

We need strong growth

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Page 27 | Section: General

594cm on the page



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Labor's class warfare talk is backed by economically punitive policies that would smash the Australian economy

'**A**ussie rulesussie Rules: what Australia can teach the world', screamed the headline of The Economist last November.

It was an in-depth analysis of our remarkable 27 years of uninterrupted economic growth.

Since our election more than five years ago, the Coalition has continued to carry the baton of economic reform.

Over this time, reforms of the tax system, competition policy and workplace relations, along with red tape reduction, free trade agreements and budget repair, have all been key features of our economic record.

Growing faster than any G7 country, except the United States, Australia's GDP growth is at 2.8 per cent compared with 2.1 per cent when we came to government. Unemployment is down to 5.1 per cent compared with 5.7 per cent when Labor left office.

More than 1.2 million new jobs have been created, with record numbers of women and young people in work.

Spending restraint and good economic management are enabling us to bring the budget back to surplus, bringing an end to the decade of deficits.

The strength of the economy is not only helping us deliver record spending on the essential services people need without increasing taxes, but provides the flexibility and resilience to respond to challenges as they arise.

Just as Howard and Costello's strong budget management prepared the nation for the Global Financial Crisis, the Coalition is again rebuilding the buffers that



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will mean Australia can better absorb the impact of any future economic and financial shocks.

As the Prime Minister has warned, there are storm clouds hanging over the global economy.

Persistent trade tensions, high global debt levels and a contraction in growth in several key economies have changed the global outlook.

The German and Japanese economies recorded negative growth in the September quarter, while China's growth has slowed through the year to its lowest rate since 2009.

Domestically, the drought is having an impact, the housing market has softened, there are signs that credit growth is being constrained and the pick-up in wages growth remains gradual.

What the economy can ill-afford right now are punitive tax policies such as Labor's plans to abolish negative gearing as we know it, which would hurt both supply and demand in the housing market.

For anyone who owns their own home, it will be worth less; for anyone who rents their home, they will pay more. It's against this backdrop that our economic plan with its focus on growth, productivity, aspiration and budget repair, takes on even greater significance as we navigate the currents ahead.

Our values are key: encouraging the individual and their enterprise; upholding personal responsibility; maximising choice; supporting families; backing entrepreneurship and small business; rewarding effort and hard work; upholding the rule of law; and ensuring a safety net which is underpinned by a sense of decency and fairness. These are all values that go to the heart of what the Liberal and National parties are all about. They are reflected in our policies and drive our economic

plan. Our plan, recognising that the private sector employs nine out of every 10 workers, is focused on making sure that businesses stay competitive, keep investing and continue to hire



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more workers. This is the pathway to wealth creation, job creation and higher wages. This can only be achieved by boosting productivity through lower taxes, targeted spending, flexible labour markets, significant infrastructure and opening up new markets.

This is all about expanding the productive capacity of the economy so that we can grow the pie, providing a better future for all Australians.

What is absolutely certain is that as

a nation we cannot afford to fall for the false prophecies of Labor who would have you believe: that a country can tax itself into prosperity; that a government can redistribute what its economy doesn't produce; and that economic growth can be achieved while punishing aspiration.

For Labor, the pursuit of class warfare is more than just rhetoric.

It is at the heart of their policies from tax to trade to industrial relations. It's a dark shadow, not a light on the hill.

Labor's \$200 billion of new taxes will hit retirees, homeowners, renters, small business owners and all those aspiring to build a better life for them and their families.

This agenda is one of the most radical, aggressive and dangerous Australia has ever seen.

No wonder there is now a growing chorus of opposition.

Australians are starting to see Bill Shorten's plan for \$200 billion in taxes for what it really is.

At the next election, Australians will have a clear choice.

Between a Labor Party with its \$200 billion of punishing new taxes and a Coalition that has kept its promise of delivering more than 1.2 million new jobs, cutting taxes, growing the economy, redefining our trading relationships that lock us into the emerging markets of Asia and providing an unprecedented social dividend with record spending on health and education. We are repairing the nation's finances and on April 2 will announce a budget surplus, the first in more than a decade.

All of which is possible because we have a strong economy and an economic plan that is working.

The choice at the next election could not be clearer.

Josh Frydenberg is the federal Treasurer