



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

APPROPRIATION BILL (NO. 1) 2010-2011

APPROPRIATION BILL (NO. 2) 2010-2011

**APPROPRIATION (PARLIAMENTARY
DEPARTMENTS) BILL (NO. 1) 2010-2011**

Second Reading

SPEECH

Tuesday, 25 May 2010

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Tuesday, 25 May 2010
Page 3988
Questioner
Speaker Robert, Stuart, MP

Source House
Proof No
Responder
Question No.

Mr ROBERT (Fadden) (5.25 pm)—The 2010-11 Labor budget is a typical big-spending budget, to counter a recession Australia never had. This budget is an even bigger spending budget fuelled by new taxes on cigarettes and mining. It is a simple demonstration that you cannot trust this government to even identify a surplus, let alone look at delivering one. Labor has categorically failed to control its reckless spending after the global financial crisis. This budget sees \$26 billion in new spending since the last budget—hardly an austerity measure to be proud of. This budget is built on the twin towers of two new taxes: mining, \$12 billion, and cigarettes, \$5.5 billion. This budget does not even have the capacity to sort out its spending on its own right: vast and expansive new taxes had to be added so that this budget would even come together, let alone look credible. This budget will continue to put enormous pressure on interest rates as cash floods through the economy—all borrowed, and that borrowing crowds out the borrowing of small to medium business, forcing interest rates up once again.

It is ironic that Labor's figures in this budget are vastly different to what they predicted in the last budget. Economic growth this year was supposed to fall by 0.5 per cent, but now we are told it will actually grow by two per cent. Yet our ability to repay the mounting and vast debt—an extra \$40 billion alone in net debt in this budget—is all based on the Treasurer's guesswork. The Treasurer is putting the country at risk with massive higher taxes, massive higher spending, higher interest rates from inflationary pressure and higher investment premiums, and a crowding out of private sector investors who are also looking for debt to expand their programs. Logically it has to result in lower growth due to the fiscal drag that debt always puts on an economy.

Peak public debt will now be \$93.7 billion by 2013. The last Labor government took 12 to 13 years to reach this figure. This government is taking a fraction of that time. In fact, this government is borrowing \$100 million a day. That is \$4 million an hour. By the time I finish speaking, this government will have borrowed a million bucks to fuel its spending spree that it refuses to get under control. This government cannot spell austerity, let alone meet it. The average Australian family will be paying over \$1,000 a year just to pay the interest on Labor's debt. It is remarkable that all the Labor governments in the history of our Federation

have left the nation in debt—all of them. Labor is addicted to spending. We now have another four years of deficit, all because of one quarter of negative growth in 2008.

It would appear that any improvement on the bottom line is going to be through good luck and the grace of God, because it certainly cannot be put down to sound management. If we look at Labor's programs budget line by budget line we see blow out by blow out. We see a home insulation program with a billion dollar repair job. The member for Longman had the temerity to say, 'Yes, there was a tragic loss of four lives in the insulation debacle, but in the previous 10 years there was the loss of five lives; therefore, under this program there has been half as many and that's a good thing.' May I remind the member for Longman that any needless death of a young Australian is a dreadful thing, especially at the hands of an incompetent government and an incompetent program. He said, 'Sure, there are 300,000 houses whose insulation must be checked, but that is all right as there are 800,000 that are fine, and those 800,000 will be enjoying lower electricity bills.' My heart goes out to the 300,000 families whose mums and dads each night tuck their kids in and look at their ceiling and wonder what is up there. I guess that did not cross the member for Longman's mind.

We have the Julia Gillard memorial halls—a proper noun. The Building the Education Revolution has a \$1.7 billion program blow-out and a waste which could be as high as \$8 billion. This could be the most wasteful program in the history of the nation. The computers in schools program has a billion-dollar blow-out. The National Broadband Network, which needed \$4.7 billion to give broadband to 98 per cent of Australian homes, now needs \$43 billion to give broadband to 90 per cent of Australia homes—a \$38.3 billion blow-out. The consultancy contracts this government said it would halve are now \$605 million plus.

It is instructive to look line by line at the achievements of this government. Those in the nation who would like to see Labor's election promises will find it difficult because the 2007 election promises have been removed from the ALP website. Clearly, you are so proud of the promises you took to the nation when you looked them in the eye and said, 'This is what Labor stands for.' Clearly, you were so proud of

what you stood for that you have taken them down from your website. You organised the best and the brightest summit, yet I cannot think of a single thing out of it that you have used—not one. You brought together 1,000 people and thought you would open up government to scrutiny.

The DEPUTY SPEAKER (Hon. BC Scott)—Member for Fadden, as you should be speaking through the chair, it is not me you are referring to but the other side of the House.

Mr ROBERT—Mea culpa, Mr Deputy Speaker. Labor organised the best and the brightest summit. Labor said that they were throwing open the doors of government to allow the nation to decide priorities and to go in set directions. Not a single thing has come out of it—not one. Fuelwatch was one of the greatest and most costly fiascos abandoned. GroceryWatch followed in its damned footsteps. The Building the Education Revolution has a \$16.7 billion blow-out. Building contractors, states and bureaucrats are billing them a feast in return for libraries and gyms. We have seen buildings costing \$5,000 per square metre when they should have cost \$1,000 per square metre. It is highly conceivable that at least half of this money is being absolutely and utterly rorted and wasted, perhaps even corruptly so. The Deputy Prime Minister organised an investigation and—surprise, surprise!—it will return and report after the election.

We move on to the Home Insulation Program, which was an absolute unmitigated disaster. Thousands and thousands of businesses are now destroyed, young Australians dead, houses burnt down and billions of dollars wasted. We move onto every child in every school in Australia getting a computer. This program is moving with the speed of an asthmatic ant with a heavy load of shopping. By the time these students will be eligible to receive their computer, they will have finished high school. There was no allocation for software, for maintenance, for support or for ancillary services like air conditioning, three-phase power, hubs, switches and routers to go with it. Any industry professional will tell you that for every \$1 in computing hardware spent upfront it may cost as much as \$3 to manage it, to run it, to keep it going and to support it. None of that was included. This was all about an election highlight, about the Prime Minister standing there with a laptop above his head saying, ‘This is the toolbox of the 21st century.’

We saw the home solar water initiative abruptly ended three weeks early with eight hours notice, causing chaos in the industry. Many people who were intending to lodge applications in good faith missed out. The Minister for Environment Protection, Heritage and the Arts, Mr Garrett, blamed a cost blow-out, with the original estimate of \$150 million blowing out to

over \$750 million. We saw the Green Loans Program with thousands of people quitting their jobs, paying \$3,000 for qualifications and insurance to be trained as assessors only to find the demand grossly exaggerated. The *Courier Mail* reported on 2 February:

... the Federal Government predicted up to 200,000 homeowners would take up the loans and only 1000 have done so.

... ..

Instead of training 1500 to 2000 well-qualified assessors, the Government permitted a blowout. It is now estimated there will be up to 11,500 assessors.

Instead of getting the \$50 bonus for getting the home insulation assessment done, none of those has been sent out. The interesting thing is that the Green Loans Program, the solar hot water initiative and the absolute nightmare of the Home Insulation Program were all the result of one incompetent minister. You would think that the minister would be summarily sacked but, no, he stays where he is, a few responsibilities are taken off him and he stays in cabinet. Thousands and thousands of Australians are suffering without work and without jobs. This government keeps him. It is symptomatic of a government more concerned about itself than it is about the nation.

This government, in August 2008, dismantled the Howard government’s immigration and border protection laws that had reduced the inflow of illegal vessels to one. Now we have had over 125 illegal vessels and over 4,000 illegal immigrants, and the flow continues because this government does not have the courage of its convictions to stop it. Let me reiterate that an elected coalition government will reinstate a form of temporary protection visa. We will, with the help of our friends, neighbours and allies, turn boats around. We will get the flow of illegal immigrants and illegal boats back down to where it was in the Howard years.

Under this government, climate change was ‘the greatest moral challenge of our generation’. Few stronger words have been uttered in these hallowed halls by a Prime Minister: ‘the greatest moral challenge of our generation’. They are words normally reserved for when a nation finds itself in conflict or at war. Those words were backed up by Mr Rudd, the Prime Minister, when he said last November that it would be an act of ‘absolute political cowardice, an absolute failure of leadership’ not to act on climate change until other nations had done so. And then, in the space of a few short weeks, may I suggest that he embodied those words when, in an act of absolute political cowardice, he shelved the ETS because the polling was not going his way. So much for ‘the greatest moral challenge of our generation’.

How many of the 2,650 promised trade training centres are open—one, two, surely no more than 10. How many of the 260 promised childcare centres have opened? Oops, that's right; the most junior minister was sent out to scrap it. How many of the promised GP superclinics are there? Two are fully functional out of 31—an absolute and utter disaster. If these ministers were in private business they would be broke. But that is right: across all of the cabinet ministers, the number of years they have spent in small to medium businesses or running their own business can be counted on two hands.

It is interesting that the government also established the Australian Social Inclusion Board. This rarely heard of bureaucracy was set up because every Australian should have the opportunity to be a full participant in the life of the nation. But who has ever heard of the board? What has the board done? What policy has the board put into? How is the board instructed about what the government is doing? Or is it one more of the over 150 commissions, inquiries, reports and boards that have been set up?

That takes me to the Strategic Indigenous Housing and Infrastructure Program, the SIHIP. Initially set up by a memorandum of understanding in September 2007, in July 2009 *Lateline* reported that it had not yet built a single house. In two years it had not built a single house, yet it had spent \$45 million of its \$672 million budget—but not a single house. A government report dated August 2009 said the program was being criticised because it was too slow to deliver, its governance was overly bureaucratic and the program was too costly in terms of the unit cost of housing and administration. It makes a good segue, as it sounds like a perfect phrase to describe the Rudd government writ large. The houses are expected to cost between \$450,000 and \$529,000, factoring in administration costs and contingencies. For a program that began in September 2007, as at 1 February this year, two houses had been built—just two—but \$672 million had been spent. There is nothing like a federal Labor government working with a territory Labor government!

The massive splurge under the global financial crisis sent money directly to taxpayers and, indeed, over \$100 million to nontaxpayers. Some pets even received the \$900 because of the establishment of wills and the reporting of money through them. People bought large-screen, imported TVs to stimulate the economy and to avoid the effects of what the Prime Minister and the Treasurer said was the worst financial crisis since the Depression in the 1930s. In fact, unemployment was 11 per cent in 1991; in 2009, it did not get to six per cent. There was a surplus in 2007-08, when the Howard government lost the election, and that surplus quickly turned into a \$57 billion deficit. Clearly, the

global financial crisis was to blame! No credit was given to the Howard and Costello years for leaving the Labor Party in an outstanding budgetary position. No credit was given to the insatiable demand from China for resources. No credit was given to the fact that we were debt free, with money in the bank. No credit was given to the stability of our economy and our flexible workplace laws. No credit was given at all to the fact that there was room for the Reserve Bank to lower interest rates. No, it was all the Prime Minister. The Prime Minister saved the day! I suggest that all this Prime Minister has done is spend us into a dreadful hole.

In terms of the stimulus packages the Prime Minister rolled out, they contained very little major infrastructure. School halls and gyms—that was the way forward! This government was looking at attracting a whole range of retired nurses back into the profession using a return to work bonus. When they announced the scheme, they talked about 7,750 take-ups, but less than 1,000 have been taken up. This government promised to take Japan to the international court for its whaling; I wonder what incompetent minister that was? Once again, it was Minister Garrett. Now he says it will not be until November that the issue will be settled and—surprise, surprise—that will be after the next election.

Then of course the government announced they would keep 30 per cent of the states' GST to fund 60 per cent of hospital costs in the states and territories. There are massive strings attached. The states had not been given any details, only an executive summary, before the Commonwealth backed down. The states will maintain control of their hospitals. All this health reform is going to do is create three new statutory bureaucracies to manage this massive structure.

When we read the contents of the budget, we see that there will be 1½ thousand new public servants in the Department of Defence and 500 fewer uniformed personnel. We saw a government that said they would take a meataxe to the Public Service, and all we have seen is 20,000 new public servants. We saw a government that said that, for every regulation put in, they would take one out. Well, over 9,000 new or amended regulations have gone in and less than 100 have been taken out. This government has only contributed a new definition to 'spin'. It has only left us in a massive hole of debt. It has only thrown our public accounts into disarray and put upward pressure on interest rates, because it is crowding out the debt market and fuelling the economy with cash.

This government will go down as the worst government in the history of our land. It will go down as being worse than the Whitlam government in terms of its profligate spending, what it has not achieved and

the damage it has done. This is one of the worst budgets our nation has seen—\$40 billion. In the 20 minutes I have spoken, this government has borrowed over \$1 million to fuel its debt binge that does not look like it will ever end.