

We The People

Program 57

We of the Never Never



Around 1902 Mrs Jeannie Gunn lived on Elsey Station near Mataranka in the Northern Territory around 480 km south of Darwin on the Roper River. This is pretty wild country where Barcroft Boakes poem says only 'the dead men lie.' Just imagine how isolated and demanding it would have been for a woman in those days and the challenges she must have faced. In fact later she wrote the book "We of the Never Never" in which Jeannie Gunn reflects on the life and the characters in those days far from civilisation. The "never-never" is an Australian term meaning an isolated outback place without end and a wild place to be treated seriously and live cautiously. From this came the colloquial phrase referring to a loan which would take forever to pay off where we say, we bought it on the "never never". My own son has made it his life's goal to buy everything on the never-never and wears the consequences. This narrative is about loans and debt in Australia today and how it affects us in everyday life.

It seems to me that many people believe you cannot get ahead without debt and for significant matters that's true. In fact improving ones life involves risk on a number of fronts and one of those is obtaining a loan and paying back the money over time. Once we had higher-purchase where we slowly paid off an item but didn't take it home until it was paid for. That changed as society demanded the goods immediately and paying it off on the never-never has become the norm. Debt became a desirable thing where you could seemingly have your cake and eat it too. Low or no interest loans, payment schemes and the promise of a good life with all the worldly benefits become irresistible. You can even buy shares on the never never.

My father taught me to look after the pennies and the pounds look after themselves, meaning budget your way to an achievable level of comfort and do it with discipline and less risk. That advice is as true today as ever it was while another version is to "cut your cloth to suit". So what has gone wrong where greed has driven the world to live beyond its means and where there will apparently never be a day of financial reckoning. In fact I think excessive debt brings heartache and worry and destroys relationships. As the good book says "the love of money is the root of all evil" and excessive debt is just a form of that and this wisdom is 2 thousand years old. Today in Australia total house hold debt is 1.4 trillion dollars and credit card debt is 51 billion. The Federal or Commonwealth debt which 6 years ago was nil is now 229 billion that's 229 thousand million because of horrendously bad financial management. In fact the federal Labor government has now raised the national debt ceiling to 300 billion which means they intend to keep Australia on the never-never for generations to come with an annual interest bill alone of about 12 billion dollars. That's twice the amount recommended by the Gonski report into education each and every year. Remember we have to pay back the principle too some day. We are indeed the land of the not so clever, never-never.

Today there are 15 million credit cards Australia wide with an annual interest bill alone of 36.3 billion dollars at an interest rate of 22%. In Japan the rate is 3% and in Europe between 9 and 11%. Our banks are not competitive hence we pay on the never-never as never before. On the Gold Coast small business labours under the weight of debt and limited cash flow along with political correctness, work place regulations, taxes, fierce competition, and union demands. In the home, people rack up debt on all manner of things and worst of all happiness is on the never-never too because common sense went bush. Take heed and stay clear of no interest loans, negative gearing, derivatives and all the other Wall Street scams and cons best left to fools. There will be a day of financial reckoning and soon as the never-never Armageddon approaches. **Until next time this is Kent Bayley**