



**COMMENT**



**“Australia’s No. 1 challenge in coming years is what will replace the mining boom when it ends”**

**BOB DAY** IN MY VIEW

**M**ORE than at any time since World War II, Australia needs political leaders who understand how and why investment decisions are made, how markets work, how real jobs are created, and that “barriers to entry” to getting a job cause unemployment.

Whether it’s mining, farming, manufacturing, tourism or small business – anything not based on economic reality is doomed to failure.

The No. 1 challenge facing Australia over the next few years is going to be what will replace the mining boom when it ends.

The industry in which I have worked these past 30 years – housing – has seen at least three booms during that period, and offers some insights into the broader economic picture.

First, what the end of a boom does not permit is the continuation of huge benefits for some, while big sacrifices are being made by others.

You realise very quickly that if something is not adding value, it is adding cost. So the question arises: Do the Government’s and the Opposition’s promises for 2013 and beyond add value to our lives or do they add cost?

Second, yes Australia is indeed blessed with abundant natural resources but Australia’s real wealth is not beneath the ground, it is between the ears.

Which is not the same as “education, education, education” as the Government’s mantra goes. Forcing young people to stay on to Year 12 when they’re clearly not enjoying it is not only economically stupid, it is morally wrong.

There are many youngsters not enjoying school, causing strife at home, getting in trouble with the police. But then they start working on a building site and by Friday night they’re too tired to be hooning around in cars, setting fire to brush fences and spraying graffiti at all

hours of the night.

I know hundreds of trade contractors – carpenters, bricklayers, tilers – who left school at 15 and have gone on to lead very happy and successful lives.

They’ve all got two or three investment properties, cars, boats and they send their kids to private schools. They’re also members of the local CFS or surf lifesaving club and coach local football or netball teams. They are good citizens and yet they received very little in the way of formal education.

As the saying goes, “It’s not what you’re good at in school that matters but what you’re good at in life.”

My first job was with the Highways Department. In those days petrol taxes were spent on roads – building new ones and maintaining existing ones. Now all petrol taxes go into general revenue and only a fraction is spent on roads.

As a consequence, our roads are terrible, especially in our country areas. Whether it’s taking kids to school or taking farm produce to market, good roads are essential.

A strong and prosperous nation builds up its infrastructure – roads, ports, power stations, airports, telecommunications. It also has strong defence capabilities and is able to afford the latest and best equipment for its defence forces.

This year Australian governments will spend \$350 billion of our money and still be in deficit. With \$350 billion, governments certainly don’t have a revenue problem. They

do not need more money. They do not need an increase in the GST.

What they have is a spending problem. The South Australian Government alone will spend close to \$16 billion of our money this year.

About half of this will be spent on the key areas of health, education and police.

What are they spending the other \$8 billion on?

There is no doubt politics in

Australia is going through a very bad patch at the moment. There is a lack of a clear focus on values needed to build the nation in the interests of all citizens.

Politicians seem more interested in attacking each other than tackling the country’s problems.

Values are the foundation of a nation: values like telling the truth, living within your means, hard work, respect, courtesy, compassion, courage, generosity.

But when we see cronyism, wastefulness, backstabbing, price gouging by government agencies (water prices, power prices, land prices) and politicians spending millions of dollars on themselves

while hospitals are being closed and pensioners can’t afford to heat or cool their homes, we know there is a lack of values and a failure of leadership.

Australia deserves better.

Families are under real pressure, values are deteriorating, Australia is getting weaker – not stronger.

We need to re-invigorate Donald Horne’s great Australian dream of “saving your money, putting a deposit down on a house, getting married, having children, planning your retirement, hoping your children lead at least as happy a life as you have and then when you die you leave your house to your children so that it can be sold and the money used to help pay off the mortgages on their houses”.

As author Os Guinness once said, “It’s not the wolves at the door that’s the problem, it’s the termites in the floor”.

It’s not the external threats; it’s the rot within.

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