

## Just another party animal from Sherwood Forest



Illustration: Eric Lobbecke

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To borrow an analogy from Peter Costello, imagine having a new housemate who arrives like a breath of fresh air, makes all sorts of fabulous promises, then throws a wild party in your house. He trashes your place and, the next day, lies on the couch nursing a hangover while you deal with the mess. Imagine when the clean-up is almost done, the housemate resurfaces and announces plans for another party that night. What follows is another mess, another hangover and another clean-up.

That flatmate is the Australian Labor Party, Costello said.

And the former treasurer knows something about cleaning up after the ALP, even one of the country's better Labor governments. Last weekend, Labor proved Costello's point all over again.

Bill Shorten's campaign launch marked the ALP's final break from the economic reform agenda of the Hawke-Keating era. Paul Keating's presence in the front row was a reminder his influence over the party is diminished, his legacy ignored.

Instead, Shorten is channelling Gough Whitlam.

He unashamedly reaches back to Whitlam-esque economics, using naked class-war appeals to convince people of perceived unfairness, lauding higher taxes as a moral good and increased spending as a mark of government goodness, while praising a re-regulation of wages and labour as a progressive nirvana.

When, on the ABC's Q&A on Monday, the alternative PM was asked about the costs of his radical climate change policy, he thundered about it being a "dumb" question. Shorten offered no hard numbers, just confected outrage. The studio audience cheered.

Of course. Like Whitlam's election pitch, Shorten's relies on the twin powers of complacency and emotion. Complacency that economic prosperity is our predetermined destiny, rather than the result of hard policy work advocated by economically literate leaders like Bob Hawke, Keating, John Howard and Costello.

Taking economic growth for granted frees Shorten from the harder job of devising policies that grow the economy. He speaks of taking from the rich and giving to the poor like Robin Hood. His policies are unashamedly about redistributing the economic pie, not growing it.

What must Keating have thought? His presence was cheered and Penny Wong tweeted a photo of her with Keating, next to the word "Respect". Yet Keating's tremendous economic legacy is openly trashed by a new Labor generation embracing Whitlam's complacency and economic cluelessness.

Whereas Hawke and Keating worked to refashion Labor as economically rational after Whitlam, Shorten has returned to the party days of taxing and spending excess, and inevitable economic hangovers. Witness the ghost of Whitlam in Shorten's soaring rhetoric of "fair-go economics". Shorten's treatise is less economic than emotional, a series of impassioned slogans not backed by rational economics.

It harks back to an era that promised fairness with free university education for all Australians. That economically reckless policy had to be unwound by Hawke and Keating in 1989.

Shorten's claims in a different era are similarly ill-conceived. His promise of fairness by delivering equal pay for women is built on a fraud. A recent study

from Harvard confirms, even in highly unionised industries with equal pay rates, that women choose less overtime than men and work different schedules. His promise to restore penalty rates and convert the minimum wage into a “living” wage within 100 days of forming government are more Whitlam-style economics. The claim defies a reality that Hawke and Keating understood: lifting wages without lifting productivity will cost jobs, and livelihoods. How fair is that?

The economically reckless lie of a “living wage” is cemented in Labor policy for one reason: Sally McManus demanded it. Shorten fudged for a few days, then capitulated completely to the ACTU leader who wants to repeal even Gillard-era industrial relations laws. Shorten has no conviction about economic reform, and the ACTU pulls Labor’s purse strings.

McManus is a few generations and a political universe from former ACTU boss Bill Kelty. The Hawke-Keating-Kelty trio delivered consensus policy for the national good, cementing co-operation between labour and capital, workers and bosses. At the behest of McManus, Shorten’s Labor has returned industrial relations to a confrontational war between bosses and workers, where law-breaking is condoned or encouraged, and leaders running unions with falling membership are given greater powers to call the shots over the workplace.

What must Keating think about the Shorten-McManus project that ignores the immutable reality that economic growth relies on jobs and profits? Notice that, unlike Howard, Keating is not on the election hustings.

Shorten’s fairness agenda is riddled with holes and hypocrisy. Take Labor’s plan to abolish cash rebates of franking credits for retirees who pay no tax. Franking credits are not gifts, as Shorten claims. They represent a return of tax paid by companies on behalf of resident shareholders. Labor will rip this away from retired Australians who put savings into a self-managed super fund. But under Labor’s policy, non-taxpaying retirees who put savings into an industry super fund with boards stacked with union officials will keep getting the benefits of franking credits. How is that fair?

Labor’s plan to use taxpayer funds to top up the wages of childcare workers because they work in a low-paid industry dominated by women fails the fairness test too. What about women who work in aged care or care for the disabled? What about checkout chicks? Who’s next for taxpayer-subsidised wage rises? Is Labor back in the business of nationalising industry?

Shorten's "fair-go economics" agenda is a recipe for the party Costello alluded to before the 2007 election. Remember the context of Costello's warning. The Howard government paid down \$96 billion in debt inherited from the Keating government. By 2007, the budget was in surplus by \$20bn. Still, voters didn't listen to Costello. They were convinced by Kevin Rudd's claim to be an economic conservative.

What followed was the economic mess foreseen by Costello; binge spending on botched and messy policies to subsidise pink batts and build halls at elite schools, cash-for-clunkers, a crazy utopian idea that the government would deliver faster broadband than the private sector, and a series of promised budget surpluses that never transpired except in Wayne Swan's imagination.

Asked a few years ago on Nine's Today when Labor had last delivered a budget surplus, Shorten frowned and made a weird "blub-blub-blub" noise to buy thinking time. He didn't know. It has been 30 years. On the cusp of the Coalition cleaning up after a decade of Labor governments with a \$7.1bn budget surplus slated for 2019-20, a cocky Shorten took to the stage on Sunday wearing Whitlam's mantle, not Keating's.

If a complacent electorate endorses Shorten's Robin Hood economics, his elevation to prime minister will mark the triumph of hope over history. It will mark the moment when only the lived experience of a Shorten Labor government can remind voters there is nothing remotely fair about policies that lead to a greater number of people being worse off.