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**TITLE: Poor the losers in class war hypocrisy**

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Class war, it seems, can only be declared on those who have the least. When laws are reshaped to pour money into the pockets of those with the most, however, it is more polite to call it tax reform.

The so-called "faceless men" of the ALP were responsible for waging the last government's class war. The current government is actually paying Business Council of Australia president Tony Shepherd for his advice on how to implement the council's pre-election "reform agenda".

The Commission of Audit Shepherd is simultaneously being paid to run by the Business Council and the government was itself one of the Business Council's own "reform proposals".

When the well-known class warriors at Treasury were asked by that most left-wing of Labor leaders, Kevin Rudd, to propose ideas for tax reform, they suggested a profits-based tax on the mining industry. Taking their lead from the socialist bible that is the economics textbook, the bleeding hearts at Treasury suggested that it would be good for the economy to tax the enormous windfall profits of the mining industry a bit more and the profits of other businesses a bit less.

But the miners thought they knew a bit about more than just how to dig holes and demand subsidies. They also had strong views about the broader economy, the best way to design a tax system and the fairest way to redistribute the benefits of a mining boom. As it turns out, they thought the best way to help the economy and spread the benefits of the mining boom was just to let them hang on to all of it.

Political debate in Australia is broken. There are no rules. There is no blow that is too low. There is no sanction for lying or character assassination and there are enormous advantages to simply shouting louder than anyone else. Groups with privileged access to political power and the money to run large campaigns are distinctly advantaged, in the short term at least, using their money to silence public debate and leapfrog over democratic process.

Just as boxing fans are increasingly switching to cage fighting, our public debates about big issues now look more like drunks yelling in a pub than Oxbridge debating. While it makes sense for the citizens to stop listening to the loudest voices, it does not make for good decision making in the long run.

The mining tax and carbon tax "debates" were just the beginning, it seems. While textbook economics was called "class warfare" by the folks who lined up behind economic rationalism to slug the poor with user charges in the 1980s and '90s, when the Coalition robs from the poor to give to the rich there is barely a peep.

Health Minister Peter Dutton recently kicked along debate about the need for a \$6 co-payment for a trip to the doctor. A \$6 co-payment would account for a much larger slice of the \$250 weekly unemployment benefit than of the \$3800 weekly salary of a Liberal backbencher but don't worry about that, we were told. We could let health insurance companies cover the cost. The fact that low-income earners don't have health insurance and that the co-payment wouldn't discourage high-income earners with insurance was apparently irrelevant. But was it class war to float it? Of course not!

What about superannuation? According to Treasury - yes, them again - one of the fastest growing areas of government expense is the enormous cost of tax concessions for so called "self-funded retirees".

Not only does Treasury estimate that "self-funded" retirement will soon cost the budget \$35 billion per year, they estimate that about 30 per cent of the benefits of that scheme go to the wealthiest 5 per cent of income earners.

Bizarrely, not only do low-income earners get no benefit from the current design of the \$35 billion program, thanks to this government they will actually pay more tax on their contributions to their superannuation than they do on their modest incomes. But, when the Coalition announced its intention to scrap the low income superannuation contribution - a scheme designed to prevent low-income earners paying more tax on their super than they do on their wages - again, there were no cries of class warfare.

And then there is the Schoolkids Bonus, the Income Support Bonus and measures to support small business. We are told that all of these "entitlements" have to go, all casualties of the Coalition's war on "the age of entitlement" and the "burgeoning budget deficit".

But while the Coalition conceals its attacks on those with the least behind the flimsy veil of economic austerity and libertarian philosophy, at the same time, they are committed to spend \$5.5 billion every year on a paid parental leave scheme that provides up to \$75,000 to women at the top of the income distribution.

We are never told that the cost of tax cuts puts pressure on the budget - but a one-off \$25 million for SPC Ardmona would send us broke and, somehow, \$5.5 billion a year for high-income women is just the thing the budget needs!

The gap between those with the most and those with the least continues to rise in Australia but the gap is no longer simply financial, it is political. Money talks and civil society has silenced the fact the gulf between the capacity of an unemployed factory worker and a billionaire mine owner to influence the political process grows ever wider.

This week's debacle over the removal of the healthy food website showed that there's little doubt that those with the money and access to get what they want will take what they want.

But, while such an approach may work in the short term, it is a very dangerous long-term strategy. Pauline Hanson ignored the rules of public debate and her evidence-free populism was devastatingly effective against Liberal and Nationals MPs.

It has taken thousands of years to develop structures that prioritise honest debate over the passions of the mob. The Coalition and their backers in big business successfully rode into government on the votes of a mob they helped to whip up. While it was obviously an effective way to win office, history suggests it is a poor plan for holding it.

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