

Additional Comments from Labor Senators

1.1 Labor Senators do not support former Senator Leyonhjelm's *Lower Tax Bill 2018*.

1.2 Senator Leyonhjelm's bill is explicit in stating that the taxes in this bill can be lowered or abolished because the Government should only be spending money on so-called 'non-excludable' services.

1.3 Successive Federal Parliaments have taken the view that Government investment in areas such as education and health are essential to the long term success and prosperity of this nation. Labor Senators believe that the types of cuts proposed by former Senator Leyonhjelm would leave Australian communities and the Australian economy worse off.

1.4 This bill seeks to dramatically reduce taxes before the limiting of government spending outlined by former Senator Leyonhjelm has been implemented. As such, it exposes the Federal Budget to radically higher deficits in the future unless the kind of service cuts desired by former Senator Leyonhjelm are implemented. This kind of budget mismanagement is unfortunately not limited to the Liberal Democratic Party.

1.5 This Government has mismanaged the domestic economy, which is suffering from negative per capita growth, weak wages growth and flat-lining productivity growth. Yet the Government is irresponsibly riding on the coat tails of another temporary commodity price resurgence.

1.6 Despite billions of dollars in revenue pouring through the door and the urgent need for Budget repair, the Liberals have racked up record debt and left the Budget in a much worse position than when they inherited it from Labor, which governed during the Global Financial Crisis.

1.7 On the Liberals' watch, net debt has more than doubled to a new record high of \$373.4 billion and gross debt has crashed through half-a-trillion dollars for the first time ever in the country's history.

1.8 Since becoming Prime Minister just over six months ago, Scott Morrison has already added about \$21 billion in net debt—or about \$135 million a day.

1.9 The Liberals economic and fiscal management is far from what they claim it to be: debt is at record highs, growth has slowed, wages are stagnant, living standards have stalled and demand is lagging.

1.10 Labor has made the tough calls when it comes to repairing the Budget and growing our economy in an inclusive and sustainable way in the interests of ordinary Australians.

1.11 Labor has also supported tax cuts when the policy rationale and economic circumstances are suitable. Under a Shorten Labor Government, 99 per cent of businesses will receive a tax cut, no business will have their tax rate increased, and all businesses will be able to plan and invest with confidence and certainty. Labor also supports an Australian Investment Guarantee, which will help boost much-needed investment in the economy.

1.12 Labor is the only party with a plan to properly fund schools and hospitals, and strengthen our economy through nation building infrastructure projects. At the same time, Labor can also pay down the Liberals' record debt and rebuild fiscal buffers.

1.13 In order to deliver responsible budget management, targeted tax cuts and a growing, inclusive economy, this bill should be rejected and a Shorten Labor Government elected.

Senator Chris Ketter
Deputy Chair

Senator Jenny McAllister
Senator for New South Wales