

OUR SAY

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Cash grab has us over a barrel

Well, it looks like the asylum seekers being transferred to Nauru aren't the only ones being taken for a ride. Now the Nauruan government wants to punish Australia for giving the place its only viable industry.

In many ways it's hard not to grudgingly respect Nauru for sniffing an opportunity for a cash grab. The tiny island nation has the federal government — to use the polite diplomatic term — over a barrel.

In fact, that is precisely the point: the government's handling of the asylum seeker issue has been so tortured, protracted and half-baked that somehow it left the door open for an underdeveloped island nation less than 1/2000 of our size to hold us to ransom.

We have been outsmarted, outmanoeuvred and outplayed by a country so small it does not even have a capital city. We have

been outpoliticized by a country that changed government 17 times between 1989 and 2003. We have been out-businessed by a country whose previous sole fiscal services industry was money laundering.

In other words, not to labour the point, even in the light of perhaps the most unbecoming episode of Australian political history this is an embarrassing new low.

Notwithstanding the question of how on earth the cost of processing asylum seekers wasn't written into the government's original deal with Nauru, one now wonders how the government will be able to stop it from escalating further.

As an indication of the staggering scale, if calculations of a total gouge of \$90 million are correct, it would equate to almost \$100,000 for every man, woman and child on the island.

What a shame our government can't deliver as well for us.

Teens an inspiration



William Clarke in Borneo with an orang-utan.

If you ever think you're doing it tough, spare a thought for Daniel Clarke — because he rarely spares a thought for himself.

Daniel, who has cerebral palsy, is one of several outstanding Australians in the running for a Pride of Australia medal today.

But it has nothing to do with his condition — in fact it could not be less relevant. Rather, he and his brother William have devoted their young lives to saving the jungles of Borneo and Sumatra so their beloved orang-

utans can survive. And that says it all really. While most kids their age are preoccupied with Facebook status updates or high scores on Xbox, these two have an incredibly rare obsession: something that's not themselves.

It's all the more remarkable when you consider that Daniel has every excuse to think about his own needs.

Instead he thinks about others'.

So today spare a thought for this extraordinary pair.

We should count ourselves lucky just to bask in their glory.



Voters entitled to a bit more honesty

The policy bigwigs who heard Joe Hockey's provocative speech to the Institute of Economic Affairs in London back in April could hardly help but be impressed.

Here was a leading politician arguing for cutbacks in welfare payments. Voters, he said, must be told that "the age of entitlement is over".

Indeed, that was the title of his speech.

You can imagine the audience thinking: "What courage! There should be more politicians like this — prepared to tell unpalatable truths and ignore the political risk."

The message from Australia's shadow treasurer was that bestowing entitlements on people, "fuelled by short-term electoral cycles and the politics of out-bidding your opponents", placed future economic sustainability and even democracy at risk.

"Despite an ageing population and a higher standard of living than that enjoyed by our children, Western democracies in particular have been reluctant to wind back universal access to payments and entitlements from the state," Hockey said.

"It is not popular to take entitlements away from millions of voters in countries with frequent elections." Nevertheless, "the party is over". Fiscal discipline had to be rebuilt, he declared, and "to actually do it needs some very harsh political and social decisions".

In a follow-up interview, Hockey even admitted that John Howard's government — in which he was a minister — was guilty of encouraging the entitlement mentality.

It was good, inspiring stuff. One commentator described it as the kind of speech leaders should give but almost never do.

Hockey sounded like a statesman. A politician putting principle ahead of popularity.

But contrast the London Hockey with the parochial (dare one say hypocritical?) polliie on display on home soil this week, after the government included a couple of relatively small cutbacks to entitlements in its budget update.

One was a reduction of the



baby bonus from \$5000 to \$3000 for second and subsequent children, the other involved indexation changes to curb the rising cost of the private health insurance rebate.

The measures are part of Treasurer Wayne Swan's effort to bring the budget back to surplus this financial year. ("Budget surpluses must be restored!" thundered Hockey the Speechifier in his Institute address.) But did the shadow treasurer support them? Not on your nelly.

"Today's document is going to hit families hard," he complained. It "continues Labor's attack on families". Australian families "need all the assistance they can get with the rising cost of living".

In other words, leave the entitlements alone. It is no surprise that Opposition Leader Tony Abbott would take this view. He is shameless about putting politics ahead of economic responsibility — or, for that matter, truth.

"What I offer to the Australian people is a return to economic growth," Abbott said recently — implying the economy is not growing under Labor. In fact, Australia's economy has had an unbroken 21-year run of growth. It has grown at a healthy pace under the Rudd and Gillard governments, even in the aftermath of the GFC. The revised growth forecast for this financial year, announced on Monday, is 3 per cent.

Abbott has no pretensions to economic high-mindedness — but, after the chest-beating London speech, Hockey has. Or rather, he had.

Which is why it was surprising to hear him doing an

Abbott on breakfast television yesterday — claiming "the economy is flatlining".

If Hockey was fair dinkum about what he said in London, he'd have welcomed the baby bonus and health insurance rebate savings. Instead, like Abbott, he saw an opportunity to score political points and grabbed it.

Sadly, had the situation been reversed, Labor would almost certainly have done the same — just as it tried to use Hockey's London speech for a scare campaign about welfare cuts under a Liberal government.

Neither side is genuinely big on principle in this debate, though Swan — to his credit — has at least started the process of curtailing middle-class welfare in a number of areas.

Hockey said in London: "All government-funded pensions and other such payments must be means-tested so that people who do not need them do not get them." Despite that, Labor's attempts at means-testing entitlements are invariably attacked by the Coalition as "class warfare".

After Hockey delivered the speech, Abbott was quick to downplay it, claiming his Treasury spokesman was talking only about Europe.

But Hockey quite clearly said Australia had not completely avoided Europe's problems.

In a *Lateline* interview afterwards, he was asked about an assertion in the speech that "entitlement is a concept that corrodes the very heart of the process of free enterprise which drives our economy".

He agreed it could apply to this country. Hockey also said: "We need to compare ourselves with our Asian neighbours, where the entitlements programs of the state are far less than they are in Australia."

And when Tony Jones asked if the speech was a warning that a Coalition government would look closely at the whole range of entitlements in Australia, he replied: "Yes."

In the meantime, though, opportunism reigns — and, for the time being at least, it seems Hockey's principles remain in storage in London.

Laurie Oakes is political editor for the Nine Network. His column appears every Saturday in *The Daily Telegraph*.