

CPD's report on the *Intergenerational Report* exposes the fanciful 'national conversation' about Australia's deficit and long-term prospects

The Centre for Policy Development (CPD) today released its response to the 2015 *Intergenerational Report* (IGR), pointing to a 'sizeable gap between the conversation the Treasurer has started and the conversation the country needs'.

The report [*Budgeting smarter, not harder: the failure of long-term thinking in the 2015 Intergenerational Report*](#), makes it clear the Government's approach to fiscal consolidation is illusory.

Budgeting smarter, not harder proposes a balanced, sustainable and effective fiscal consolidation package. CPD Policy Analyst and former Treasury official, Sam Hurley, who authored the report, argues its implementation would allow the country to stop arguing about the past and focus instead on long-term drivers of wellbeing.

'The 2015 IGR doesn't provide a smart or sustainable approach to strengthening future budgets', Mr Hurley said.

'Policies like freezing the age pension in real terms, cutting public hospital funding to states and retaining bracket creep simply bake in inequities and double-down on problems that will have to be dealt with down the track'.

'The IGR allowed the Government to project large long-term savings, but only on the premise that Australians will tolerate a progressively widening gulf in living standards between those who rely on the safety net and the rest of the population'.

Mr Hurley identifies three areas that must be debated as part of a reform package, including means testing of the age pension, reforming superannuation tax concessions and examining options for broadening the base of the GST.

'These measures would build on Australia's policy strengths and smarts rather than playing on our weaknesses. They could form the backbone of a broader reform package that would strengthen the safety net, protect the overall progressivity of the tax and transfer system, and set us up to talk about and tackle the real longer-term challenges.'

CPD's CEO, Travers McLeod, said: 'The reasonable person went missing in the IGR. Her absence exposed the real deficit in Australia's national conversation about the future and our blinkered view on the long-term policy challenges that will shape this century.'

Budgeting smarter, not harder considers the five key elements of the conversation Australia needs about the future: early childhood care and development; cities policy; changes in commerce and capital flows; climate change; and engagement in Asia.

'The conversation we need', Mr McLeod continued, 'is one that rises to meet the speed, scale and complexity of these challenges, which together will shape our intergenerational wellbeing'.

The *Budgeting Smarter, Not Harder* report is available [here](#).

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