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PoliticsNow: Bill Shorten vows to double government's tax cuts if elected

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Shorten plans to double tax cuts. Hello and welcome to PoliticsNow, The Australian's live blog on the happenings in Parliament House in Canberra.

Bill Shorten has delivered his budget reply speech tonight under pressure after three Labor MPs resigned from parliament because of the citizenship fiasco.

This is where we leave our live coverage of the day in politics, join us tomorrow for the latest news out of Canberra.

Shorten promises big tax cuts

Workers will get an extra \$928 a year back at tax time if Labor wins the next election, with Opposition Leader Bill Shorten promising to almost double the coalition's tax cuts, AAP reports.

But the coalition says Labor is planning to hike taxes across the board and still can't pay for all the spending the party has announced. Mr Shorten used his budget reply speech on Thursday night to announce support for the government's planned \$530 offset for low- and middle-income earners - and then go further.

"In our first budget, we will deliver a bigger, better and fairer tax cut for 10 million working Australians. Almost double," Mr Shorten told parliament. "In our first term of government, a teacher on \$65,000 will be \$2780 better off under Labor - an extra \$928 a year." The \$5.8 billion plan will give \$350 refunds to people earning \$25,000, rising to \$928 for people earning up to \$90,000.

Above that, the refund tapers down to \$140 for people earning \$120,000 a year. Labor is also promising to scrap up-front fees for 100,000 TAFE students in high priority industries to get more Australian apprentices into work, and uncap university places.

"I don't want Australia to meet these needs with skills visas. I want to train our people for these jobs," Mr Shorten said.

He's banking on Labor's changes to negative gearing, dividend imputation and capital gains tax to pay for the promises, as well as their decision not to match the government's corporate tax cuts.

But Finance Minister Mathias Cormann said Labor's plans don't add up. "He's spending the same money several times over, he's spending money he already spent in the lead-up to the last election, on things that he recommitted to again today," Senator Cormann told reporters.

"These are \$200 billion in higher taxes which will hurt the economy, which will hurt families, and which will cost jobs," Senator Cormann said Labor did not have a long-term plan to shift the tax system, unlike the coalition's seven-year bid to flatten the income tax structure.

Mr Shorten challenged the coalition to campaign on company tax cuts in the upcoming five by-elections sparked due to the citizenship crisis. He also promised to return the budget to surplus in 2019/20, the same year as the coalition.

But Mr Shorten did not commit to lifting Newstart payments, which even former prime minister John Howard this week said should be raised.

"We need to review the payment system to work out what is adequate," Mr Shorten told the ABC's 7:30 Report.

9.20pm: Cormann ridicules Shorten's math

The Finance Minister has poked fun at a Twitter blooper produced by the Opposition Leader shortly after his budget reply speech, in which he had trouble with some basic numbers:

Mr Shorten quickly deleted the Tweet and tried again:

8.50pm: 'People can't trust Bill Shorten'

Senator Cormann said Mr Shorten had provided no detail on his spending commitments.

"He keeps pointing to the money from the business tax cuts as how he's going to fund a whole series of things," Senator Cormann said.

"He spent all of that money in the lead-up to the last election, including on some of the things that he pointed to today.

"Bill Shorten has not provided any detail on his supposed income tax cuts today. He provided no detail other than just some assertions.

"There is no long term plan for a stronger economy. People can't trust what Bill Shorten has to say."

8.45pm: Cormann responds to Shorten's speech

Finance Minister Mathias Cormann said Mr Shorten's "numbers don't add up".

"Bill Shorten didn't mention that Labor has not delivered a surplus since 1989. 1989 is when the Berlin Wall came down. Bill Shorten didn't mention national security or border protection," Senator Cormann said.

"This was not an alternative plan for Australia. What Bill Shorten showed is that Labor has no long term plan for a stronger economy.

"Clearly he should be backing in our plan to provide income tax relief for hardworking families around Australia."

8.35pm: A snapshot of Labor's budget plan

- * Tax refunds worth \$928 a year for people earning up to \$90,000
- * \$2.8 billion hospitals fund to improve emergency departments and waiting lists
- * Extra money for prosecutors to follow up the banking royal commission
- * Funding for a national anti-corruption commission
- * Restoring Sunday penalty rates
- * Uncap university places to open up spots for 200,000 graduates
- * Investment in public TAFEs, with more places and campus renovations
- * More MRI machines to provide 500,000 more scans over four years
- * Tax incentives for companies investing in productivity
- * More money for public schools
- * Require federal infrastructure projects to employ Australian apprentices.

— AAP

Source: Labor

8.15pm: 'Put it to the test'

Mr Shorten concludes by challenging Mr Turnbull to put his budget to the test in towns and cities across Australia.

"If you think that your sneaky cuts can survive scrutiny, put it to the test," he says. "Put it to the test in Burnie, put it to the test in Fremantle and in Perth. I will put my better, fairer, bigger income tax cut against yours.

"I'll put my plans to rescue hospitals and fund Medicare against your cuts.

"I'll put my plans to properly fund schools against your cuts and I'll put my plan to boost wages against your plan to cut penalty rates and I'll put my plans for 100,000 TAFE places against your cuts to apprenticeships and training and I'll fight for the ABC against your cuts." he says.

"House by house, street by street, suburb by suburb, my team and I will make this a referendum on your \$80 billion corporate tax giveaway to multinationals, big business and the big banks.

"This nation needs a leader that gets it. It needs a party with a plan for the future. And it needs a government that will deliver a fair go for all Australians. That is what we deliver. That is our promise."

8.13pm: Shorten attacks budget on aged care

Mr Shorten accuses the government of "fraud" with its aged care budget package.

"Around 105,000 older Australians are waiting for home care packages," he says. "But despite all the hype, the government is offering only 14,000 places over the next four years - 14,000 places in four years when 20,000 people join the waiting list in the last six months alone.

"But worst still in Question Time today we learnt there is no new funding here. They are simply taking the money away from residential care places and putting it in home care places.

"The people who raised us and cared for us and loved us deserve better than this money-go-round in aged care than cuts to their energy supplement and the world's oldest retirement age."

8.10pm: Labor's education and training plan

Mr Shorten moves onto university and TAFE funding, claiming the Coalition's funding freeze means 10,000 fewer university places next year.

"By 2032 over 200,000 people will miss out," he says. "Tonight I am pleased to announce Labor will restore funding certainty to our universities.

"We will uncap places providing our nation with more than 200,000 university graduates.

"Under Labor a university education is not a privilege you inherit, it's an opportunity you earn. We will always choose better university opportunities over better tax breaks for the big end of town."

Shorten also announces Labor will cover all up-front fees for 100,000 TAFE places in high priority areas.

"We would expect half of these to go to the women of Australia," he says. "We will get jobs like carpenter, cook and bricklayer off the skill shortage list.

"Instead of looking overseas, employers will have a skilled, local workforce ready to go."

8.03pm: Public education measure

Mr Shorten talks up funding for public education.

There are no new announcements here, but he highlights Labor's pledge to commit to putting \$17bn more into education funding over the next decade than the government.

"It is our public system, teaching 82 per cent of our poorest kids, 84 per cent of indigenous kids, 74 per cent of the children were disabilities," Mr Shorten says.

"Labor will put back \$17 billion extra into the schools and the Prime Minister will put \$17 billion back into the banks."

8pm: Justice over bank 'rip-offs'

Mr Shorten pledges redress for people who have been let down by social institutions, including for survivors of child sexual abuse and members of the Stolen Generations "and to reduce the shocking number of Aboriginal kids growing up away from country and culture."

He also promises justice for people "ripped off" by banks.

"The banking royal commission has lifted the lid at long last on a pathology of exploitation and after years of trying to stop the royal commission, in this budget the Prime Minister is giving the big four banks \$17bn of taxpayer money," Shorten says.

"It's cutting money from ASIC, its tough cop on the beat. This is a disgrace. It is immoral. And Labor will have no part of your actions."

Shorten pledges to create a \$25m special taskforce inside the commonwealth department of public prosecution to pursue those found to have acted improperly through the banking royal commission.

7.53pm: Labor's hospitals plan

Mr Shorten announces a new \$2.8bn "better hospitals fund" to put more beds in emergency departments and wards and fund new MRI machines in 20 hospitals in regions and outer suburbs.

The Opposition Leader says the fund will also cut hospital waiting times.

"We will start in Tasmania, which has the worst waiting times in the nation: a year waiting for cataracts and up to 435 days for a knee replacement," he says.

"Our fund will upgrade emergency department facilities in the suburbs and regions, including better security measures to handle the scourge of ice."

7.50pm: 'How can it be fair?'

Mr Shorten accuses the government of "planning to radically rewrite the tax rules" with their long-term plan to flatten the income tax system.

"Australians have got every right to ask, how can it be fair? How can it be fair for a nurse on \$40,000 to pay the same tax rate as a doctor on \$200,000?" Mr Shorten says.

"How can it be fair that, under this tax experiment: the doctor earns five times as much as the nurse - but his tax cut is 16 times bigger?"

"And today, new research revealed that under this plan, 6 in every 10 dollars will go to the wealthiest 20 per cent of Australians.

"Very quickly, this is starting to look like a Mate's Rates tax plan from the Liberal Party.

Mr Shorten says Australians are right to wonder if the government's "come and talk to me after two elections plan" will ever happen.

"My team and I are ready to vote for tax cuts for working families," he says.

"And we will not allow the Prime Minister to threaten to block tax cuts for 10 million Aussies, unless the parliament writes a cheque for the wealthiest."

7.45pm: Shorten addresses debt figure

Moving onto debt, Mr Shorten says Labor will pay back more of Australia's national debt, faster.

"There was a time, I remember, when the Liberals ran around saying a debt of \$227 billion was a 'budget emergency' and a national crisis," he says.

"I remember, when they were elected, they said every man, woman and child, owed \$9000. But on Tuesday night, I don't remember hearing the Treasurer admit that debt has doubled under the Liberals.

"I don't remember him admitting that it's now: \$21,778 for every man, woman and child.

"I don't remember him admitting that next year, total interest payments on Australian debt will pass \$18 billion. \$18 billion, every year."

Mr Shorten accuses the government of crossing its fingers and hoping we won't be affected by a downturn on international markets.

"That's not good enough in a time of trade conflict between America and China, in an age of soaring global debt and rising US bond markets," he says.

"No Australian government can prevent global bad news - but good governments do prepare for it.

"This isn't the time to blow everything because of a short-term economic upswing, that would be an act of generational folly.

"It might not be fashionable, but it's time to be responsible.

"We can pay down national debt, faster - because we're not giving \$80 billion to multinationals - and because we've made the tough decisions."

7.40pm: Labor pledges big tax cuts

Mr Shorten is using his speech to announce Labor's own "bigger, better" tax cut, which he says will be "almost double" what the government is offering.

"Tonight, I announce a Labor government will go further and do better on tax cuts for working and middle income Australians," Mr Shorten says.

"We will support the government's tax cut this year - and in our first budget, we will deliver a bigger and better tax cut for 10 million working Australians. Almost double."

Mr Shorten says that in his first term in government, a teacher on \$65,000 will be \$2780 better off under Labor - an extra \$928 a year.

"A married couple - one partner serving in our defence forces, earning \$90,000 and the other working in aged care on \$50,000 - will be \$5565 better off under Labor, \$1855 a year," he says.

"Labor can afford to do more to help you and your family because we're not giving \$80 billion to big business and the big four banks."

7.35pm: 'We'll do better'

Bill Shorten has begun his budget reply speech, attacking Treasurer Scott Morrison's budget as a raft of cuts to services in exchange for a \$10-a-week income tax cut and pledging that a Labor government will do better.

The Labor leader claims the government is cutting \$715 million in hospital funding and \$17 billion in funding for schools to fund the \$80bn company tax cut.

"This budget still cuts money from universities, and it contains a sneaky new \$270 million cut to public TAFE," Mr Shorten said.

"The Prime Minister is still cutting \$14 from pensioners every fortnight. He's cutting dental care for veterans, he's cutting the ABC - yet again.

"He's keeping Medicare frozen for specialists, he's even keeping the GST on tampons.

"And he is still increasing the retirement age to 70.

"So tonight, ask yourself:

"If your family relies on any of these services, what kind of future is this Prime Minister offering you?"

Mr Shorten says Labor has a plan to "bring the fair go back to the heart of nation".

"It's a plan we can afford - because we're not going to spend \$80 billion of public money on big business and the big banks," he said.

"And it's a plan that will work, because Australia thrives when middle class and working class people can get ahead.

"Tonight is about a Fair Go for everyone who wants the best for their kids and their future.

"A Fair Go for every part of our nation - from the bush and the regions to our cities and growing suburbs.

"And a Fair Go for the real forgotten people: working families, pensioners and Australians doing it tough."

7pm: MPs exit, finally

Three Labor MPs snagged in the dual-citizenship saga have left federal parliament after copping flak for clinging on for 24 hours, AAP reports.

Susan Lamb, Josh Wilson and Justine Keay all quit their lower house seats today following Wednesday's High Court decision to disqualify their caucus colleague Katy Gallagher.

The trio is now facing by-elections to be held in a "Super Saturday" poll as early as June 16.

Prime Minister Malcolm Turnbull dropped the boot into the banished MPs for dragging their feet out the door.

"They have said they are ineligible, they have acknowledged they are ineligible and they still have not resigned, so they are drawing salaries and using MPs entitlements," he complained on Thursday morning.

Crossbencher Rebekha Sharkie pledged to quit on Wednesday after being caught up in the citizenship shambles, but she is yet to forfeit her parliamentary pin. The opposition is on the back foot after insisting none of its MPs would be caught out by the constitution's requirements for dual citizens. Ms Gallagher was deemed a citizen of a foreign power - the United Kingdom - when the writs for the 2016 federal election were issued.

Her three Labor colleagues, along with Ms Sharkie, were in the same position. Opposition frontbencher Tony Burke argued Labor tried to refer the MPs last year as part of package deal with coalition MPs under a citizenship cloud, but it was resisted.

Attorney-General Christian Porter took a swipe at "shifty" Opposition Leader Bill Shorten for blaming the mess on Labor's lawyers.

"Who was this team of crack counsel who were giving this remarkable legal advice? These legal avengers, these legal eagles, who were they?" Mr Porter boomed during question time.

Labor tried to turn the spotlight on Liberal backbencher Jason Falinski, who insists he doesn't hold Polish citizenship.

The MP lodged a new letter from the Polish Embassy on Wednesday. "I can confirm that according to our records you have never had a Polish passport or a Polish identity card, and you have never applied through our Embassy to relevant Polish authorities to confirm the possession of Polish citizenship," the ambassador wrote to Mr Falinski.

But Mr Burke says he can't reconcile that with documents held by the National Archives showing Mr Falinski's father and paternal grandparents all declared their nationality as Polish in 1958.

With the early retirement of Labor MP Tim Hammond for family reasons, five lower house by-elections now need to be conducted.

Mr Turnbull said the polls would "obviously be a very big test" for Labor leader Bill Shorten who asserted his party's vetting processes were "rolled gold". "A rolled-gold guarantee from Bill Shorten isn't worth a cracker," the prime minister told reporters in Queanbeyan.

Ms Gallagher's vacant ACT seat is to be filled by a recount of ballot papers from the last election, which is expected to hand the seat to union boss David Smith.

AAP DM/pjo/TM/pmu

4.02pm: PM questions 'rolled gold guarantees'

The Turnbull government used question time to lash Bill Shorten for Labor's citizenship woes, while the opposition tried to wedge Malcolm Turnbull and Scott Morrison for not releasing more costings on the proposed business and income tax cuts.

The Prime Minister opened the debate slamming the Opposition Leader for his "rolled gold" guarantee there would be no Labor MPs implicated in the citizenship fiasco.

Mr Turnbull responded to a question from Mr Shorten about the full cost of proposed business tax cuts by linking it to the citizenship debacle.

"This is the deliverer of rolled-gold guarantees," Mr Turnbull said.

"He is a guaranteed deliverer of Olympic proportions. He gave a rolled-gold guarantee that all of his members, including the ones that have just resigned, were eligible to sit in the House.

"He did so after the High Court had made it abundantly clear last year that they were not eligible."

After being told by Speaker Tony Smith that he was not answering the question, Mr Turnbull said the cost unlegislated proposed tax cuts was \$35 billion to 2028.

"If the Leader of the Opposition wants to do some figuring and analysis of what it would cost the Australian economy to repeal the tax relief already granted to small and medium businesses, family-owned businesses, then he can do that himself," he said.

Attorney General Christian Porter criticised Labor for claiming the decision of the High Court on the Gallagher case set a new precedent for interpreting section 44 of the Constitution.

"The court was at pains to set out that this was not a new test, that it reflected the test previously set out in the 1992 precedent and 10 times in the judgement the court explains how the Gallagher decision applies the same test as was set out only last year in the Canavan decision," Mr Porter said.

Labor asked repeated questions about the full cost over a decade for the company tax cuts but Mr Turnbull and the Treasurer would not take the bait.

They also asked about the equity of the income tax package, with Deputy Labor leader Tanya Plibersek quoting the Grattan Institute as calling it a "small cut for high-income earners and a very large tax cut for high-income earners".

Mr Turnbull and Mr Morrison said the progressive nature of the tax system remained and the rich would still pay the most tax.

1.47pm: Labor 'should win by-elections'

Opposition infrastructure spokesman Anthony Albanese says Labor should retain the four seats it holds that are going to be contested in the coming "Super Saturday" by-elections.

Mr Albanese has put pressure on Bill Shorten's leadership by saying the party should win all the coming by-elections except for Mayo.

"Labor has been ahead in the national polls for some time," Mr Albanese told Sky News.

"These are all held seats. Traditionally, by-elections tend to favor oppositions and we've got good candidates. These people have all been good representatives.

"They are good hard working representatives in their seats. They're all having an impact both in their local communities but here in Canberra and they're all worthy of support and I'm sure that they will get that support."

Mr Albanese said it would be an opportunity for Labor to sell its policies to the electorate.

"It isn't a good thing but what is important now is that we have an opportunity to put out our case not just in one seat, a single by-election, but the by-elections that will take place across four states and a chance to really put out our argument about our priorities of education and health and childcare and infrastructure funding, versus their priorities of giving a further leg up to the big end of town," he said.

1.05pm: Ley knocked back PM request over live exports

Liberal MP Sussan Ley has all but confirmed she knocked back a request from Malcolm Turnbull to drop her private-members bill to phase out live sheep exports.

Ms Ley said the Prime Minister had every right to ask Coalition MPs to follow government policies.

"It is the Prime Minister's job to promote government policy and argue the case for waiting for the review and waiting to see what comes out of the minister's very positive action so far," Mr Ley told Sky News.

"But I am also entitled as a private member to lodge this bill and argue for my case and we are a party that has a great tradition of Liberal members standing up for what they believe in."

12.50pm: Stephen to direct preferences to Coalition

One Nation's candidate for Longman, Matthew Stephen, wants to direct preferences to the Coalition ahead of the opposition, in a blow to Labor incumbent Susan Lamb.

Mr Stephen, a small businessman who narrowly avoided bankruptcy and had his trades licence suspended seven times, said Labor preferenced against him at last year's state election and he wanted to return the favour.

One Nation's state leader, Steve Dickson, backed his candidate's call and hoped party heavyweights would agree.

"Labor and the Greens put us absolutely motherlessly last in the state election in the 61 seats that we ran in. So, Bill Shorten, if I have my way, I'm going to reciprocate that," he said in Caboolture.

There is very little prospect of party headquarters will overrule Mr Stephen and Mr Dickson.

Mr Stephen, 30, last year ran in the northern Brisbane seat of Sandgate. He told The Australian at the time that his Queensland Building and Construction Commission wall and floor tiling licence temporarily suspended seven times for not paying his fees and creditors.

<https://www.theaustralian.com.au/national-affairs/state-politics/almost-bankrupt-one-nation-candidate-had-tradies-licence-suspended/news-story/ca2e3f947b0b8402b24a0fba1dbc7b74>

Mr Stephen nominated crime and unemployment among the electorate's biggest issues, both of which were double the national average, he said. Mr Dickson blamed many of Australians' woes on immigration.

12.30pm: Budget 'ponzi scheme'

Pauline Hanson has called the government's budget an immigration based "Ponzi scheme" but said she would not block phase one and two of Coalition's tax cuts if they received the Senate's support.

The One Nation leader said under the reform low and middle income voters would only receive the \$530 payment if the federal government owed them money to begin with.

"That \$530 a year is only if you have a liability, so if you paid your taxes over the year and the department doesn't owe you money, you're not going to get a cut," she said on Sky News.

Ms Hanson said the backbone of the budget was a planned net migration intake of 914,000 people over four years which would impact the standard of living of Australians.

"They're basing the whole economic policy on immigration numbers coming into the country," she said.

"They're not the ones queuing to see the doctor or queuing for housing or seeing the cost of housing rising.

"Its an impact of people's lifestyles, its like a Ponzi scheme, we can't keep going up something has to give."

Despite earlier reports, Senator Hanson said she was not going to bother asking for a cut to Australia's immigration intake as she would not receive it and she would not deprive Australians much need relief.

"Do you think that they're going to give it to me? Because I tell you what, they reduced the numbers in immigration by only bringing it down a point two of a per cent..."

"No one else is going to support this but, but I can't deny Australians, if the majority in the Senate there support this..."

Senator Hanson also reiterated she would not support phase three of Scott Morrison's tax reform.

12.15pm: One Nation unveils Longman candidate

One Nation has unveiled its candidate for the by-election of Longman as local businessman Matthew Stephen.

"I don't want to be known as someone who promises something I want to be known as someone who delivers something," he said.

Pauline Hanson said Mr Stephen would hold the two major parties accountable.

"Matthew is a strong local candidate, a fourth generation Australian, who lives and works in the community with his wife and family. I'm very proud to say he is ready to fight for the people of Longman and I think he would make an excellent member of parliament," Senator Hanson said.

"Susan Lamb was never upfront with the people of Longman. She treated them with disrespect and took them for granted.

"She has known for many months she was a dual citizen yet she did nothing and the Labor party protected her. Susan Lamb and the Labor party have failed Longman and they do not deserve a second chance."

12.05pm: 'Is PM really committed?'

Opposition finance spokesman Jim Chalmers has questioned whether Malcolm Turnbull is committed to helping low income earners if he is holding them "hostage" to the government's entire tax package being supported by the parliament.

Mr Chalmers said the Prime Minister should split their tax package into different bills, allowing for the quick passage of tax cuts for people earning less than \$90,000.

"The government's put into the parliament a package which is a seven-year package and they said you must vote for this. And we've said understandably, we'll how much do the different parts cost? They're unable or unwilling to tell us," Mr Chalmers told Sky News.

"The other point is, I really question whether they are committed to low and middle income earners if they are prepared to hold them hostage to tax cuts for the top end of town.

"They should split the bills. We've said that we are prepared to immediately support the tax changes which come in on July 1 this year. We want to consider the rest of them, we're not yet convinced."

11.44am: 'I know it sounds weird'

Barnaby Joyce has spruiked his credentials as a hands on dad and partner, saying he finds it "cathartic" to cook dinner, do the washing and clean the house.

The former deputy prime minister said his new baby with partner and former staffer Vikki Campion is "going well".

"It is an incredible joy, an incredible blessing and Seb is going well," Mr Joyce told Sky News.

"I think people (would be) surprised, when I am home I do all the cooking, do washing, hang things out, clean around the house.

"I find it, I know it sounds weird, cathartic."

Mr Joyce said he would not start a cooking show but had a playful crack at the ABC's Kitchen Cabinet host Annabel Crabb for being a vegetarian.

"Why the hell would you run a cooking show if you don't eat meat, what is the point?" he said.

"Why would you go out to the country and do a cooking show (when you are a vegetarian): she wasn't going to Nimbin."

10.30am: Shorten's promises 'can't be trusted'

Finance Minister Mathias Cormann says nothing Bill Shorten says in his budget reply speech tonight can be trusted because of the way he was shown up as wrong on his promise there were no Labor MPs that would be implicated in the citizenship drama.

"Any promise, any rolled gold guarantee from Bill Shorten is not worth the paper it is written on," Senator Cormann said.

"Bill Shorten gave the Australian people a guarantee that Labor's vetting processes of their candidates were water tight. He has been found out. Rolled gold guarantee that was not worth the paper it was written on."

Senator Cormann said the Opposition Leader should use his speech tonight to back government measures aimed at strengthening the economy.

"Tonight Bill Shorten must get serious about building a stronger economy. Bill Shorten doesn't have a single policy to strengthen our economy and create more jobs, all Bill Shorten has is a logn list of higher taxes," Mr Cormann said.

"Tonight Bill Shorten and the Labor Party should drop their more than \$200 billion of higher taxes, on electricity, on small and family business, on income, on investment, on housing, on retirees, because more than \$200bn in taxes would hurt our economy, would hurt families and would cost jobs.

"Tonight Bill Shorten and the Labor Party should reverse their plan to increase taxes on small and medium business, because it would hurt our economy and cost jobs, and tonight Bill Shorten and the Labor Party should back our entire plan to provide income tax relief to encourage and reward hard working Australians."

9.40am: 'Sorry sorry not sorry'

Deputy Labor leader Tanya Plibersek has apologised for the "inconvenience" of by-elections but has defended Labor's handling of the citizenship farce despite Bill Shorten's repeated vow his MPs had no case to answer.

Ms Plibersek echoed this morning's half-baked apology from Manager of Opposition Business Tony Burke by claiming the party was caught out by a "new, stricter interpretation" of section 44 of the Constitution.

"We are very sorry for the inconvenience of people having to go to by-elections but we acted on the best advice that we had at the time," Ms Plibersek told Sky News.

"Our lawyers were very clear that for 25 years there has been a precedent that people have to take all reasonable steps and that our people had taken all reasonable steps.

"The High Court has taken a new stricter interpretation and of course we accept that, we will live with that, we are sorry that people have to go to by-elections because we know that most electors don't relish that."

9.30am: Citizenship MPs quit today

The three Labor MPs who announced they would leave parliament to fight by-elections will tender their resignations this morning and not vote in parliament today.

Opposition finance spokesman said Jim Chalmers said Josh Wilson, Susan Lamb and Justine Keay would deal with electoral matters in parliament before handing their formal resignations to parliament.

"They will be spending the beginning of today tidying up some constituent issues, there is always some loose ends to tie up, but as I understand it they will be writing to the speaker to formally resign today," Mr Chalmers told Sky News.

A spokeswoman for Bill Shorten said the three MPs were expected to formally resign this morning and would not be voting in the House.

9.10am: Difference 'never greater'

Malcolm Turnbull says there has never been a starker difference between Labor and the Coalition has he hammered Bill Shorten for campaigning on "negativity", "resentment" and "jealousy".

The Prime Minister said voters in the upcoming five by-elections should have no doubt about the values of each major party as he put further pressure on the Opposition Leader's "cash grab" in the dividends imputation crackdown.

"They are for higher taxes, massively higher taxes on everybody, we are for lower taxes, we are for a stronger economy, they are for a weaker economy, we are for more jobs they are for fewer jobs," Mr Turnbull said.

"We are for aspiration and confidence, they are for negativity resentment and jealousy, it is a very very big choice.

"That is the key issue now: the gap between the Labor Party and the Coalition has never been greater."

Scott Morrison said voters in the by-election would have a choice between a low taxes or high taxes.

"Bill Shorten has to answer a very simple question: is too much tax too much tax," the Treasurer said.

"And what Bill Shorten consistently says is that under Labor too much tax is never enough."

8.45am: Tax doubters 'living on Mars'

Scott Morrison says people would have to be living on Mars if they think the Turnbull government is unwinding the progressive tax system, despite describing the proposed changes as creating an "aspirational tax system".

The Treasurer said wealthy people would continue to carry the highest tax burden under the government's policy.

"Less than 25 per cent of people in this country paying about two thirds of the tax and that will remain around about the same or be a little better than that, so if people don't think that is progressive they are living on Mars," Mr Morrison told Sky News.

He said hard working people would be rewarding by the proposal to eliminate a tax bracket.

"If you do better, if you take more shifts, if you get overtime, then you will never have to give more of that to the government than you can keep for yourself, that is the heart of the aspirational tax system," he said.

"I believe having a flatter tax system is better for the country because it encourages people to go out there and do well in life."

8.25am: Burke demands Falinski quit

Manager of Opposition Business Tony Burke has issued a half-baked apology for Labor's role in the citizenship crisis and demanded Liberal MP Jason Falinski resign from parliament.

Mr Burke said Labor was sorry about the inconvenience of by-elections but maintained Bill Shorten's line that the High Court's decision on the Katy Gallagher case set a new precedent in interpreting section 44 of the constitution.

"We are sorry about how this has ended up and the inconvenience that comes to people, the advice that we followed was the same advice that the Australian Electoral Commission was given as well," Mr Burke told Sky News.

"It was the settled view about the reasonable steps test and we now have a precedent that basically knocks out the reasonable steps test, particularly if you come from the UK.

"One of the things that seems to be lost in the last 24 hours is we tried to refer these cases to the High Court, the only reason these cases didn't go to the High Court when I moved a motion for them to be referred to the High Court was because the Liberal Party, the government, voted it down."

Mr Burke leapt on [The Australian's report about Mr Falinski](#) today, declaring the member for Mackellar should also resign from parliament and fight a by-election.

"You've got records that have come out from archives now of (his father) arriving in 1958 in Australia on a Polish passport, the Falinski advice says he is not a Polish citizen but the record on the front page of The Australian today say he arrived in Australia on a Polish passport," he said.

Mr Falinski says his Jewish grandfather came to Australia as a stateless person after his immediate family was murdered in the Holocaust.

8.10am: 'Rich will still pay more'

Malcolm Turnbull has described his tax package as a "reform that speaks to aspiration" as he rejected eliminating a tax bracket was an assault on Australia's progressive tax system.

The Prime Minister said the move to abolish the tax bracket for people earning more than \$87,000 would make it easier for hard working Australians to get ahead.

"For the vast bulk of Australians, 94 per cent of Australians, they will know that if they decide to go for a promotion, if they decide to do some overtime, if they decide to boost their business and generate some more income, they will not get slugged by going into a higher tax bracket, they will just continue to pay 32.5 cents in the dollar," Mr Turnbull told ABC radio.

"It is a huge reform, it is a reform that speaks to aspiration and speaks to the values of the Liberal Party and the National Party represent because we want Australians to get ahead."

Mr Turnbull denied the package would make the tax system more regressive, declaring the rich would continue to pay the bulk of income tax under the plan.

He attacked Bill Shorten for regarding tax reduction as a "give away", arguing Labor did not respect the money earned by hard working people.

"Someone earning \$200,000, after the scheme is all put in place, pays 12.5 times more income tax than someone on \$41,000. Is that progressive income tax? It is," Mr Turnbull said.

"That means somebody who is earning roughly five times as much money is paying 12.5 times more tax. That's what progressive income tax is.

"The tax system will continue to be borne by the few, in terms of the bulk of collections, rather than the many and that will remain that way, but in the bulk of Australians, they will have every incentive to get ahead."

7.50am: 'Get your act together'

Malcolm Turnbull has poured cold water on constitutional reform in the wake of the citizenship crisis, urging political candidates to "get their act together" and ensure they are not dual citizens before they nominate for the next election.

The Prime Minister has labelled the spate of upcoming by-elections as a “very big test” for Bill Shorten and rejected there was a need to change section 44 of the Constitution.

“Most of these cases have been UK citizens and it is very straightforward to renounce your UK citizenship,” Mr Turnbull told ABC radio.

“The position that we put to the High Court last year, which the High Court didn’t accept obviously, is one that we felt would have been a preferable interpretation of the section, but changing the constitution is very hard and very hard to get support for that.

“So I think the best advice, given that the election will be next year, is for everyone to get their act together and make sure they are not a citizen of anywhere else before they nominate.”

Yesterday, the High Court threw Labor senator Katy Gallagher out of parliament for failing to rescind her British citizenship from the last election. It sparked a string of resignations, with three Labor MPs and a crossbencher declaring they would fight by-elections.

Mr Turnbull said by-elections were typically tough for a sitting government.

“By-elections are always tough for an incumbent government whatever political stripe, but we will see,” Mr Turnbull said.

“Obviously this is going to be a very big test for Bill Shorten. He asserted that his party’s vetting processes were rolled gold, even after the High Court made it very clear in the Canavan decision last year that the position of the Labor MPs in the House of Representatives was untenable.

“They made it very clear, he insisted that they were okay. They did not resign, he took no responsibility for their position of clear ineligibility and then the High Court simply reconfirmed in the Gallagher case yesterday what they said in the Canavan case in October.”

He would not say whether the Liberal Party should run a candidate in each by-election, saying it was a matter for state divisions.

What’s making news:

Bill Shorten’s leadership will be put on trial in a “[Super Saturday](#)” of five simultaneous by-elections, four of them triggered by the resignations yesterday of three Labor MPs and one independent in response to a ruling by the High Court on the parliament’s ongoing dual citizenship crisis.

Liberal backbencher [Jason Falinski](#) has lodged new documents on the parliamentary citizenship register in a bid to prove he is not a Polish citizen, amid calls from Labor for his case to be referred to the High Court.

[Georgina Downer](#) — daughter of former foreign minister and member for Mayo, Alexander Downer — will return early from an election-observation delegation in East Timor today to launch a bid to reclaim the Adelaide Hills electorate for the Liberal Party.

Pauline Hanson looms as [Bill Shorten’s biggest headache](#) in an upcoming “Super Saturday” of by-elections, with One Nation preferences likely to play a key role in determining the result in the knife-edge Queensland seat of Longman.

Scott Morrison [has slammed claims high-income earners](#) will reap the bulk of the government’s proposed income tax cuts, suggesting its seven-year tax plan “ran a sword through bracket creep” and lower income earners will enjoy the biggest percentage reductions in their tax bill.

The [Senate crossbench has pulled the handbrake](#) on the government’s 10-year \$140 billion plan to reduce personal income tax rates and remove bracket creep for about 94 per cent of taxpayers in 2024-25.

Personal income tax cuts were a sensible way to take advantage of a surprise revenue surge, according to former prime minister [John Howard](#) who backed the budget as a “world-class document”.

Strained relations between the [ABC and the government deteriorated](#) further yesterday after a sharp public disagreement over the fate of a \$43 million package to fund ABC news investigations and regional newsrooms.

Australian sport has [abandoned a two-year campaign](#) to establish a British-style national sports lottery to generate money for our national teams and athletes, and will head into the 2020 Tokyo Olympics without a substantial boost to high-performance funding. It comes as the Australian Sports Commission is preparing to unveil a plan sell land from the Australian Institute of Sport site in central Canberra and invest the proceeds back into the Australian sports system.

