



A WAR ON WEALTH

Wayne Swan has confirmed that the politics of envy are back. The Rudd Government's first budget will be remembered as the launch of Labor's war on wealth.

Mr Swan likes to tell the community he believes in a fair go. But this budget punishes those who have a go.

Labor defines as "rich" any family with a combined income of more than \$150,000.

Families like this who rely on Family Tax Benefit Part B to balance their budgets will no longer be eligible for this entitlement.

And those families thinking of accessing government assistance to install a solar panel will now miss out as will those looking forward to their tax dollars being rebated on education expenses for their children.

Buying a so-called luxury car worth \$57,000 or more also just got harder. Up goes the tax from 25% to 33%, even on the family Tarago.

And if you're planning on having a baby, it's probably best to avoid working too hard. Earning more than \$75,000 in the six months after birth and you'll miss out on the Baby Bonus.

There is perhaps no better indicator of Labor's attitude toward hard working families than their approach to this important Coalition initiative which had, until now, begun to turn the tide on Australia's declining birth rate.

This budget raises existing taxes and introduces new taxes.

Take the new 70% tax hike on pre-mixed drinks. The Budget documents show that this massive tax hike will rake in around \$3.1 billion over the next four years.

The Government has sold this new tax as part of its bid to tackle binge drinking. It is claimed that the tax is not a revenue measure but a "social" measure designed to reduce consumption of these drinks. If that is the objective, it will be a dismal failure. One only need consult the Budget papers for proof.

Treasury estimates show that this tax hike will raise an additional \$640m in the coming financial year, rising to \$892m in 2011-12. It seems Australians will drink more of these products, not less.

Even the family holiday doesn't escape the Labor tax grab. The price of air tickets will be forced up by a 24% jump in the Passenger Movement Charge, ploughing nearly \$460m into Wayne Swan's bucket over the forward estimates.

The budget is also a high spending budget, with new Labor spending measures almost double the cuts made to Coalition programmes. It is not an inflation fighting budget. It is a budget that will further fuel inflation.

This budget does nothing to relieve Australians from higher petrol prices, growing fuel costs and rising interest rates.

This budget not only punishes those who work hard, but will result in fewer Australians working at all. Treasury forecasts show 134,000 less people in jobs. This budget was framed in the full knowledge it would increase the number of Australians out of work.

The Rudd government has been attempting to lower expectations about Australia's economic growth. This budget marks a first step to kill off the enterprise culture that has fostered Australia's economic growth over the last 11 years.

It is an old style Labor attack on hardworking Australians who do the right thing with their finances and are entitled to enjoy the fruits of their work.

Australians will be hoping that Mr Swan's first budget will also be his last. Don't be surprised if this budget is the Treasurer's Swansong.

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