



LABOR'S SURPLUS LIES

It's been the Labor catch-cry for many weeks. The Coalition stands accused of "blowing a hole in the budget surplus." This in turn, Labor argue, will put upward pressure on inflation.

Labor are referring to a range of budget measures which the Coalition is opposing in the Senate. These include Labor's lifting of the Medicare surcharge levy thresholds and the tax grabs on ready-to-drink alcoholic beverages, gas condensate and luxury cars.

These measures are worth just over \$6 billion. Labor claim that if they do not pass it is akin to the Coalition creating a "budget black hole."

Not surprisingly, Labor's claim is a complete furphy.

In fairness to most Labor MPs, they probably don't know they are telling lies. They are simply reciting the lines Wayne Swan has written for them.

But the facts expose Labor's fraudulent rhetoric.

Over the forward estimates, Wayne Swan's own budget papers forecast a total surplus of \$96 billion. If the Senate were to vote down all the measures mentioned above, the surplus would still be almost \$90 billion.

Contrast this with Labor's legacy when last in office of deficit budgets and \$96 billion of accumulated debt and it is clear who the economic vandals are.

Each of the measures have their own particular flaws. The alcopops tax grab was presented as a health measure to combat binge drinking. But it has done nothing of the sort. Sales figures show that the overall sale of spirits has actually increased as consumers turn to mixing their own drinks in response to the higher prices they face as a result of the tax hike.

The luxury car tax will unfairly target suburban "people-movers," people in rural and regional communities who need a four-wheel drive to get around and tourism operators who purchase large vehicles for use in their small businesses.

And the people of Western Australia delivered their verdict on the condensate gas tax hike at the recent election.

Labor complain the Coalition is blocking their measures. In fact we can't block anything in the Senate because we don't have the votes. Only when one of the independents or minor parties vote with the Coalition can we defeat government legislation. Indeed, the condensate and luxury car bills have passed.

And unlike the myriad of Coalition measures Labor voted down when in opposition, there is no mandate for these new taxes. Not once during the election campaign did Labor seek a mandate to raise taxes.

All of these tax hikes were introduced against the backdrop of Labor's contention that we need to fight inflation.

Today however Labor have changed their rhetoric and are now talking about "pump priming" the economy and are entertaining going into debt to do it.

On one level we should oppose these Labor measures because they represent bad policy. But there is a more important principle at stake here.

The Liberal Party stands for lower taxes. We oppose higher taxes. It is a fundamental part of our Party's platform that the millions of Australians who vote Liberal at each election expect us to uphold. We will not let them down.

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