



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

MATTERS OF PUBLIC IMPORTANCE

Taxation

SPEECH

Tuesday, 8 August 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker	O'Brien, Ted, MP	Question No.	

Mr TED O'BRIEN (Fairfax) (15:47): Using economic policy to try to create greater equality requires a threshold strategic question to be answered. Either a political party chooses to tear people down to the lowest common denominator or they lift people up so they can realise their full potential. What we see in this parliament is the distinction between the Labor Party and the coalition on that threshold question. The Labor Party is determined to ensure it tears people down to the lowest common denominator. The coalition, on the other hand, is determined to ensure that it provides people with the freedom to achieve their greatest potential.

Now, this would be bad enough in any context. However, there is a historical dimension to this because never before, in at least the last three decades, have we had a Leader of the Opposition or leader of the Labor Party so determined to tear people down with the trick of excessive income redistribution. We spent most of the 20th century with an argument between socialism and liberalism, and liberalism won out. Liberalism won out.

Ms Claydon: What about egalitarianism?

Mr TED O'BRIEN: I will take the quip from those opposite about egalitarianism. Once socialism lost, the Labor movement across the Western democratic world decided they needed to change. They were happy to continue with social justice but they realised that income redistribution would no longer work. Income redistribution was, therefore, rejected under the banner of the third way by some. Certainly President Clinton of the United States and Tony Blair rejected it. Indeed, in Australia Hawke and Keating rejected income redistribution as the main objective of economic policy. What has happened now? What has happened now in 2017 under this Leader of the Opposition? The Labor Party have gone back. They want to go back to socialism. They now want to reject any semblance of economic liberalism. They believe that the only way you can achieve equality, the only way you can have an egalitarian Australia, is if you tear people down. Only last week that was the basis for their trust proposal.

What is the means by which this Labor Party wants to tear people down to the lowest common denominator? There is only one means they know about, and that is taxation. The Labor Party will tax households to ensure they pay higher electricity prices. Labor will tax the homeowner through their negative gearing and capital gains plans. Labor will tax the hardworking mum and dad who have happened to start their own small business, with higher company taxes. And now they want to penalise trusts. They oppose the extension of the instant asset write-off. Their solution to any income disparity is to tear people down.

It has been proven time and time again—last century, for crying out loud—that these socialist ideas do not work. The problem with this is that we are talking about a Labor Party that not only wants to cut the pie—the economic pie—in different ways but, in doing so, is shrinking that pie. We are an open, liberal, democratic, capitalist system. As soon as you penalise those people who create jobs, everyone loses. The Australian economy loses. This is a socialist ideal from the Labor Party because they believe it might work with the public. They might think the public will get on board, but in fact what they're doing is undermining the Australian economy, undermining the Australian worker and undermining the Australian mum and dad. There is one way to move this economy forward, and that is by lifting those who are prepared to work. It is not by dragging them down to the lowest common denominator. (*Time expired*)