

Andrew Bolt: Why Malcolm Turnbull's tax plan is eight times stupid

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Andrew Bolt asks whether Malcolm Turnbull is determined to throw away the next election.

NONE of this makes sense as a political strategy just months out from an election:

Malcolm Turnbull has announced plans to provide states and territories with independent income taxing powers, in what he termed "the most fundamental reform to the federation in generations".

The Prime Minister declared he believed allowing the states to raise their own income tax rate was "the only way" to address the vertical fiscal imbalance that remains the "failure at the heart of the federation".

"We would withdraw from a certain amount of income tax that would be available to the states and we would agree that that would be the maximum they would levy for a period," Mr Turnbull told reporters in Sydney's Penrith.

"In the longer term, a state should be free to lower that amount or indeed raise it and then they are accountable to their own voters..."

What the hell is Turnbull doing?

First, "addressing the vertical fiscal imbalance" means nothing to voters and will not win the Liberals a single vote.

Second, the plan will almost certainly not happen, adding to the growing pile of Turnbull's dead plans.

Third, this distracts from what is meant to be the big excuse for the early election and the key issue — the blocking by the Senate of bills to control union power.

Fourth, Turnbull clearly hasn't run his plans past his Treasurer in any detail, with Scott Morrison denying taxes would rise but Turnbull saying the states could hike them.

Fifth, this lets Labor attack the Liberals as planning to raise taxes, which indeed seems the plan.

Sixth, any suggestion of raising taxes will see Turnbull attacked by conservative Liberal MPs, further destabilising him.

Seventh, explaining the plan at a presser today - called, strangely, at a football oval as if this was njust some passing fancy - exposed Turnbull at his waffly worst.

Eighth, even Turnbull could not explain how any of this would leave voters better off. He could only explain how federal politicians would be better off, saying voters would then hold the states top blame for any problems with the health funding this state-based tax would provide.

Is Turnbull determined to throw away the next election? Is this really the work of his brains trust?