

## Successful people would leave Australia under 'socialist' Shorten: Cormann

Written by Michelle Grattan, Professorial Fellow, University of Canberra

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Mathias Cormann cast Labor's alternative policies as a brake on upward income mobility between generations. Mick Tsikas/AAP

A Labor government's attack on the successful would lead to an exit of people from Australia, Finance Minister Mathias Cormann has claimed in a speech describing Bill Shorten's rhetoric as "socialist revisionism at its worst".

As the government attempts to counter Labor's political pitch on inequality, Cormann cast the ALP's alternative policies as a brake on upward income mobility between generations and accused Shorten of stoking "grievance and resentment with sneering attacks on millionaires".

"He wants to slide into office with the politics of envy and the economics of snake oil," Cormann said. "'Shortenomics' is a recipe for economic decline and social division. Bill Shorten has overreached in his shift to the left."

Cormann said Shorten believed that by "denigrating successful people as the undeserving rich" he would get enough support to win power. But Australians would see through "the divisive language of haves and have nots", he [told the Sydney Institute](#) .

"They know that our high intergenerational mobility means that many of today's low- and middle-income earners are the high-income earners of tomorrow.

"And they know that by attacking the 'rich' of today, what Bill Shorten is really doing is attacking those who want to be the rich of tomorrow, millions of aspirational middle-class Australians and their families.

"If we make it harder for people to be successful there will be fewer successful people," he said.

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“Some will leave Australia and go where hard work, risk-taking and success are more highly valued and rewarded. We will be waving them goodbye at airports around the country – because they won’t be calling Australia home for a while.

“Others will try less hard and over time achieve less. The overall outcome would be a less successful, less prosperous economy, with fewer jobs and lower wages.”

Australia under Shorten would be “duller, poorer and less equal”, he said.

Cormann took issue with Shorten saying “the wealth of your parents is becoming the defining feature and source of your future ... your success in life is pre-determined by your parents’ income”.

This was false, Cormann said. Intergenerational income mobility was an important measure of equal opportunity to succeed – and Australia performed very well internationally on this.

“According to the [2016 Stanford Poverty and Inequality Report](#) , Australia was ranked sixth out of 24 middle- and high-income countries when it comes to providing opportunity to succeed in life through effort and hard work, rather than relying on the socioeconomic status of their parents.

“On this important measure, Australia ranks ahead of other significant countries including the UK, the US, Switzerland, France, Germany, Japan, New Zealand and Sweden.”

Cormann said Australians were being presented with a clear choice “between the politics of grievance and envy and the policies of opportunity and aspirations”.

He acknowledged that “many Australians are doing it tough and are worried about the future.

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"Bill Shorten is telling them the solution to their worries and concerns is to go after successful people who are so much better off than they are, when that would be precisely the wrong way to go.

"He is framing the success of enterprises, large and small, as inconsistent [with], even hostile to the opportunity for working Australians to be successful and prosperous.

"This is dangerously wrong and a deliberate flirtation with the playbook of Bernie Sanders in the United States and Jeremy Corbyn in the United Kingdom."

Cormann said that as he looked to the next election, Shorten "has made the deliberate and cynical political judgement that enough Australians have forgotten the historical failure of socialism.

"The Berlin Wall came down 28 years ago, which means roughly 18% of Australians enrolled to vote were born after the fall of the Berlin Wall and the failure of a system of government that destroyed the economies of Eastern Europe."

*Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.*

Authors: Michelle Grattan, Professorial Fellow, University of Canberra

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