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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (NO. 1) 2009-2010

APPROPRIATION BILL (NO. 2) 2009-2010

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

Second Reading

SPEECH

Thursday, 28 May 2009

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Questioner
Speaker Ley, Sussan, MP

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Ms LEY (Farrer) (11.16 am)—I am pleased to speak today on the appropriation legislation before the House and also to make some comments, from my perspective as shadow minister for Customs, about the Rudd government's cuts to Customs, broken election promises and the appalling neglect of our border security. But first to the budget and its effect on all Australians, including those in my electorate of Farrer.

We have all been horrified at the numbers that have been brought before us in respect of this budget. I had an email this morning from somebody in my electorate who said: 'Can you stop saying "billions" because we do not get an appreciation from that word about the size of the debt. Could you please start saying "thousand millions"?' Yes, I can. It is worth reminding ourselves that the debt will rise to \$315,000 million by 2015-16.

The other point to make about the budget is the government's response of, 'We had the global financial crisis'. The only thing that Prime Minister Rudd used the global financial crisis for in the context of this budget was cover. It was cover for him to flood money into our communities at a rate not seen in Australia's post World War II history. It was a cover to buy votes, to buy popularity and to make him and his government look good. The evidence is there in the budget, because it demonstrates that the spend-a-thon is new money that need not have been appropriated. And of course that is what these bills are doing.

I and my constituents are alarmed, disgusted and quite afraid—and that is not putting too fine a point on it—when we confront this future debt. From 2006-07 to 2021 or 2022 is how long the Prime Minister and the government tell us it will take to get us back into a surplus position—and that in itself is highly problematic because who could possibly forecast that far into the future. It will take 13 years just to get us right back to where we started. Thirteen years is a long time. It is a lot longer than Mr Swan's temporary deficit. It is a lifetime at school. It is one or two careers. It is half a mortgage. And to think that 13 years of this country's history will be involved in this long, drawn out effort to repay debt that need not have been accumulated to this level in the first place is an absolute disgrace.

When Mr Rudd comes into the parliament with his ministers and their hard hats, metaphorically speaking—although they are out in the community in their hard hats—and they talk about projects and they challenge whether opposition members support the projects in their electorates, it is a very cheap political stunt and it offends me and my constituents, I can assure you. It is a cheap political stunt because it is the same as saying to people receiving their \$900 payment, 'So you don't want your \$900?' Of course people would appreciate a \$900 payment, and of course people want to see projects, many of which were started under the Howard government, come to fruition in their electorates. It does not mean that we as local members sign off on the economic and financial strategy that has given rise to this expenditure. Again, we welcome new projects that make sense but we do not sign off on the strategy that created them.

There has been a lot of talk about the infrastructure spending, and the hard-hat brigade—the 24-hour spin cycle which says 'appear to be doing something, appear to be moving and travelling, appear to be contributing to the productive economy for the future'. But there was only \$8½ billion worth of new infrastructure spending in the budget. There was a lot of talk about a \$22 billion or even \$25 billion figure—and apologies to my constituents; I cannot keep on saying thousand million. There was talk about this large appropriation, and of course that was raided from the previous government's surplus. So the new spending is \$8½ billion. They are talking it up big, with \$1.7 billion of spending in the current financial year. They are not talking that up so big, because \$1.7 billion this year is not really that much—not when you compare it to the stimulus packages, which totalled \$23 billion. That has all gone out the door, flooding into the Australian community to buy popularity and votes.

So we have \$23 billion in the stimulus package and \$8½ billion over the forward estimates on new spending for infrastructure—which is the Rudd government talking about? If the level of expenditure was so necessary and so important, why are they not shouting from the rooftops about the \$900 payments? They don't talk about those payments at all. I think, by now, they are somewhat ashamed of them. I have a constituent, who does not want to be named, who has received three payments—one for being a student, one for being on a low income

and one for no particular reason. He, to his credit, went to Centrelink and said, 'I have received three payments; this can't be right'. 'Oh no, that is right,' they said, so he has received three payments. Today we read in the press that deceased estates have received payments and overseas residents have received payments. I am fairly sure some pets have received payments, too.

This stimulus package has been just a shovelling out the door of money at an unprecedented rate, and it all has such a temporary effect. I talk to retailers, and, yes, there may have been a surge in retail spending, but not as much as they thought and not in every retail outlet either. Many people have saved their \$900, paid off their mortgage or paid off their credit card. So, yes, there has been an increase in recent retail spending but that is temporary. In another couple of months, when that \$900 is gone, it is not going to guarantee that shoppers are going to continue to walk through the door. The essential fundamental problem is still there. The previous speaker and other speakers have talked about this investment in the productive economy. That was the one sad thing about the budget—that if we were going to borrow up big, \$315,000 million, taking 13 years to get us back into surplus, you would think that we could have spent it on something productive for the long term. Only \$1.7 billion of that has been allocated for infrastructure spending. They are so embarrassed about the infrastructure spending that the government has scooped up a broadband into that as well.

On the subject of broadband, there has been no response to my questions to the government as to what happens to the many towns in my electorate that have fewer than a thousand people and miss out on the broadband plan. I do not think the broadband plan makes particularly good sense, and the more people who do not sign up to it, the more expensive it gets. So we have no concept of its cost, the time taken to implement it or the numbers of people who may choose to sign up to it. Many people probably would like these very high speeds and they will work well for them, but what I am detecting in their reaction to the government announcement is that the government is actually going to provide it for them and pay for it and that their costs will not go up. In fact, their costs will go up by perhaps three times. The number of people required to keep the cost at, say, \$100 a month in today's terms is quite large, so if people fall away and say they are happy with their current broadband and with their current speeds, the cost will go even higher. So, for the big regional towns that I represent with over a thousand people, there are big questions about cost. For many of the rural areas I represent, those questions do not arise because they are excluded from the plan; they have been told they will get some sort of satellite second-class option. The problem is that Mr Rudd and his ministers, not one of whom has lived a life in rural Australia, do not appreciate what life is like for us.

Back to the budget. The Minister for Agriculture, Fisheries and Forestry strenuously insists that drought funding is in place, or at least that the system that allocates it is in place, and that exceptional circumstances will continue. But there are no dollars in the forward years. Maybe they believe that the drought will end; maybe they know something that we do not. But unless they appropriate money to support farmers and rural communities during the drought then I do not buy the line that they are continuing to provide exceptional circumstances drought support. They have a disregard for the agricultural sector of this economy. The cuts to Biosecurity Australia and AQIS have been remarkable. Haven't we learnt from equine influenza? The Beale review recommend \$260 million minimum in new spending on quarantine, but instead we have staff positions and resources cut from AQIS.

The very department that administers AQIS and the agriculture budget, the Department of Agriculture, Fisheries and Forestry, seems to have been singled out for special punishment in the budget because it has to meet a double efficiency dividend. In a previous life, I was the parliamentary secretary for agriculture. I thought and do think very highly of that department. There is no waste that resides there that needs to be extravagantly cut. I can only assume that in cabinet the minister did not sufficiently stick up for his department and the work that it does to prevent this extraordinary decision.

The biggest reaction to the budget in my electorate has been the response to the changes to youth allowance. That has been spoken about much in this House and I will certainly return to it when the bills are introduced. I look forward to the opposition-initiated Senate inquiry, which will reveal the truth of the matter. That truth is that rural students from modest families are going to be excluded from going to university. If we want to be as equitable as we should be in terms of access to education, we should recognise this simple statistic: right now, twice as many students from the city are reflected in university attendees as are students from the country. We are already significantly underrepresented. That concerns me. It is not the case that students from the country are less bright or even less willing to go to university, but they are a hell of a lot less able to get there and pay their way.

Parents carefully work out a plan to send their children to university. And remember that this is not parents signing cheques and young people sitting there living off their parents. Youth allowance is just a supplement.

They need to work and their income is also supplemented by savings from their parents. The youth allowance is an important component of their support while studying away from home. By the way, those who are currently between school and university do not even get a mention. The clock seems to have to start for them again from 1 January next year. They have not been grandfathered in these provisions and that is totally out of order.

In order to qualify for independent allowance, students will have to work 30 hours a week for an 18-month period within two years. It is not possible for students in small rural towns to find a job for 30 hours a week for 18 months, so they then have to leave home. If they leave home, they have to support themselves. If they cannot go to university, they have to leave home, set themselves up in separate accommodation somewhere and get a job to qualify for youth allowance two years later in order to go to university. Meanwhile, their university place has lapsed, because deferrals generally do not last for longer than 12 months. That means they have to reapply.

What career advisers tell us is that by the end of two years students have lost interest, their life has taken a different direction or it has all just become too hard. Students have come to me and said, 'If I can see the financial pressure that this is going to place my mum and dad under, I just do not want to do it.' We see that in the country a lot. We have seen it with the present drought. I see young people on farms in western New South Wales. I wonder what they are doing there because they have recently left school. I think they should be entering the next stage in their life, but they have come home from further study, often in Melbourne or Adelaide, to help because they cannot in all conscience leave their parents to struggle with a drought which, in many cases, has gone on for five or 10 years.

We are going to see the same thing. We are going to see students saying: 'I'll do something else, Mum and Dad. I won't go to university. It's something I can pick up later.' But do not think that young people do not have a dream to go to university, if that is what they want, and do not think that the destruction of that dream by the present policy is anything short of appalling. We all have different philosophical perspectives and we come to this place with those different perspectives, and it is important that we respect alternative views—that is the foundation of our democracy—but I do not understand or accept this sudden, savage attack on rural students. That is whom it will affect. There are rallies being held across north-east Victoria and southern New South Wales. I hope that the strength of view that is expressed in those rallies is going to get through to the education minister and members opposite. They probably do not represent rural electorates to the same extent that we on this side do, but they certainly have regional students in their areas. I ask members opposite to get this message through.

I understand that there were inconsistencies, even rorts, in the previous system. Fine—attack those and use policy instruments to correct the loopholes that apparently very wealthy parents and students were able to find. I have no problem with that. I am not saying we should restore the system to what it was before. What I am saying is: please do not attack rural students so that we lose our best and brightest from universities.

In the few minutes remaining I will talk about the effect on Customs, the area for which I am the opposition spokesperson. In spite of a promise to increase the level of air and sea cargo inspections made last year and the year before, the Rudd government has cut \$58 million from the Customs budget. There was a promise prior to the last election that there would be an increase in the X-raying and inspection of containers arriving at our ports from overseas. In fact, we saw the first stage of that promise being implemented at the end of last year, with container inspections in Adelaide and Darwin nominated to increase from five per cent to 7½ per cent. Apparently all that is unnecessary now. A container that might have been risky before the budget is no longer risky, is no longer deserving of inspection and will not be looked at.

One in 20 does not sound like very many containers to inspect. We understand that we use this risk based approach because you cannot inspect every container. Intelligence needs to be applied to which ones are likely to contain smuggled goods—including drugs, weapons, cigarettes and alcohol—on which excise is not being paid, but I can only assume that, without additional intelligence being applied and with the target being lowered, we will see more illegal drugs, weapons, narcotics, cigarettes, alcohol and smuggled wildlife. I will throw in illegal fishing, which does not come in a container, but illegal fishing is important too. All these events are going to occur. From the point of view of men and women on the street, we are going to see more drugs on our streets, more drugs being pushed in our nightclubs and more kids being subjected to this scourge. Do not think that it will not happen, because Australia is a top market for the sale of drugs. We have some of the highest prices for ecstasy and cocaine in the world. So, if you are pushing those drugs, come on down. This is where international drug syndicates know they can get the highest price for their products.

Precursor chemicals do not attract a huge fine. Precursor chemicals for pseudoephedrine and amphetamine type stimulants are not necessarily illegal on their own, so sometimes the fine is not huge and the risk is low

for someone to send perhaps several drums of these from South-East Asia. If they get caught with three, they might get one drum through. Once it is cooked into amphetamines the damage that it will wreak on our streets is, as we all know, enormous. It is a weakening of the Tough on Drugs strategy, on which the then opposition agreed with the previous government. Tough on Drugs was a bipartisan position and this is a crack, a chink, in our armour. So a reduction in air and sea cargo inspections is not something we welcome. It is something we are very concerned about.

There was a big fanfare on budget night about the increases to border protection because of the unauthorised arrivals et cetera. One of these increases concerned the bay class vessels, the Customs and Border Protection fleet of vessels that are nearing the end of their life. In Senate estimates yesterday, it was revealed that a further \$1 million has been allocated to study what we should do after the Bay class vessels go out of service. So there was \$1 million from the previous budget and \$1 million from this budget. In estimates yesterday we could not get a response as to what value we had received for this \$2 million. We are simply going to continue in a holding pattern, keeping the vessels that are nearing the end of their life and not making any plans for replacement. As we all know, you do not just click your fingers and say, 'We're going to replace our vessels.' You actually have to embark on a program of ordering, construction et cetera, and that is nowhere near happening.

The government talked up big about the *Triton* Customs vessel. In fact, all they were doing was extending its lease—business as usual—and bringing the *Oceanic Viking* from the Southern Ocean to the northern ocean, moving one asset. But I have not received a guarantee that the entire coastline of Australia is going to be protected in the same way, so we might be cannibalising hours spent patrolling other areas to move that vessel to the north. Serious infrastructure decisions are being delayed by this government. Yes, there are additional flying hours. They add up to 20 hours a week of aerial surveillance, with two additional leased aircraft, but I do not believe that is enough. The intelligence effort allocated to overseas countries is insufficient. (*Time expired*)