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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Economy

SPEECH

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Questioner
Speaker Robert, Stuart, MP

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Mr ROBERT (Fadden) (4.46 pm)—Fiscal failure, deficit and debt are simply parts of Labor’s DNA. Labor’s failure in public finance has not just started recently. We can trace it right back to the last election—not to mention the \$96 billion debt under the former Keating Labor government. In November 2007, Prime Minister Rudd was elected with some fanfare. Indeed, people had some hope, albeit misplaced. In the May budget of 2008, they proudly stood there and told of a \$20 billion surplus. Yet the underlying elements in the budget showed \$15 billion of coalition spending axed but \$30 billion of new Labor spending starting. And here the fiscal indiscipline began.

The out years in the forward estimates showed expenditure rising by 2009-10 to 5.5 per cent of GDP, the highest out year expenditure in modern history. Yet sneakily they changed the deflator to look at what the growth would be in real terms away from non-farm GDP to CPI so that the growth would not look as large. How is that for being upfront and honest with the Australian people? Yet within 12 months, by December 2008, the government were \$14 billion in debt—in 12 months. We all knew that Labor like to spend; we all knew that a debt position was an inevitable outcome. It is in their DNA; it is programmed into who they are—but in 12 months, in 52 weeks? How do you take a country into such horrendous debt, \$14 billion, in 12 months alone?

The May budget this year showed that indeed the deficit for this financial year—when a surplus of \$20 billion was so proudly hallmarked—will now be \$32 billion. The out years will show another \$188 billion, for a combined \$220 billion in the next four years plus the current financial year, with deficits through to 2016-17 and a peak debt of a staggering \$315 billion. When you add in the ill-thought-through and ill-conceived ideas of Ruddnet and Ruddbank, you are quickly approaching \$400 billion. The Prime Minister had no ticker for the truth and could not say the word ‘billion’, and will now have to confront the Australian people and say, ‘I’m putting you into hock for over a third of a trillion dollars.’ The numbers are staggering.

To pay back the debt by 2022—which was the year that the Prime Minister proudly stated here in the chamber—would require eight years of growth at something like 4.5 per cent of GDP and a minimum of six years of growth at 1.5 per cent of trend. Six years

of such growth is something that has never been seen before in the history of the nation, and years like that have occurred only twice in the last 30 years and not once in the last 10 to 11 years of economic sunshine.

Indeed, the government’s failure to control funds and their failure to control public finances can be seen by the fact that since the government were elected and through this financial year and over the forward estimates there is \$124 billion in new Labor expenditure. That means that from election night the Prime Minister has been spending new Labor expenditure at \$10 million an hour. Can you see it? The Prime Minister goes to sleep in the Lodge for his eight hours, or he is on a plane flying somewhere—he has spent a quarter of the time overseas. He gets in the plane, has something to eat, he abuses a stewardess and then goes to sleep for eight hours and in those eight hours, he racks up \$80 million of debt.

Mr Byrne—Mr Deputy Speaker, I rise on a point of order. I do not know what personal reflections on the Prime Minister have to do with the argument about debt. They are inappropriate and I would ask the member to speak about the matter that is being debated.

The DEPUTY SPEAKER (Hon. BC Scott)—That is not a point of order. It has been a very wide-ranging debate on both sides.

Mr ROBERT—Following his tirade, the Prime Minister wakes up after eight hours sleep. In those eight hours, while has he been thinking of the food that he wished that he had had, he has racked up \$80 million of new Labor debt. I can only imagine what the debt position would be if indeed a hairdryer was not available on the plane. Labor cannot help but spend. It is in their DNA; it is who they are. They have no intention of paying the debt off. Their move is to go into structural deficit. *(Time expired)*