

# Letters

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## Higher standards for fiscal policy

Andrew Leigh ("Debt has served us well", September 14) makes a valid point about the positive uses of debt and the role of the government's counter-cyclical fiscal policy.

However, Leigh lets himself down with his comparison of general government sector debt and household debt.

We all make personal financial decisions about the use of our own money. Some of them are good and some not so good. Rarely do we all employ an economist's cost-benefit analysis tool to these decisions, and

possibly we should do better at that, but at the end of the day these are our personal decisions about our personal finances.

We expect a higher standard with the use of public money. We expect the principles of value for money, transparency and accountability to underpin the use of public money. The government's financial management legislation and procurement guidelines focus on the efficient, effective and ethical (the three Es) use of resources. We should and do expect that cost-

benefit analysis and other tools will be used to assess the achievement of the three Es.

Your editorial "NBN is a stab in the dark", (September 14) sitting alongside Leigh's opinion piece makes this point.

And the opposition, too, needs to lift its game on fiscal responsibility. Not all public sector debt is bad. There are valid reasons that justify a government's investment in infrastructure and skills.

Malcolm Turnbull is correct to ask for the cost-benefit analysis of

the national broadband network. However, he should expect to see that the benefits are demonstrated in ways that go beyond a simply positive net present value cash flow calculation.

The government should make this cost-benefit analysis available in order to deliver on the objectives of value for money and the efficient, effective and ethical use of public money.

Kevin Riley  
Giralang ACT

## Public spirited BHP strategy

It is rare that a firm's management shows such public spirit as that demonstrated by BHP Billiton's Marius Kloppers in his address to the Australian British Chamber of Commerce.

He said: "BHP Billiton is a globally significant producer, exporter and consumer of energy and we want to make a thoughtful and considered contribution to the debate." He recommended a price (in other words a tax) be put on carbon dioxide. Of course, no matter where the CO<sub>2</sub> is actually discharged, its effects, if any, on world emissions are the same.

BHP sells 103 million tonnes of coal a year. Conservatively, that is the equivalent of more than 200 million tonnes of CO<sub>2</sub> emissions. At a price of as little as \$25 a tonne of CO<sub>2</sub>, Kloppers is advocating a tax on his company's coal production of \$5 billion a year.

Kloppers also says we should look forward and anticipate the future taxation regime. Perhaps he should recommend to his shareholders that BHP voluntarily pay the \$5 billion sum right now so that the firm is strongly placed to respond to the future he envisages.

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## Vested interests push benefits

To say "mass screening [using the PSA test] is controversial because experts can't agree whether its benefits outweigh its potential harms" is not quite accurate ("Tracking new frontiers on prostate cancer", September 16).

One expert, Peter Bach of the Memorial Sloan-Kettering Cancer Centre (US), has interpreted the latest findings from large scale evaluation of PSA screening in randomised controlled trials:

"If a PSA test leads to a biopsy that reveals the man has prostate cancer and he is treated for it, there is a one in 50 chance that, by 10 years, he will be spared death from a cancer that would otherwise have

## An ounce of prevention

Now is the perfect time, with a new government at the helm, to look at how best to spend our precious health dollars.

Last week, a five-year study into more than 120 illness prevention measures revealed the most cost-effective measures and smartest ways to save lives in years to come.

The report, *Assessing Cost-Effectiveness in Prevention*, is the most comprehensive evaluation of illness prevention measures ever done anywhere in the world.

Among the recommendations to drastically reduce illness and premature deaths, are taxes on junk food, alcohol and cigarettes, cheap and effective blood pressure medication, increased diabetes

lifetime and the costs would be more than matched by future savings from not having to treat disease. Illness costs us all, even those of us who are fit and healthy, yet public health receives only a minuscule 2 per cent of the health budget.

It's time to think differently about how we approach health, by placing greater importance on proven prevention strategies to avoid the massive rise in preventable illnesses in the next few decades.

Schemes such as the Victorian government's Australia-first legislation to have kilojoule labelling on fast food menu boards are an excellent start. This latest research provides a perfect platform

