

Joe Hockey's heavy lifting — for some

By Mark Chapman

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What the treasurer puts in his Budget night isn't yet clear, but it seems likely the heavy lifting is to be left to the many while the few enjoy the ride, says [Mark Chapman](#) from [Taxpayers Australia](#).

[Speaking in Sydney last night](#), Treasurer Joe Hockey [stated that](#):

The task of getting the Budget back on track is a national priority and will require every sector of the community to make a contribution.

There will be difficult decisions, but all Australians must help to do the heavy lifting.

It will not be acceptable for a few to make the major sacrifices on behalf of the rest of us.

Fine words and let's be clear, there really are hard choices which need to be made over time about how we are taxed and what we spend; about whether we want, or can have, a European model of social welfare based on what we're prepared to pay, or whether we can only afford an American style model based on low tax and no support, where the most vulnerable sink ever lower whilst the wealthy continue to prosper.

But there is a hollowness to Hockey's solutions, a lack of sincerity.

Too many slogans which sound like fine words but crumble on close inspection. This is an unashamedly political approach, based on

fostering a sense of crisis which only sober, sensible Hockey can solve by making hard choices on behalf of us all.

It is, in essence, smoke and mirrors.

To prove the point, on the same day that Hockey emphasized that difficult decisions have to be made, the prime minister and defence secretary made a commitment [to spend \\$24bn](#) purchasing additional fighter aircraft — a decision the Leader of the Opposition – oddly and mystifyingly – was [quick to support](#).

Defence analysts – including the Liberals [own Dennis Jensen](#) - state that the Joint Strike Fighter is, in essence, [a lemon](#), incapable of doing the job it's intended to do. There are also concerns that such an aircraft will have no meaningful role to play, since it isn't clear which threat it's intended to combat and – based on recent military deployments – what role it could actually have played in the field.

Was the decision to spend \$24bn of taxpayers money a difficult one?

Perhaps the truly difficult decision would have been to walk away from this dubious deal and use that pot of money to help fix the so-called "[budget emergency](#)" the rest of the taxpaying population is shortly to be tasked with fixing.

Within Hockey's speech is a table which sets out the expected growth rates of spending across the public sector over coming years:

Large and Fast Growing Programmes

\$ billion	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Average annual growth (per cent)
Age Pension	39.5	42.3	45.2	48.7	51.7	54.6	57.8	61.1	64.6	68.3	72.3	6.2
Defence	25.3	27.0	28.1	28.6	34.1	35.8	36.7	37.6	38.6	40.7	41.4	5.1
Family Tax Benefits	19.4	19.7	19.5	19.8	20.1	20.5	20.9	21.3	21.7	22.1	22.6	1.5
Medicare Benefits Schedule	19.0	20.4	21.7	23.1	24.8	26.6	28.6	30.7	32.9	35.2	37.7	7.1
Disability Support Pension	15.8	16.4	17.0	17.8	18.6	19.6	20.6	21.6	22.7	23.9	25.2	4.7
Hospitals	14.6	15.4	17.0	18.8	20.8	23.1	25.6	28.3	31.2	34.4	37.8	10.4
Schools	12.9	14.1	15.4	16.8	18.7	20.6	23.5	26.2	27.7	29.4	31.0	9.2
Age Care and Population Ageing	12.8	13.8	14.8	16.0	17.3	18.6	20.0	21.9	23.7	25.0	26.4	7.5
Job Seeker Income Support	10.1	10.6	11.2	11.7	12.4	12.7	12.9	13.2	13.5	13.7	14.0	3.3
Pharmaceutical Benefits Scheme	9.3	9.3	9.6	10.2	10.8	11.5	12.3	13.0	13.8	14.7	15.6	5.4
Higher Education	7.1	7.4	7.8	8.2	8.5	9.1	9.7	10.3	11.0	11.8	12.6	5.8
Child Care and Paid Parental Leave	7.0	7.8	10.7	12.8	13.8	14.8	15.8	17.0	18.2	19.5	20.9	11.5
Income Support for Carers	6.8	7.5	8.1	8.8	9.8	10.8	11.9	13.1	14.3	15.7	17.1	9.6
Official Development Assistance	5.0	5.2	5.3	5.4	5.4	5.5	10.0	10.5	11.1	11.8	12.5	9.6
National Disability Insurance Scheme	0.3	0.4	0.5	1.8	4.5	7.0	8.6	9.4	10.0	10.7	11.3	46.2
Total Broad programmes	204	217	232	248	275	295	315	335	355	377	398	6.0
Total Commonwealth payments	409	414	430	447	485	515	544	578	612	649	686	5.3
Nominal GDP	1,577	1,631	1,708	1,788	1,874	1,970	2,072	2,191	2,316	2,448	2,588	5.1

Source: National Commission of Audit.
Note: Programme projections are on an accrual basis, whilst payments are on a cash basis.

So, whilst the highest earning women enjoy a \$75,000 handout from the Australian government – funded by you, the Australian taxpayer – that same government talks about “increasing personal responsibility”, making “all Australians do the heavy lifting”, and spreading the burden across the many rather than the few.

We await the precise details of what Hockey has in mind on Budget night but from where we sit now, it looks more like the many will be doing the heavy lifting whilst the few sit back and enjoy the ride.

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Defence spending is expected to grow by 5.2% per annum and, by 2023-24, will be the second largest commitment in real dollar terms, at \$41.4bn per annum — nearly double the expected spend on, for instance, disability support pensions.

If we're all doing the heavy lifting, can we expect the Defence budget to be taking its share of the pain?

Take another look at that table.

The second fastest growing commitment is none other than 'Child Care and Paid Parental Leave', with annual growth of 11.5% per annum between now and 2023-24.

This, of course, is Mr Abbott's beloved [Paid Parental Leave Scheme](#) — a wheeze lauded by Hockey for its expected role in boosting labour force participation amongst working women of child-bearing age, but dismissed by economists, [including the Productivity Commission](#), on the grounds that it will produce few if any benefits to workforce participation.



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