



Spoils to the patient party

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Tony Abbott is best advised to turn his attention to matters other than health.

HE great health debate is becoming something of a bugger's muddle for both sides of politics. Kevin Rudd has got his big victory with the premiers, but is confronted by loose ends and pesky critics.

Western Australia, refusing to hand over the required slice of its GST, has to be squared away somehow. What to do?

If Premier Colin Barnett stays firm, can Rudd say, "you don't get the goodies". Not wise in an election year. Does the PM make an exception and accept Barnett's offer to put the equivalent of the GST in a fund? That would be the easiest way. But what would other premiers, especially John Brumby, make of this? They'd think, "we, as Labor loyalists, have been made to hand over the GST, and a special deal was cut for the Liberal".

Rudd's other challenge is the criticism flying around. The mental health lobby is angry that not enough was done for that area. Commentators are saying the compromises Rudd had to make mean not enough will change. The states were always going to retain a role, but under the finessing Rudd had to do to win agreement, they have a bigger role than in the original blueprint. And yet they are supposed to be part of the current problem.

Despite his difficulties, Rudd is obviously much better placed on health than he was a week ago, when a deal seemed in doubt, and he's in a strong position vis-a-vis Tony Abbott.

The opposition is now faced with key decisions on tactics and policy. If it doesn't get them right, and execute them properly, it will pay a big price.

It must decide whether it opposes in the Senate measures for the health changes, which will include legislation for new GST arrangements (under which the Commonwealth takes back about a third of that revenue from the signatory states and territories).

On the policy front, the Coalition has a fundamental choice. Does it try to trump Rudd, producing a radical health policy which, for example, embraces a long-term plan for the Commonwealth to become the single funder of the nation's hospitals? Or would it be more sensible to have a low-key policy that promises some extra beds and a few other bibs and bobs, but does not propose further dramatic restructuring?

Politically, there is a strong case for the opposition to adopt the small-target strategy on health: let the government's legislation through, then have a modest, uncontroversial policy for the election.

When asked about the legislation, Abbott has said the Coalition won't countenance broken promises and made some negative noises about Tuesday's deal. But at the end of the day, the opposition probably won't put up a red light (to block anything, it needs one crossbench vote).

To oppose would give Rudd a chance to cast Abbott as obstructing billions of dollars for emergency departments, reducing surgery waiting lists, aged care and so on. No advantage for the opposition there.

The only complication would be if some Senate Liberals were agitated about the new arrangement for the GST. In WA in particular, states rights sentiments are strong, and Barnett's stand has fanned them. "The GST was set up to provide a secure, independent revenue stream for the states and any attempt to claw back such a significant portion of that revenue must ring alarm bells," WA senator Alan Eggleston said yesterday.

What about Coalition policy? We know Abbott personally has for years favoured the hospital system being fully funded by the Commonwealth (but run locally). A while ago, Liberal policy seemed headed in that direc-



back



tion. But yesterday, Abbott was anxious to say a single funder wouldn't be the answer to all problems. "There's certainly an argument for a sole funder . . . I'm not saying that that's our policy . . . Even if you did that, you wouldn't end the blame game."

Abbott needs policies but he has to avoid letting loose too many elephants. He already has one large one out there — his expensive parental leave scheme. If he went radical on hospitals, he'd become the issue in an area in which the Coalition always rates poorly as "best party to manage". He'd be better not having to talk too much on health.

If Abbott was doing a "me too" on health, Rudd would have less scope to get coverage for his policy in the election run-up. That would give Abbott greater opportunity to talk up issues more useful for him, such as what Rudd's post-election plans for the emissions trading scheme might be, and the faulty administration of stimulus programs.

The opposition got another windfall yesterday when the government confirmed it was scrapping the home insulation scheme, which

had been suspended but was due to restart in June. A damning report from former senior bureaucrat Allan Hawke suggested the program be dropped, a course the government — which is bogged down overseeing the safety checks and general mop-up from the earlier disaster — grabbed with alacrity.

Abbott can't complain about a lack of lucky breaks. The insulation decision came hard on the heels of the government's setting up of a taskforce to investigate rorts and other irregularities in the school building program. (The opposition would say that it had pursued problems in both programs and exposed them, but they had to be there in the first place.)

Yesterday found Rudd in Tasmania still doggedly on his hospital visiting round, but the opposition winning the day by default because of the insulation backdown, as well as a broken promise in childcare. If ever there could be a message to Abbott not to put himself in the firing line on health, this was it.

Michelle Grattan is political editor.



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