



SENATOR THE HON PENNY WONG
MINISTER FOR FINANCE AND DEREGULATION
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**ABBOTT LOOKS ACROSS THE DITCH
AND TRIES TO DRAG US INTO IT**

In another example of his economic incoherence, Tony Abbott says he wants Australia to be more like New Zealand, which has higher unemployment, higher spending and lower economic growth.

"In five years, John Key has got government spending as a percentage of GDP down from 35 per cent to 30 per cent of GDP."

(INSIDERS, ABC - 8 July 2012)

In fact, Australian government spending in 2012-13 as a percentage of GDP is below 24 percent, and our budget has the longest run of spending below 24 per cent since the 1980s.

Mr Abbott also confirmed his plans to make \$70 billion in cuts to services - although he continues to keep these plans secret.

"... a 5 percent reduction in government spending. Has New Zealand been devastated? No, it hasn't."

(INSIDERS, ABC - 8 July 2012)

A five percent cut in Australian government spending equates to \$70 billion - the equivalent of 2 years of age pension payments or 4 years of Medicare payments.

Mr Abbott chooses to look across the ditch for his economic inspiration, however fails to look at Australia's success.

Australia has low unemployment (5.1 per cent), our economy has grown 10.3 per cent since the start of 2008 and we were one of the only advanced economies to avoid recession after the GFC hit.

In contrast, New Zealand has 6.7 per cent unemployment, and its economy has only grown by 1.6 per cent since the start of 2008.

And New Zealand's net debt is expected to peak at 28.7 per cent of its GDP in 2014 - around three times the peak of ours (9.6 per cent of GDP in 2011-12).

Are these the sorts of economic figures Mr Abbott wants for Australia?

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