



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Australian Economy**

**SPEECH**

**Tuesday, 27 February 2007**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Tuesday, 27 February 2007  
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**Questioner**  
**Speaker** Ciobo, Steven, MP

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

**Mr CIOBO** (Moncrieff) (3.54 pm)—It is extraordinary that for the Labor Party the Australian economy, something with which the livelihoods of some 20-plus million Australians is directly connected, comes down to a prewritten speech about university politics by the member for Adelaide, a marginal seat member whose only real exposure to the Australian economy is through the trade union movement—and, no doubt, prior to that, through student politics. The member for Adelaide comes into this chamber as part of the debate instituted by the member for Lilley to talk about the ‘failure of the government to recognise the long term challenges facing the Australian economy and formulate policies to underpin future economic growth and living standards’. The response from the Australian Labor Party to the very motion moved by the Labor Party is some feeble speech about university politics and some kind of waiver on HECS fees. If that is the sum total of Labor’s policy position with regard to the Australian economy, then I would say to the Australian people that they should be very concerned if the Labor Party ever gets their hands on the reins of the Australian economy.

I would like to turn in particular to some of the comments that were made by the member for Lilley. The member for Lilley waxed lyrical for some length of time about how there were some serious challenges facing the Australian economy and how Australians ought to be concerned about the significant decline that he had seen in several key economic indicators. The only decline that immediately sprang to mind was the unemployment rate. If it was not the unemployment rate then it was the level of public debt. We have certainly seen two very significant declines in those two key economic indicators.

But we have not really heard too much more from the member for Lilley about what exactly he was talking about, except insofar as he talks about productivity growth. I have heard the member for Rankin, the member for Lilley and now the member for Adelaide. They have all got a little bee in their bonnets about productivity growth and how productivity growth really underscores the big problems that currently, according to the Australian Labor Party, the Australian economy is facing.

What does someone who is really in a position to judge objectively have to say about productivity growth? I turn to some comments made only last week by the Governor of the Reserve Bank, Mr Glenn Stevens. I will quote from testimony that he produced to the economics committee. He said:

I think all this stuff—

he is referring to productivity growth—

is long-run, grinding, incremental improvements. They are made by businesses, of course. By and large governments cannot create productivity; all they can do is make sure that the overall environment is not somehow inadvertently impeding it. It is the businesspeople and their employees who actually do the things that are needed to get the productivity. That is no easy task and it is a kind of relentless, grinding process. But other countries do it. I do not see any reason why our businesspeople and employees cannot.

That is the view of the Reserve Bank governor. He says governments cannot create productivity; all governments can do is make sure that we get the conditions for business right. In that respect, the coalition government, the Prime Minister and the Treasurer have a proud boast when it comes to getting economic conditions right for the Australian economy. What we know is that economic conditions have never been this good in Australia. The reason they are as good as they are is not, as the member for Lilley asserts, that there has been some kind of resources boom and that is the rationale for the whole thing; it is because of careful, disciplined and responsible economic management.

I would also turn the Australian people’s attention to a body that has a bit to say about the resources boom for Australia. We heard the member for Lilley say that the resources boom was the reason why the economy is going so strongly. There is a very interesting report that the International Monetary Fund put out—the IMF country report on Australia from 21 September last year. The report says:

The results show that increases in export commodity prices were clearly not the main driving force behind the strong fiscal performance of the general government in recent years. In particular, even after the adjustment for commodity prices, the general government balance remains in surplus in each of the past nine years.

So even the IMF refutes the member for Lilley's claim that the resources boom is all we can talk about. So we know that the Reserve Bank governor says the Labor Party is wrong. We know the IMF says the Labor Party is wrong. And we know that the proof of history demonstrates that Labor's policies with regard to the economy are an abysmal and total failure. If you need any reminder of that then I would turn to one of the key economic indicators in Australian society—and that is unemployment.

What mums and dads want to know about is whether their sons and daughters will be able to get a job. What the kids of tomorrow want to know about and what those who are studying at universities, TAFE colleges and Australian technical colleges want to know about is whether there will be a job for them when they finish their studies. In this respect, it is this government's proud boast that it has got economic conditions to the point where we have a 32-year low in unemployment, down to 4.5 per cent. That is the boast of this government.

It is interesting that we hear the Australian Labor Party claim that they spent so much more money on education and training than this government have. We have already heard from the Treasurer that this ignores the fact that they do not take into account total sector investment. I have heard the Labor Party claim many times that they spent so much more money on training. Perhaps there is a simple rationale for this. If you consider that, under the Labor Party, there were a million Australians sitting on the scrap heap of unemployment—there were over a million Australians looking for a job—you might then start to understand why a government that was running a \$10 billion budget deficit might start throwing money at training. For every Australian they moved into the training queue, they made sure they did not have one sitting in the unemployment line.

That is the reason why the Labor Party invested so much money in training. It had nothing to do with future proofing the Australian economy. It had everything to do with trying to set the record in a more rosy light when it came to the former Treasurer and Prime Minister Paul Keating. That is the record of the Australian Labor Party. I say to any member opposite that I know that the parents in my electorate of Moncrieff on the Gold Coast—and, indeed, across the length and breadth of this country—would rather that their child were able to move into a high-paying job under 16.8 per cent real wages growth any day of the week than have the Australian Labor Party take control of Australia's economic levers and turn us back to the kind of economic distress that we had when the Labor Party were last in charge.

We have a proud track record when it comes to ensuring that this country is set up for the future. Another case in point that I would highlight to reassert this is that we have been looking forward to the future. In fact, our concern over the lack of investment in schools and TAFE colleges by state Labor governments directly led to this government making sure that we rolled out the Investing in Our Schools program and the Australian technical colleges. The Commonwealth government—the coalition government—had to introduce these new policies because the Labor Party at the state level, across the east, west, north and south of this country, were doing such an appalling job at providing opportunities for young Australians. Those policies exist because we believe in investing in schools and investing in technical and trades education. The member for Adelaide spoke about TAFE colleges turning students away. A newsflash for the member for Adelaide: TAFE colleges are run by Labor governments at the state level. The underinvestment in TAFE colleges is a consequence of an underinvestment by state Labor governments who are swimming in surplus GST funds. That is the track record of the Australian Labor Party.

I am pleased to be part of a disciplined and responsible government that has seen the Australian economy sustain 15 years of continuous economic growth, that has repaid \$96 billion of Labor Party debt and that is saving over \$9 billion every year which we are able to invest in schools, hospitals, roads and transport. All of these investments are possible because this government has repaid that \$96 billion black hole that was left by the Australian Labor Party. I am pleased to be part of a government that has brought the unemployment rate down to a 32-year low and that sees over 400,000 Australian apprentices now getting job-skilled and job-readied in the workplace. This is a proud track record and it highlights the fact that this government is responsible with the Australian economy—nothing like the 13 years of recklessness that we saw from the Australian Labor Party. We cannot go back there again. The consequences would be the same because Labor policies are still the same as they were in the late eighties and early nineties.