

Election 2016: Malcolm Turnbull tries to, er, 'move forward' with his economic plan

AFR Laura Tingle, 10 May 2016



Prime Minister Malcolm Turnbull visited Grove Fruit Juice in Brisbane on Monday as the federal election campaign began. Andrew Meares

The one person in Australia who absolutely, definitely knew before everyone else that the election would be held on July 2 was Malcolm Turnbull.

This should have given the Prime Minister – and his team – an edge when it came to planning the mechanics of the election campaign.

Yet running a government these days – the logistics, that is, when political leaders aren't expected to just sit in Canberra and run the place but instead run all over the place, all the time – means it is quite hard to shift a diary date once it has been planned months in advance.

Equally, bringing down a budget a week before the election campaign, on the face of it, should give the government a strong platform on which to campaign.

But it isn't always that simple.

Election 2016 began on Monday with the usual procession of trips to produce markets and small businesses and schools, with the requisite hi-vis vests and inspections of fruit and/or widgets being manufactured.

Cleaning up the mess

But if you look at what the Prime Minister was actually doing, he was still selling the budget, which is what he would have done if he had not been having an election. In particular, he was having to clean up some of the mess left over from last week's unfortunate train crash on the cost of company tax cuts. (Bill Shorten, meanwhile, was able to, er, "move forward", as another prime minister famously used to say, to talk about Labor issues like education.)

Having finally got Treasury's John Fraser to spit out the \$48.5 billion company tax cut cost on Friday, the Prime Minister was able to "move forward" on Monday to argue the huge economic benefit the government's 10-year company tax cut would produce. The Treasury, Mr Turnbull said, "estimated last year that for every dollar of company tax cut there was \$4 of additional value created in the overall economy".

You would hope that is right because, even after just one morning of listening to the government's various ministers talking about its "plan for jobs and growth", it did rather focus attention on how thin a plan it actually is.

For a plan that costs \$48.5 billion – and that's just the company tax cut not the other parts of the plan – you would hope it would be delivering a lot, since the government has made so much of the fact that spending that amount is perfectly justifiable on tax cuts, but not on schools and hospitals.

The government is also going to keep taking water on the question of the retrospectivity of its superannuation measures. While the experts argue the technicalities, the Coalition base isn't worried about the technicalities, its angry about its plans being disrupted and forms an unlikely alliance with Labor, which sees last week's superannuation measures – with their lifetime cap on contributions dating back to 2007 – as retrospective enough to undermine future confidence in super investment.

Having talked spending and services on Monday, Labor has the advantage of still having its shadow treasurer's address in reply to the budget to deliver on Tuesday, where Chris Bowen can talk economic responsibility and fiscal rectitude.

Strangely, the timing seems to all be working better for Labor than the government as the campaign begins.