Kiwis hold key for prosperity

WHILE Far North Queenslanders groan under a crippling tax burden fed by a huge public service sector and jawdropping welfare spend, the “Key” to salvation lies very close to home.

New Zealand is not only dominating Australia in rugby, it’s kicking our butts economically.

Under conservative party Prime Minister John Key, it’s doing this by cutting its public sector to the bone, slashing tax rates, selling underperforming assets and removing the shackles from industry.

According to former New Zealand politician Maurice McTigue, in 2004 the Kiwis cut their Department of Transport from 5600 employees to 53 and the forestry service from 17,000 employees to just 17.

The private sector took on those jobs and the workers, so unemployment is still lower than Australia’s.

Such actions, he says, changed government agencies from costing $1 billion a year to actually producing $1 billion a year in revenues and taxes.

Our trans-Tasman cousins also slashed the top tax rate from 66 per cent to 33 per cent and the lower tax rate from 38 per cent to 17.5 per cent.

Their GST replaced capital gains tax and property tax. Australia’s comparable tax rates are 45 per cent and 19 per cent, and we have GST, capital gains and myriad other taxes.

Socialists (Labor and the Greens) who like to tax the hell out of the so-called “rich” will scream that the country can’t afford to lower tax rates because government revenue will fall.

But the Kiwis also raised the GST to 15 per cent, so more of people’s higher disposable income left over from paying less tax is still entering government coffers. McTigue also said the government hadn’t factored in “voluntary compliance”.

In other words, fewer people were trying to limit their tax bill because they were quite happy to pay the lower rate rather than hide income.

The result was a 20 per cent increase in government revenue.

The Kiwis are ranked third in the world for economic freedom.

Australia – choked by government regulation and high tax rates – is ranked fifth.

Singapore, No.2 on the list, has a top tax rate of 22 per cent and no capital gains tax.

The big factor in these better-performing countries is their relatively low government spending, which means they don’t have to squeeze their citizens with big taxes.

Here in Queensland, our Labor government is dutifully adhering to the party’s tax-and-spend ethos, while stifling development.

In just under two years, Annastacia Palaszczuk has not only replaced the public servants cut by Campbell Newman, but added a staggering 4058 more this year alone.

While her supporters cry that these public servants are doing their bit by paying taxes, their generous salaries, bonuses and superannuation mean the cost of such a big sector is far higher than what they tip in.

Two big mines and the thousands of associated jobs are raring to go but are being held up in the courts, aided and abetted by Labor-introduced legislation allowing green groups to file frivolous legal challenges.

Once again we see socialist politicians seeking to stifle the private sector and boost their own influence, a situation we all pay for with high taxes and ever-increasing charges.

Meanwhile, the state’s broke and the only major projects happening are government ones. All money going out while we slap the hands of those ready to pour money in.

On a national level, our welfare bill will soon be $190 billion.

Welfare is the country’s biggest expense – defence costs 6 per cent of GDP and welfare costs 32 per cent.

If we want to pay less tax and reduce our $285 billion net debt, we must demand our politicians severely reduce spending by limiting governments’ role in regulating the private sector, and we must demand our citizens plan for life without the various tax breaks and payments they have grown addicted to.

Yes, it hurts Aussie pride to admit the Kiwis are better than us, but let’s not be too proud to steal ideas that have been proven to work, not just there but in many other countries.

Lower spending and less tax must be the mantra of governments at all levels if we are to prosper in business, as individuals and as a country.

Ask your politicians why can’t we follow the New Zealand model?