

Federal Budget 2017: Terry McCrann says Budget a dangerous disgrace

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PETA Credlin was exactly right. This is a budget for the next Newspoll.

It is not the budget that should follow an election win, even a narrow win. That's when you are supposed to take the tough decisions. This is the budget version of "fake news" — "fake fiscal frugality."

It is not a budget from a Liberal treasurer. It increases taxes big-time. And even that's not been done to slash the deficit, but to fund even more spending, off its already high base.

Most importantly — and dangerously — of all, it is not a budget for our volatile, ultimately unpredictable, times.

It's not "Trump-adjusted" — to incorporate the challenges and opportunities of the Trump presidency. It assumes the economic sun keeps shining brightly — even brighter — out beyond 2020 and then on and on through the 2020s.

It is as Credlin, Tony Abbott's former consigliere, said on Sky News the other night: all about dragging the prime minister and the government out of the Newspoll basement.

It is about trying to "win" or at least narrow the losing gap of immediately coming Newspolls, NOT an election that could be as long as two years away. Personal political oblivion looms much sooner, maybe another half-dozen or so Newspolls away.

Yes, it's a budget that opposition leader Bill Shorten (or former Labor treasurer Wayne Swan) could happily have unveiled, although he most certainly won't endorse it. But because it's so purely, or cynically, political, it's almost non-ideological.

The two "fiscal centrepieces" are the supposed "return to surplus" in 2020-21 (the same year as last year's budget forecast) — or one year earlier, in 2019-20 on the "good debt/bad debt/ metric — and that debt characterisation to justify and fund an infrastructure spending surge.

But it gets there by massive tax increases. The two big ones are of course the bank levy — a tax either on bank customers or bank shareholders, in both case YOU — and the increased Medicare levy.

But the silent and only too real tax increase of "bracket creep" is alive and well. Income tax receipts leap, and I mean LEAP, by \$60 billion to a staggering figure of \$253 billion in the 2020-21 year, to be more than 30 percent higher, in just four years, on 2016-17's harvest.

And the debt keeps rising, to over \$600 billion gross, \$375 billion net — even on these optimistic numbers. It is in sum, a dangerous disgrace.

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