

Sleepwalking to over-regulation

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Alan Moran Herald Sun

MARK Twain said, “No man’s property is safe while the legislature is in session.” That was at a time when government took less than 10 per cent of people’s earnings compared with today’s 40 per cent. Even so, the present federal election campaign proves him wrong. Parliament isn’t sitting but the major parties’ spendathons and regulatory excesses are growing like burgeoning tumours, devouring the only areas where wealth is created — private businesses and their employees.

Not only do we have breakneck spending growth but the accompanying taxation burden does not even cover the outlays. The Budget says we are \$37 billion in the red this year — Deloitte reckons it’s over \$40 billion. The Budget deficit means, over and above the tax actually collected, every person working in the business sector has to be taxed an additional \$4000 just to cover the government’s unfunded spending. And, after eight years of failed budgetary repair promises, only a cockeyed optimist could believe the assurances that we are on a path to a balanced Budget.

But it gets worse.

All major political parties have further unfunded proposals. Labor plans to spend \$70 billion more on Medicare, education and infrastructure. And these are just three of its “100 positive policies”.

Modern political parties conspire with what appears to be a majority of people who think that funds can magically be plucked from thin air or painlessly extracted from some mythical plutocrats. Half of the population currently receives most of its income from the taxpayer and almost three quarters of government spending is already on health, education and welfare.

Moreover, while on the one hand our politicians’ hands are vying for votes by milking the productive sector, on the other hand they are promoting regulations that suppress business productivity.

Both parties support wasteful projects like the exorbitant National Broadband Network, a submarine program that is both unfit for defence and in order to buy votes costs 50 per cent more than it should, and unreliable high-cost renewable energy that undermines industry competitiveness across the board.

The ALP would go further. Its policies would require new gas projects to subsidise domestic users. Mr Shorten also wants to maintain Australia’s archaic weekend pay requirements, which seriously damage the hospitality and tourism industries, and to resurrect the notorious Road Safety Transport Tribunal which would force tens of thousands of owner-drivers out of business.

Everyone knows that national budgets, like those of households, must be balanced. Most people also understand that the more of our income that governments take and the more they regulate our lives, the less prosperous we become. Yet we are sleepwalking into a future of ever-increasing government spending and regulation.

Business is a major casualty of this downward spiral. Not only is it forced to fund ever-increasing community and welfare payments but this is made more difficult by ballooning regulations and red tape.

Unlike people working in businesses, many of those promoting harmful economic policies already receive government funding and have time on their hands to agitate for more and for their favoured regulations. Furthermore, their numbers make them politically dominant.

But unless we wind back government our prospects are, at best, stagnation and, at worst, downward spiralling living standards.