



Kiwiki wrote a new note: **Key thinks he can sell cowshit to cockies - Rod Oram's Sunday Star-Times column for August 2nd, 2015.**

Yesterday at 13:56 ·

By Rod Oram

Over the past few weeks Prime Minister John Key and his government have reached new heights with what they do best – fiddling around and talking up.

On health, immigration, trade, foreign investment and the economy, among other crucial issues, they have done only two things: take minor action; and talk big.

What they have failed to do is offer any kind of serious analysis or sustained strategy. Thus, the Key government is drifting, and the country with it.

Take health. Key conceded at last this week that the cost of prescription drugs would rise if the Trans-Pacific Partnership trade talks were successful.

But worry not, he says. Your prescription costs won't rise. We will increase health spending to cover them. After all, this is a government that's increased health spending in every budget.

No it hasn't. Health spending has failed to keep pace with inflation and population growth since National came to power in 2008. This is the conclusion of analysis by Infometrics, available at bit.ly/HealthInfometrics, which was commissioned by Labour.

This shows a 3 per cent gap between what the government will spend this financial year on health and what it should spend. If health spending had kept pace since 2009 the government would have spent an additional \$1.7 billion on health.

No wonder half the health boards in the country are running deficits.

So, the government announced its solution this week: reduce elected members on health boards, and increase government-appointed members.

Take immigration. Last Sunday, Key announced changes to immigration policy aimed at doing two things: take pressure off the Auckland housing market; and help regions attract more immigrants.

To those ends, applicants will get 30 bonus points if they commit to live for at least a year outside Auckland.

But this is guaranteed to have two completely perverse effects.

First, few migrants will find a job, a place to live and settle deeply in a community in just a year. After a while some will understandably see the opportunity of leaving their family in a regional town while they seek higher paid work in Auckland.

But here's the far bigger failing: the bonus points mean the regions will get ill-equipped immigrants who would not otherwise qualify to come to New Zealand.

Would-be skilled migrants need a minimum of 100 points to lodge an expression of interest to come to the country. This is based, for example, on their relevant skills and on demand identified by employers here. So, 30 bonus points mean a 30 per cent discount on migrants' skills.

Yet there is a fierce talent war going on in the world. We should be trying to attract the very best migrants we can. We should be confident we are a country they want to contribute to.

Take foreign investment. Three weeks ago minister of economic development Steven Joyce, after nearly seven years in the job, finally conceded the obvious: we need more investment if we are to achieve "a step-change in economic activity."

To that end, Joyce's mega-ministry had beavered away on a 12-page Cabinet paper mapping out the "New Zealand Investment Attraction Strategy". Available at bit.ly/InvestmentCabinet, it looks wonderfully clever and complicated.

But at its heart it's brilliantly simple: "Three thematic priorities" will be underpinned by "three cross-cutting actions" which will be progressed by the aforementioned "three priorities."

Actually, the government could achieve far more beneficial foreign investment if it simply exercised the economic benefit tests already built into the Overseas Investment Act 2005.

But it doesn't. Instead it resorts to political over-rides, as it did with Shanghai Pengxin's purchase of the Crafar farms, to suit its whims and politics.

Take child poverty. Finance Minister Bill English announced in May's budget a \$25 a week increase in the core benefit. The news grabbed the headlines. After all, it was the first increase in 40 years.

But this miserable little carrot will be quickly consumed by extra child-care costs. The government is forcing mothers to go back to work when their children are younger, and to work longer.

That's nothing, though, compared with the underlying message of the increase: this isn't a strategy. It's a one-off.

That's contemptible. Children living in poverty deserve a real long-term strategy and real government goals and accountability to measure progress.

So, fiddling is what the Key government does best - a benefit tweak here, some bonus points there, or new flags everywhere.

This works, at least in terms of public support, because Key is very good at selling his ideas.

Such a talent. Such a waste.

These days he's exercising his skill in ever more epic ways. He is telling the public not to worry about the implosion of Greece, or the travails of the Eurozone, or China's slowing growth, or the collapse of China's state-manipulated stock market, or the global dairy slump.

To find out what's really going on in the global economy, all you need to do is take 15 minutes a day to read for free online Reuters, Bloomberg and The Guardian, or try the \$1 trials at the Financial Times, Wall Street Journal, New York Times and Washington Post.

Yeah, but at the end of the day, though, all those global issues won't have much impact on our economy, he assures us.


Clearly, like all good salesmen, he is confident he can convince anybody to buy anything.

In Kiwi terms, that's selling cowshit to cockies.


ENDS


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