



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE
Taxation
SPEECH

Thursday, 11 February 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Perrett, Graham, MP

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Mr PERRETT (Moreton) (16:18): I notice that in a few weeks there will be a game of cricket between the politicians and the press gallery. I just mention that because every now and then in this chamber you get a slow full toss down the leg side, and that is exactly what the member for Swan sent down here.

Let's have a look at the economic record of those opposite and let's get a few facts out there. Cast your mind back to September 2013, when those opposite came to power. They are now five-sixths of the way through their term. Let's just cast our mind back to when they came to power: GDP was at 2.6 per cent and unemployment was at 5.7 per cent. At the time, the ASX was trading at a five-year high—look at it now. We have to go back 10 years to find the rate that it is trading at now. Government debt was \$273 billion. They came in on a ticket. I remember former Treasurer Joe Hockey saying that they were going to return to surplus in their first year. That is one of the promises he made. Remember that? He was going to return to surplus in their first year. Now government debt is up an extra \$133 billion, to \$410 billion.

Dr Leigh interjecting—

Mr PERRETT: Perhaps it is because they have made all these cuts they are a low taxing government. If they cut all these services, get rid of the CSIRO, get rid of the climate change scientists, perhaps they will have a lower tax grab. When they came to power, the tax to GDP ratio was 21.4 per cent under Labor. The tax to GDP ratio now is not lower; it is 23.4 per cent according to their budget.

Let's have a look at tax reform and what Labor can do and the realistic record of those opposite. Today when we have a chance to talk on a matter of public importance about tax reform, what do we hear? From the member for Mitchell, we heard this long, drawn out love song to Peter Costello, which was really, really horrible to listen to. He did not mention the nearly \$70 billion in assets sold by former Treasurer Peter Costello. He did not mention the fact that he was hit by a rainbow in the Treasury coffers from the minerals boom. He did not mention that—to paraphrase Paul Keating.

The reality is that those opposite are never prepared to do the heavy lifting when it comes to tax reform; it is a myth out there that they are. They sold off all of those Commonwealth assets. Admittedly, some of it started under Hawke and Keating. They took economic reform to the people; they had people talking about tax reform—an amazing thing to do under the Labor Party. What have those opposite done? Significantly? Really? The only thing that you could grab in the last 30 years would be the GST increase—a tax by those opposite that we saw here for five minutes until they ran out, scared. What is the problem with that tax? It attacks the poorest and the middle class first. I have been contacted in my office by pensioners who are already worried about the taxes they pay with the 10 per cent GST. If it were ramped up—a 50 per cent increase—to 15 per cent then that would be extra hardship for them. Let's have a look at it. Is it being proposed at a time when there is excessive wages growth in Australian society? Is that the situation? No. I think we have the lowest wages growth in real terms than we have had ever since they started keeping records—25 years or so. So it is not as if there is rampant inflation in wages growth.

The reality is that the economic leadership team opposite, the Barnaby-Malcolm team, is waiting in the wings to talk about tax reform. Remember the future Deputy Prime Minister is the guy that said that—let me get this right—Australia was about to default on our debts. Remember that? That was about five or six years ago. I think he even repeated that today. This is the guy who is going to be in charge of making decisions about the economic future of this country. The Barnaby-Malcolm team is waiting in the wings to take up from the Morrison-Turnbull team, making up for the Abbott-Hockey team. When Joe Hockey said that there was going to be a surplus in the first term, obviously he meant for him personally. He is on a good wicket with his government pension. He whisked off to Washington on taxpayer funding. So the surplus is a personal surplus for Mr Hockey, not his promise in terms of economic leadership at all. (*Time expired*)