be treated by gentler and equitable changes.

This made it impossible for the Queensland LNP to beat the debt/deficit drum in 2015, even though the newly-elected ALP government was still unable to rescue Queensland from its sub-optimal rating by international credit agencies (only the *Australian Financial Review* gave much prominence to this point). Further, many of the programs which were funded in the 2015 budget had already been investigated and adopted by the LNP when it was in office. It was only at the margins that there was funding for a range of ALP initiatives, almost all signalled during the January election campaign or leaked, as is normal, as good news stories before Budget day.

The major story was that the Treasury officials had persuaded the new Treasurer that there was a hollow log which could legitimately be raided for infrastructure funding as an alternative to LNP schemes which had in the past rested on asset privatization. Opposition leader Lawrence Springborg described drawing on defined-benefit superannuation funds as 'this jiggery-pokery of now stealing from public servants with their long-service leave and also their superannuation entitlements to prop up the Budget bottom line'. His comment encouraged the *Courier Mail* to have on its front page a photoshopped image of the Treasurer holding a rabbit up by the ears, with the headline writer inviting readers to 'Watch me pull a budget out of my hat'.<sup>2</sup>

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<sup>1</sup> *Courier-Mail*, 16.7.15.

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The readers' letters page carried the headline echoed the theme: 'Budget sleight of hand won't fool any bunny'. In the interests of balance, one letter from a long-time public servant reported that he didn't feel threatened: 'The measures to stop pre-payments into an accrual account and to pay down debt make huge sense to me'.

One of the other letter writers also attacked what he described as 'the hypocrisy of the union movement': suggesting that if the LNP had chosen to not put money towards the superannuation of government employees or had taken money from the reserves, we would have Alex Scott from the Together Union and John Battams from the Queensland Council of Unions 'all over the news, calling it a raid on public servants' super'. This suggests the letter writer shared the collective amnesia of most of the LNP over the issues of trust and confidence in the previous regime. Five days earlier, Steve Wardill had reported on the LNP party conference and the perceptions generated by the Borbidge-Shelton Report under the heading 'Can-Do's Spectre lurks in the shadows'.

Wardill's comments on the Budget included the information that 'the fund is managed by the Queensland Investment Corporation, an independent body established to invest public servant superannuation after past (National Party) governments gambled the cash on dud investments, including Christopher Skase's Quintex'. Wardill's budget stories were headlined 'As Good As It Gets'.