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MATTERS OF PUBLIC IMPORTANCE

Budget Transparency

SPEECH

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Questioner
Speaker Ciobo, Steven, MP

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Mr CIOBO (Moncrieff) (15:33): It is indeed a privilege to be able to follow that contribution from the member for Fraser. It is genuinely incredible to me to think that someone in the chamber could have as much audacity and as much front as to give a speech laden with as much hypocrisy as that to which we have just listened for 15 minutes. The member for Fraser has put forward a matter of public importance that calls upon the need for market based reforms and underscores the need for strict and transparent budgeting. Let us break it into those two areas. Let us deal first with the call by the member for Fraser for market based reforms.

As he lectured us, as no doubt the member for Fraser is fond of doing, on Labor's approach to strict budget transparency and its so-called market based reforms, my mind immediately turned to the Labor Party's efforts with respect to NBN Co. The member for Fraser spoke for 15 minutes about the need for market based reforms and how crucial they are. To use his words, a market based mechanism is the most efficient means that is available to a government. So what is the Labor Party doing with NBN Co.? Channelling great Soviet leaders of bygone eras through their Stalinist vision and working everything out on the back of a coaster in a VIP aircraft between the former Prime Minister and the then minister for communications, the Labor Party decided that they would embark on a tremendous exercise on behalf of the taxpayers of Australia. 'We will build the NBN Co.,' they said. Apparently, that is the kind of market based reform that the member for Fraser talks about.

Let us look at what NBN Co. is going to do. We see under the Labor Party the creation of a legislative monopoly that will renationalise telecommunications in this country. We are going to see a fixed-line communications monopoly that will be rolled out across Australia, which was to have cost taxpayers \$4.7 billion, when Labor first mooted its plans, and which is now forecast to cost taxpayers \$50 billion. That is quite a blowout: \$4.7 billion to \$50 billion. That is quite a change in reforms, but we will go into that in more detail when we get onto Labor's economic track record more broadly to do with the budget.

We know that, under Labor's so-called NBN Co.—their so-called market based reform, which hands a legislative monopoly to NBN Co.—Labor are going to decommission HFC pay TV cables currently run by, for example, Optus. They are also going to decommission HFC pay TV cables run by Telstra with respect to broadband. Take my own home on the Gold Coast, a city of 500,000 people, to use a very personal example of how absurd Labor's NBN policy is. I currently—and it is not just me; it is the whole suburb I live in—have HFC cable running right past my front door. I am currently tapped into broadband speeds that are often around 40 megabits per second. Certainly they are substantial broadband speeds and speeds that I would not use in a pink fit. But, despite the existence of this technology, rolling right down streets across the Gold Coast, Labor's grand vision, channelling a Stalinist vision, is to make all of that completely and utterly useless. They are going to use taxpayers' money to effectively duplicate that same service and roll fibre down the street. This is why Australian taxpayers have no faith in the Labor Party. It is because they understand one fundamental truth about Labor—that they are completely and utterly reckless when it comes to spending taxpayers' dollars.

We have a perfectly good broadband system that works currently, that is privately owned and that is competitive. It has multiple players operating in the space. But Labor has said: 'No. We don't want to deal with that market based approach. We want to roll out one great monolith. We are going to roll out the great people's NBN Co. funded to the tune of \$50 billion by taxpayers' dollars.' So I say to the member for Fraser: 'Don't lecture us about market based reforms. Get your own house in order first. That is what you need to do. You need to recognise that you are simply going to waste some \$50 billion of taxpayers' money.' That is money that could be used to build more hospitals, provide better health care, improve roads, provide greater safety on roads and save lives on roads. That is where that money could be spent rather than on duplicating a service that I already enjoy today, on the basis of a false promise from NBN that in five or six years time they will roll fibre down my street. What a joke! What an absolute joke you are, Member for Fraser, as all members of the Labor Party are with respect to the kind of gross incompetence and ineptitude they have displayed with the NBN Co.

More broadly than that, let us also look at what Labor has done, because the second part of this MPI deals with the issue of the need for 'strict and transparent budgeting'. Labor Party members certainly have a high degree of gall when they talk about the need for strict budgetary control. This is coming from a government who like to bandy about this figure of \$70 billion. Do you know what the \$70 billion figure is? The \$70 billion figure is the net assets that the previous coalition government left this lot when we lost power in 2007. That \$70 billion was the Commonwealth's financial position of net savings after toiling for 12 years to repay the \$96 billion of debt that Labor left us last time they were in office. That \$70 billion represents the social dividend that Australians enjoyed after the former Treasurer, the member for Higgins, made hard decisions year after year to deliver that to the people of Australia. The \$70 billion represented an opportunity to reinvest taxpayers' funds to build more hospitals, to build more schools and to provide a dividend back to the people of Australia.

What did the Labor Party do? They took their \$70 billion of net assets and in four short years turned it into \$130 billion of debt. When I go along to schools today, I see all these Labor senators and members spruiking the great vision that is the Building the Education Revolution, which we know was the brainchild of the current Prime Minister. I see them looking at the kids and saying: 'This is an example of our largesse. This is an example of what great nation builders we are in the Labor Party.' Do you know what I see when I look into the faces of what are predominantly year 7 students? I see kids who are going to be indebted for the next 20 years to pay for Labor's promises. Every time a Labor member stands up at one of these BER openings and every single time they cut a ribbon on a school hall, it is the Australian kids who have been mortgaged for that. It is their future that has been mortgaged to pay for this lot to wander around the countryside with their chests pumped out as if they are in some way delivering something for the Australian people. All you are delivering is debt. All you are delivering is misery for them in the future. You are denying Australians services tomorrow so that this government can run around the countryside and say, 'Look at how wonderful we are.'

The most galling aspect for me is the member for Fraser, with his chest pumped out—because he is a great economic whiz kid, this one!—saying: 'We are a AAA rated country. Aren't we wonderful? Look at what we did. We have the world's greatest finance minister. He gave us a AAA rating.' This is the lot who went from a \$70 billion surplus to \$130 billion in debt. This is the lot who borrow \$100 million a day. You can hear the Greeks from here. That applauding you can hear is the Greeks. They are applauding the great visionaries in the Labor Party who keep talking about countercyclical spending. I will say one thing to the member for Fraser: if you were serious about your countercyclical spending then I am sure you would be a consultant to the Greeks. I suspect you would be over there saying: 'Spend, spend. You are in so much trouble; you need to spend more money.' I suspect the member for Fraser would believe that, with all the riots and protests that are happening in Greece, if they keep destroying enough buildings eventually that will be stimulation for the whole economy because they will have to rebuild them all. According to the logic of the member for Fraser, it is the best thing that could happen: 'Burn more buildings. Tear more buildings down. It will stimulate the economy when you rebuild.'

This lot are a joke. They are an economic joke. Anybody who recognises where this country has come from and the work that was undertaken by the previous coalition government understands that this government understands nothing when it comes to strict budgetary competence. Let us talk about the need for strict budgeting. This is the third component of the member for Fraser's matter of public importance today. This would be the kind of strict budgeting that saw, for example, the Building the Education Revolution, originally costed at \$16.2 billion, blow out by \$1.7 billion. That represents eight per cent waste. This would be the government that promised all kids laptops in schools—a \$1 billion program that blew out by \$1 billion. And fewer than half of them were delivered. Again, there have been all of these great visions. It was a \$1 billion program that blew out by 100 per cent. The Home Insulation Program is another example of the strict budgetary control that the member for Fraser talks about. That blew out by \$1 billion. It was a \$2.45 billion program when initially costed by the Labor Party which blew out by over 40 per cent. The solar panel rebate had an \$850 million blowout. The Green Loans Program saw \$300 million wasted. There were the consultancies to government that the Labor Party promised prior to the election that it would reduce by \$395 million. But what happened? Oops, they accidentally cost \$1 billion more. As another example, there was the great economic stimulus that the member for Fraser spoke about—the great example of countercyclical spending by government, the thing that saved the nation, according to Labor Party folklore. These were the stimulus payments that saw some \$46.6 million paid to dead Australians and to Australians living overseas. What a great economic stimulus that was. Member for Fraser, perhaps it all went to the people living in Greece? Perhaps it stimulated the Greek economy? Maybe it should have been \$2,000 instead of \$900?

The cream on all this was that the government spent a further \$50 million of taxpayers' money advertising the fact that it was giving \$46.6 million of taxpayers' money to dead people and to people living overseas. That was a great stimulus to the Australian economy—all those dead people out there buying up at Harvey Norman. There was also the Strategic Indigenous Housing and Infrastructure Program. This was an example of the Labor Party crying about what it was going to do to help Indigenous people in the community. It is a \$672 million program which was designed to deliver 750 new houses by 2013. Unfortunately, again displaying the lack of competence that this government has, \$45 million was spent and for that money one house was built—one house.

There was another \$35 million that was put across to secure a Security Council seat at the United Nations. We wonder whether that is lying in tatters at the moment. I had the good fortune of being at the United Nations recently, and I have to say that for all the lanyards and all the little lapel pins and gift baskets that are handed out at the United Nations, I am not sure Australian taxpayers are getting value for their \$35 million. I am even less sure of it now that we know that the member for Griffith has been knifed in the back, sent to the back bench and basically relegated from any kind of official record of Labor Party history.

There are so many examples of this being a government that is completely out of touch when it comes to so-called strict budgeting, when it comes to so-called transparency and when it comes to so-called market based reforms. But the best example that one can find to underscore that this is a Labor Party that has no idea when it comes to strict and transparent budgeting is to look at what it has done with the budget over the last several years. The forecast outcome for 2011-12 was a \$13 billion budget deficit. The 2011 budget deficit came in at \$22 billion and MYEFO then saw that increase to \$37 billion. So it went from \$13 billion to \$37 billion—a 184 per cent increase in the budget deficit. That is money borrowed to pay for the kind of spending that the Labor Party has been engaged in. It stands out as the single best example of how this government has no idea and no competence.