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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Cost of Living

SPEECH

Tuesday, 25 June 2013

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Questioner
Speaker Perrett, Graham, MP

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Mr PERRETT (Moreton—Government Whip) (16:48): I rise to speak on the matter of public importance, put forward by the member for Wide Bay, about the adverse impact of government policies on the cost of living. My understanding of the geography is that the member for Wide Bay is actually an MP from Queensland, yet when he stood up and made his speech I thought that perhaps Wide Bay had moved or that maybe it should have been about Jervis Bay in the ACT or Shark Bay in WA or Port Phillip Bay in Victoria because he made no mention of the recent happenings in Queensland. The reality is that under the Liberal National Party government in Queensland and since the last election just 13 months ago families have been paying \$1,000 more. Take electricity prices. My understanding is that the federal government does not own any power stations. I have not checked that exhaustively, but my understanding is we do not own any power stations. The Queensland government does own power stations and the other day the Queensland government foreshadowed a 22.6 per cent increase in electricity prices, starting in five days time. In fact, if you were an elderly person living alone, your electricity price cost would go up in five days by 27.9 per cent. So I was quite surprised that the member for Wide Bay—which I am pretty sure is in Queensland—who is a member of the Liberal and National parties coalition, made no mention, in a speech on the cost of living, of this hit to the budget.

My understanding of cost of living is pretty basic: it is about the roof over your head, the taxes you pay, your food and groceries, your electricity and heating, education costs, maybe your internet costs and health costs. So that is about it in terms of the cost of living. Let us unpack some of those things. Insurance was mentioned by the member for Menzies. I was horrified to see in the Queensland state budget that they are increasing the stamp duty on an insurance policy—a policy that actually has GST on it, so you have got a tax on a tax. So that is something that the Queensland government has introduced—but no mention of that by the member for Wide Bay. Let us have a look at the costs. The biggest cost for most households is their mortgage. Let us have a look at where interest rates were when John Howard exited stage left compared to today's. Are the interest rates higher than when John Howard left? No. In fact, most households are saving up to \$100 per week—and I will say it again for the benefit of those members opposite who are from Queensland: a \$100 per week saving. And it is great to see that people are paying off their mortgages.

Let us have a look at some of the other things. Obviously cost of living is one thing, but it is more important that you actually have a job. That is the best way to keep on top of your cost of living. There have been 960,000 jobs created since we came to power. Is unemployment sky high? Is there a budget emergency with sky-high unemployment like 11.9 per cent in Europe? No. It is 5.5 per cent. In fact, 10 years ago the former Treasurer, Peter Costello, said if you had an unemployment rate of 5.6 it would be a magnificent economic achievement. There is no acknowledgement of that. Let us also note that we have a AAA credit rating and our economy has grown from 15th to 12th biggest. We got through the global financial crisis.

Like anyone, if your economic circumstances change, you make a decision about your economic circumstances and say, 'Maybe we should borrow a bit of money to make sure we look after the household.' That is what a sensible economic manager does. What have those opposite done? Let us have a look. When the economic circumstances changed for the Leader of the Opposition, when he went from being a government minister to being a backbencher, what did he do? Did he do what he suggests and say debt is bad? I found this article by Simon Benson, who had dinner with the Leader of the Opposition the other night. He wrote an article saying:

OPPOSITION Leader Tony Abbott took out a new \$710,000 mortgage on his family home shortly after going into Opposition, partly to help fund his family expenses after losing his ministerial salary.

But in what appears to be a breach of the parliamentary rules covering MPs' pecuniary interests, he failed to declare the loans to Parliament for almost two years.

The man who claimed in January 2008 that politicians don't get paid enough took out a new loan on his family home in April 2008, four months after losing the election and halving his salary.

... ..

Mr Abbott has made no secret in the past that he had often found it challenging to make ends meet.

Great to think that you could—

Dr Stone: Madam Speaker, I rise on a point of order. I do not believe the details of a previous member's bank accounts and loans are relevant to this debate.

The SPEAKER: The member for Murray will resume her seat. The member for Moreton has the call. It is the MPI. It is a far-ranging debate, but I would ask him to draw the link to the question before us.

Mr PERRETT: We are talking about cost of living and economic management. We are talking about a Leader of the Opposition who is, based on current polling, about to make significant decisions about the government. He said there is a budget emergency. When his budget circumstances changed, he borrowed, yet he condemns the government for having done exactly that. What he says and what he does are completely different. Obviously a sensible economic manager, when times are tough, borrows money.

Mr Robb: Madam Speaker, I rise on a point of order. We saw in question time the government get down into the gutter. Now they are getting into the gutter again.

The SPEAKER: The member for Goldstein will resume his seat. That is an abuse of a point of order. I have just had a discussion with the member about the issue and was trying to accommodate the debate so we could get to the valedictories. I know that is not important to others, but it is to the member and her family with us. The member for Moreton has the call.

Mr PERRETT: Thank you. I know the member for Goldstein had been warned during question time, so I am surprised he—

The SPEAKER: The member for Moreton was also called to account.

Mr PERRETT: would object to this piece of public information. I am merely showing the difference between what people say and what they do. What people say goes to their character if they do not do it.

The reality is the Australian economy is in sound shape. We borrowed responsibly during a tough economic time. We protected jobs. We are talking about cost of living. As I said, a job is one of the most essential things for people to be able to manage cost of living. Education costs are another one. People are able to borrow money to pay off school fees. If they make a decision to borrow money to do that, that is up to them. I think it is appropriate that we give people money to pay for education costs, because education is a sound investment. It also makes sense to invest in educational and business infrastructure like the NBN.

However, we have a policy from those opposite—the fraudband plan—that will see people paying up to \$5,000 to have internet connected to their home. If you are in a block of units, heaven help you, because in Queensland that means you have to get 75 per cent of the people in the unit to agree to have that connection. All you need is someone who is a bit of a Luddite, who thinks broadband is only about sending emails, and if they say no, that means you will not be able to get the NBN connected and will not get all those cost-of-living savings that come with the NBN such as being able to pay your bills from home rather than going to the bank or the post office to pay them, being able to study from home rather than going in to university and all the savings that come to small business when they connect to the NBN.

Let us look at some of the other cost-of-living pressures. CPI is well and truly under control. Health has bulk billing rates at 81.7 per cent. Under the Leader of the Opposition it was at 67 per cent when he was the health minister. I have already touched on taxes, but let us mention those three consecutive rounds of tax cuts taking one million Australians out of the tax system. Those people earning about \$50,000 are paying \$2,000 less in tax. Let us contrast that with the opposition's plan to hike up the GST, rip away the Schoolkids Bonus and hike superannuation by 15 per cent for low-paid people. We have seen what happens with the Costello stealth approach. You soften up people by talking about budget emergencies and then outsource decision making to the Smirk. We saw it in Queensland. They said, 'Oh, we've got a crisis.' You bring in Peter Costello and then you

sell off assets and hike taxes. That is what would happen under those opposite, so do not talk about cost-of-living increases. You have no credibility whatsoever. (*Time expired*)

Dr Stone: Madam Speaker I seek to table the documents I referred to in my remarks.

Leave not granted.