



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**APPROPRIATION BILL (NO. 1) 2009-2010**

**APPROPRIATION BILL (NO. 2) 2009-2010**

**APPROPRIATION (PARLIAMENTARY  
DEPARTMENTS) BILL (NO. 1) 2009-2010**

**Second Reading**

**SPEECH**

**Monday, 25 May 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Monday, 25 May 2009  
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**Questioner**  
**Speaker** Robert, Stuart, MP

**Source** House  
**Proof** Yes  
**Responder**  
**Question No.**

**Mr ROBERT** (Fadden) (4.05 pm)—This is indeed a dark day for the nation. We have heard today that even though the Treasurer, when asked, could not find in the budget documents what the level of debt of \$315 billion was, he was quite happy to roll that out as the amount of debt this nation would have to sustain. It seems evident that the Treasurer is grossly incompetent, not knowing what his budget papers say or whether they reflect the true magnitude of the financial position this nation will soon find itself in. What is further concerning is that, whilst bond rates have been issued from three to four per cent, current bonds are now being issued at five per cent for three-, five- and 10-year terms. But in three years time—or five years time—as bonds are rolled over to fund this \$315 billion worth of debt, what amount of interest will be paid? If a conservative view is taken of six per cent interest on current government bond issuance, \$315 billion in a short space of four years—representing peak debt—will be \$18 billion per annum in interest alone that this irresponsible government is happy to put on the shoulders of every Australian man, woman and child.

The Prime Minister will stand here and say: ‘The global financial crisis ate my lunch. This is not my responsibility. I did not cause this. The tsunami waves have come across the oceans. A great hammer has swept across the budget.’ Everyone is responsible except for the Prime Minister, who had the temerity prior to the last election to say, ‘The buck will stop with me.’ Clearly, when it comes to a budget with such astonishing and staggering debt, the buck is stopping with everyone but him.

On 4 February this year I spoke the following words when looking at Labor’s second stimulatory package:

There is an ugly fellowship—a not-so-secret society—that exists today. I call it the deficit or debt club. It remains unique. It knows no bounds or restraints. It is confined to no faction. It imposes no intellectual requirement and no geographic location. In the words of the mantra: union membership is required and blind adherence to collectivism is needed. No other circumstance or condition whatsoever, save the merit of lazy spending, shall entitle a Labor leader to membership of this fellowship as all post-war Labor leaders have received it.

Little did I know back in February how prophetic these words would be. Back then the government would still have us believe that their proposed \$21 billion surplus

for this financial year was still intact, even though a Treasury forecast could not survive any longer than 30 days without it being downgraded. And now we find that this financial year is not \$20 billion in surplus but a staggering \$32 billion in deficit, with a peak debt of \$315 billion.

When it comes to debt, last week it was pointed out to that nervous little man, our Treasurer, that indeed the Costello-Howard years had left the nation with the budget in surplus and all debt paid off. A tirade came from the treasury bench saying that \$50 billion worth of government bonds still existed showing that the Howard-Costello government had indeed not paid debt off. It staggers me that a Treasurer simply would not understand how the bond market works or how the Australian Office of Financial Management works. In the last two or three years of the Howard government a decision was made to keep \$50 billion of bonds actively being traded within the financial sector to allow a series of AAA rated instruments to be traded. That money was raised and then put on deposit in full with the Reserve Bank, which then used it to fund a range of entities across the nation. The government’s balance sheet, which, clearly, the Treasurer has shown he is incapable of reading, showed a net debt of zero. But what is this to Labor leaders who have joined the fellowship of debt, who have cast the ring of deficit upon their fingers and have burdened the nation for the next 20 years with a horrible, unjust debt position?

The 2009-10 forecast is for a \$58 billion debt. In 2010-11 there will be a further \$57 billion deficit for the year. In 2011-12 there will be a \$45 billion deficit. In 2012-13 there will be a \$28 billion deficit. There will be a \$188 billion deficit for the next financial year plus the three out-years of the forward estimates—\$188 billion of debt for the next four years. And if you add in the current financial year, with this horrendous \$32 billion debt, you see a deficit of \$220 billion over five years—\$220 billion worth of debt with a peak debt of \$315 billion.

And all of this is predicated on Labor not increasing expenditure above two per cent in real terms every year. Are you kidding me! We as a country are in this horrible mess because this Labor government cannot do anything except follow the Prime Minister’s manta of ‘spend, spend, spend’. But he would have the audacity, the effrontery, to say, ‘We will keep

expenditure below two per cent going right through six or seven years.'

What is worse is that the budget projections for 2011-12 and 2012-13 are based, amazingly, on a real GDP growth of 4.5 per cent, which is 1.5 per cent above the trend of the previous decades. Furthermore, the government assumes that from 2011-12 to 2016-17 there will be six straight years of growth at 4.5 per cent. The fact that this has only occurred twice in the last 30 years and the fact that we never achieved 4.5 per cent growth in GDP in any of the last 12 years of economic sunshine—of the most amazing economic conditions that have existed on the planet, when Australia's economy was seen as the miracle of the OECD and hailed as such from the four corners of the globe—seems entirely superfluous to this government, which believes that from 2011-12 we will see 4.5 per cent growth every year for six years. It is absolutely and utterly staggering. It is historical nonsense to think that that could occur.

And then the government hides behind the Treasury by saying that it is Treasury modelling, which the government has taken at face value, and criticises anyone who would dare to stand up and question it. Let me put this government on notice: the Treasury is not a sacred cow. Since coming to parliament in 2007 I am yet to see a Department of Treasury forecast actually hold water for longer than a few months. So forgive me for the scepticism I have when Treasury, supported by the government, say that from 2011-12 we will have six uninterrupted years of growth at 4.5 per cent. I am thankful they did not claim seven years of the great big fattened calf coming out of the River Nile, because it then would have been of truly biblical proportions.

The Prime Minister will say: 'The global financial crisis ate my lunch. I am not responsible. The world is responsible. Subprime debt is responsible. The Asian manufacturing bubble-burst is responsible. The emerging economies of Eastern Europe, and their explosion, are responsible. Everything is responsible except for me.' That is, except when you actually read into the budget papers.

Since this government came to power, there has been \$124 billion of new expenditure—of Labor expenditure. That amounts to \$10 million an hour, or \$2.5 million every 15 minutes. In the 10 minutes I have been speaking, this government has spent \$2 million in new expenditure. The problem is not that the global financial crisis has eaten the Prime Minister's lunch. The problem is that the Prime Minister has wilfully spent money in the most enormous, grandiose proportions we have seen outside of wartime Australia.

On top of this, he has increased tax by \$26 billion, hiding behind the mantra that tax has not

been increased as a proportion of GDP. Then there is the impact of policy decisions on this budget. This budget's policy decisions have worsened it by \$97 billion. This does not even begin to include the Prime Minister's fanciful Ruddnet—\$43 billion which the Prime Minister says will be a great investment. The fact that it will be twice the capitalised value of Telstra did not come into it, nor did the fact that there is no product disclosure statement and no advice on return. There is no advice on anything. But the Prime Minister actually said that this would be a good investment.

If any Australian were to stand there and say, 'Invest in this product: I have no disclosure statement; I have no idea of return; I have no idea of profitability,' it would be considered a crime and investigated accordingly. Yet this Prime Minister can roll that out with \$43 billion of taxpayers' money.

This worsened budget position caused by government spending does not include Ruddbank—\$28 billion worth of the Prime Minister seeking to bail out commercial property with interests that are falling over. The budget for the following year, 2009-10, has savings of \$24 billion—1½ per cent. Yet it has new expenditure: over \$45 billion. The mantra was: 'A horror budget; a dreadful budget. Everyone will have to do their part to find savings.' There is \$24 billion worth of savings, yet there is new Labor expenditure of over \$45 billion. If the fiscal position of this nation were not in such a parlous, dreadful position, what this government has done would almost be laughable. They have completely and utterly lost control of public finances.

Unemployment at the election was four per cent. It is now forecast for 2009-10 to be 8.25 per cent, rising the following year to 8.5 per cent—a million people unemployed. Yet the stimulus package this government rolled out in December last year—\$10 billion cash handaways—would create 75,000 jobs, we were told. Yet unemployment went up. The second stimulus package, which I was proud to vote against because of its recklessness, said it would support 200,000 jobs. And then, in the budget speech, the Treasurer spoke about all of these stimulus messages sustaining 200,000 jobs. 'Creating', 'supporting', 'sustaining'—at least the nation can be happy the Treasurer knows what an active verb is. Yet 200,000 jobs being sustained, with the amount of money in the stimulus package, indicates each job sustained is at the cost of a quarter of a million dollars.

The coalition will vote in this House against the 30 per cent rebate being means tested. I personally will stand here and defend the 73,392 constituents in my electorate who have private health insurance. I will defend their right to choose the type of healthcare cover they want for their families. I will stand here

and defend them against an ideological attack where Labor simply does not like the idea that people can choose to have a benefit; they can choose to have something different; they can choose to have private health insurance or indeed private education. I will defend the 73,392 constituents of the northern Gold Coast who have chosen private health insurance for their families. Means testing it will simply throw millions of Australians, potentially, out of private health insurance onto a public health system that is failing.

It is ironic Mr Rudd and his government—where the buck stops with him—said, ‘After 18 months, if the public health system is failing, I will step in.’ Well, Mr Rudd, in Queensland right now there are 36,000 people on the waiting list for elective surgery. There are 159,000 people waiting to get on the waiting list for elective surgery. If that is not a crisis in Queensland health, I do not know what is. A state Labor government unable to pay off their \$74 billion debt and now looking to flog government owned corporations to the market—even though those corporations are themselves saddled with debt—shows the parlous position that Queensland is in and that Queensland health is in.

This government talks about being a nation-building government. It is so easy to roll out terms. It is so easy to talk up the big, lofty concepts. ‘We’re about building infrastructure,’ the member for Grayndler says. Bless Lord Albo of Grayndler, because \$1.7 billion of the government’s promised \$22 billion is to be scheduled in 2008-09. Another \$1.5 billion is scheduled in 2009-10 and the rest will be flowing—almost \$20 billion—after the economy is forecast to kick-start itself again in 2010-11. If you were going to roll out infrastructure as part of nation building, wouldn’t you do it now?

But what we had today, of course, is more government spin. Suddenly they have plucked out 35,000 projects that will be funded. I ask the minister at the desk: Minister, table a list of them. You have said there are 35,000. I gather you have counted them. Table them. Show the nation what they are. Produce the report that shows exactly what these 35,000 projects are. There will be a crane in every backyard, we are led to believe—infrastructure projects ad infinitum across the nation. Table the 35,000. Senator Arbib was on Sky this morning claiming there were 35,000. The Prime Minister claimed there were 35,000. Show me the cranes, Minister. Produce the list of 35,000 so that the nation may have confidence in you, because your budget papers simply say that the bulk of your money will be spent in something like 18 months to two years time. The bulk of your budget papers fly in the face of

your 35,000 shovel-ready, crane-ready projects across the nation.

But, then again, it is hard to take this government on face value. The Prime Minister said he would take a meataxe to the Public Service. Clearly, the meataxe I use on a leg of lamb is a little different to the one the Prime Minister uses, because staff numbers have actually increased. The Prime Minister has increased political staff numbers by 30 per cent. The Prime Minister has increased both the ranks of Public Service numbers and political numbers. I guess his meataxe is a little blunt, or perhaps it is not a meataxe at all but a rather limp sausage.

Let us move on to the area of obstetrics. Women charged the average fee for private obstetric care will end up paying \$500 more for their treatment under changes to the Medicare safety net—unless, of course, doctors reduce their charges. Well, that is standing up for health care! Well done. I am sure the pregnant women of this nation, which includes my wife, will be incredibly proud of what the government has done—perhaps not as proud as those desperately hurting families who want to have children, who pray earnestly every night for the opportunity to have a little baby of their own and who move on to IVF to increase their chances. I have walked the path with a good pastor friend of mine, Steve Peach. He and his wife, Belinda, tried IVF 10 times before having Zoe Peach, their beautiful gift from the Lord, their beautiful baby. If that were to occur after these changes, IVF costs would increase by \$2,000—\$2,000 more for the most vulnerable and hurting in our community.

This budget is a farce. Consumer confidence as at 20 May had taken its second biggest fall in 10 years. Is it any wonder, when faced with peak debt of \$315 billion and what goes with it? (*Time expired*)

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—I will remind the honourable member for Fadden that he should, under standing order 64, refer to other honourable members by the name of their division or by their position.