



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

BILLS

**Appropriation Bill (No. 3) 2011-2012,
Appropriation Bill (No. 4) 2011-2012**

Second Reading

SPEECH

Wednesday, 15 February 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Speaker Entsch, Warren, MP	Question No.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (11:39): I rise today to speak on Appropriation Bill (No.3) 2011-12 and Appropriation Bill (No.4) 2011-12. I am particularly concerned because the purpose of these bills is to continue to raise additional revenue. We see major blow-outs in a broad range of areas. I think immigration is a classic example, where there is an additional \$330 million to cover last year's underestimations. We are now looking at a \$1 billion fee in relation to a failed policy. Prior to 2007 this issue had been comprehensively addressed by a government that I was very proud to be in.

I do apologise for my tardiness. My legs slowed me down a little. We have just come back from a vote in the House and in my view we are going to see a very significant winding back of private health insurance in this country. That in itself is going to force a lot more people to either exit private health insurance because it will become unaffordable or, at the very least, reduce their cover. In doing so, it is going to put a massive impost on regional hospitals. As I spoke about last night, in Cairns they are already bursting at the seams and do not have the capacity because of underfunding and gross mismanagement by the state government and the politicisation of the health bureaucracy, which has seen some appalling decisions. It is struggling to cope. When you have a look at that and then you have a look at the money that has been squandered over the last few years, you have to despair at the money that was lost—\$2.4 billion on pink batts—and at the lives that were lost, including one up in my region. We are familiar with the other fiascos. The school building program up in our area was a joke quite frankly.

But there are other impacts. Last year I raised the issue of the flooding of six communities in the outer islands of the Torres Strait. After not getting any satisfaction or any interest from the government, I made a decision to put up a private member's motion. As that private member's motion was going through, I was a little surprised but also pleased that I was approached by Simon Crean's office asking me to delay the voting until August. From the advice I received from his office, the government was of the view that they would support the building of these walls with a \$22 million investment. Rather than play politics with it, I agreed to hold it over. His problem was that he did not want to take the money out of the Regional Development Australia Fund. He wanted to find, in their words, another bucket of money. I agreed to that in the interests of having the matter resolved, appreciating that about a third of the Saibai Island cemetery had already been washed out into the sea, that there was \$1 billion worth of infrastructure on these six islands that needed to be protected and that there were some serious health risks in relation to the inundation of water during the king tide period.

The vote eventually went through in August and I wrote a letter to Minister Crean thanking him for his cooperation and consideration with regard to the urgent needs of the Torres Strait Island communities and asking if he could give me a time frame for when the money would be available to start addressing these concerns. I should have been suspicious when there was a delay in his response. Eventually I got that response. I got it just before the Christmas break. I had gone around and seen the minister. At that point, he started umming and ahing—he was surrounded by department officials—and he said he would have a letter to me shortly.

Just before Christmas, I got a Christmas present from Simon Crean. Basically, he wrote to me and said: 'This is not a problem of the government; this is something that has to go back to local government. It's a state government, local government problem. We give financial assistance grants to the Torres Strait council for \$6 million a year. Let them fix the problem.' This is in direct contradiction to the commitment that was given. I actually have an email from one of his senior staff members apologising to me for the deceit and for the misleading arrangement that they made. At every opportunity I get, I will continue to remind the Torres Strait Islander people of the deceit by Minister Crean—I think it was him more than his office because I actually have an apology from one of his former staff.

Sadly, because of that deceit, we have now seen the king tides hit again. We have seen more of the cemeteries—people's families—being washed out to sea, never to be recovered. I was amazed to find that this same government, at the same time, committed \$328.2 million to micro Pacific nations to assist them in dealing with

climate change. That money goes through the UN. Guess what that is going for? We see all of the problem at the moment about leadership. This is buying a position through the UN for none other than Mr K Rudd. They do not realise that the islands in the Torres Strait are in the Pacific. They do not realise that the islands in the Torres Strait are actually part of Australia. And these islands are having massive damage every year in king tides. It is totally fixable. They could do it over two years with \$22 million.

Mr Tehan: 22?

Mr ENTSCHE: 22. Do you know what the problem with the Torres Strait Islanders is? They do not have a vote on the UN. We wonder, if we were to get them a vote, how quickly the government would be racing out there to get things fixed. You know: another vote with the UN; another way of getting rid of a thorn in the side of this government.

At every opportunity, I will continue to raise this. I think it is absolutely appalling that \$328 million of taxpayers' money can go over to those microcountries but we cannot afford to save Australian communities suffering from the same challenges. It is just absolutely appalling.

While I am on that subject, I will talk about some other issues that we are facing too. We remember quite clearly the building revolution that we had in the stimulus package. How great was that? That was going to really make things happen. Of course, it was another example of wasted opportunities and a continued, building deficit, which facilitates the requirement that we have now for raising more money to pay for misjudgments or miscalculations in funding. In spending the money on those school halls, they had another layer of bureaucracy. They should have invested in more practical infrastructure.

In my electorate of Leichhardt, for example, schools are notoriously lacking in basic facilities. I am not referring to schools in remote communities here, which have been traditionally neglected by state governments, or even city schools. In some cases, only the threat of strike action by teachers and protests by parents have forced the issue of funding. Trinity Beach State School, which is in the northern suburbs in Cairns, was so run down that parents threatened to take their kids out of school unless basic issues such as covered play areas, rusted gutters, drainpipes, poor drainage and leaky, smelly toilet blocks were fixed. The state government only started to put money into those after parents shamed them into doing it.

The sad part about it is that the stimulus packages that we have heard so much about in recent years certainly failed to equip schools with much-needed facilities. I think that, again, it is another indictment of seriously failed policies, which at some stage we are going to have to address. Another area I would like to mention is our banks. There have been a lot of issues about banks in recent times and a lot of concerns about the dominance of the major four. Recently we had the decision from ANZ to independently raise interest rates. And, of course, the others all followed because they are very keen to get their snouts in the trough and take as much as they can from their mortgage holders. The greed of these banks, in their pursuit of increased profits at the expense of their customers, is most evident.

Another thing the big four banks are doing is changing their loan-to-valuation ratios. In my area, where we have been doing it tough for the last four or five years, they have been adjusting their loan-to-valuation ratios. They used to be around 70 to 80 per cent but they are now dropping them to around 60 to 65 per cent. At the expense of their borrowers, the banks are getting their valuers to go in and revalue the properties. The banks are telling the valuers what price they expect and they are bringing the value down by about 20 per cent. The valuers have got no choice; if they do not do it they have got no work. So they are doing this. And the borrowers are charged for the privilege. The banks come back to the borrower and say: 'Your valuation has dropped by 20 per cent and we've adjusted the loan-to-valuation ratio. We know you've made every payment that has ever been required of you but you now need to put in X amount of dollars to fix that adjustment. If you don't, you must sell any other real estate or property you have or we're going to come in and take back your property.' This is the sort of thing that is happening. It puts huge pressure on many businesses in the area. It is quite frightening to see and I think we need to be very vigilant with this. I think it is about time we had some sort of inquiry into the practices of the big banks.

But there is an alternative. There is a little bank in Cairns that has been going for 112 years. It is called the Cairns Penny Savings and Loans. I declare an interest here. I actually use it as my preferred bank. It is totally based in Cairns. We have got Peter Phillips and his team. They are all local people in that bank. There is a local board with all local people. The bank was originally established in 1899 by a group of locals who noted that banking

in those days was aimed at the more lucrative trading cycles and tended to overlook the needs of local residents. What has changed in 112 years!

This bank has been an outstanding success in our region. Not only are their interest rates very competitive but they have the trust of the customers. You can walk in and talk to them anytime. They do not have all these undisclosed fees for services that continue to escalate in the big banks. They have not had to wind back these fees—as we see some of the big banks doing because they have been subject to a whole range of criticism because people just cannot afford it anymore—as they have never had them in the first place.

The Treasurer says you can walk away from the big banks. But we need to be looking at ways we can establish more of these wonderful little institutions like the Penny Savings and Loans. That will be real competition to the greedy big four and it will get community banking, and trust, back into our communities. That is the sort of thing that will actually make a difference. With all these inquiries and everything, the big fellas will still find ways around it. But if we find ways of making it easier to establish these little community banks I think you will find it will make a profound difference for our communities. *(Time expired)*