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MATTERS OF PUBLIC IMPORTANCE

Fiscal Policy

SPEECH

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Questioner
Speaker Ciobo, Steven, MP

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Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (15:20): It is truly unique to come into this chamber and hear the Labor Party complaining about the level of debt. Talk about a reformist party! I found it fascinating when, a couple of hours ago, as I was flicking through the TV channels, I watched the Treasurer outline the poor state of the nation's economy and of the national accounts as a consequence of what was left behind by the Australian Labor Party. At the conclusion of that press conference, I flicked the channel and I happened to see the shadow Treasurer, the member for McMahon, at the National Press Club. What was extraordinary about his performance was one particular line that really caught my interest. He said, 'Labor needs to be in office for a long time to cement our reforms.' He is nodding in furious agreement. They just needed a little bit more time!

This is the Australian Labor Party who inherited \$60 billion of assets six years ago, presided over the five largest budget deficits in our nation's history and who, as a consequence of their policies, saw the most rapid deterioration of debt in our nation's history. Then they come into the chamber and say: 'Oh no, you should trust us on debt. We know the best way forward. Don't trust the coalition on debt.' Look at the track record. It was only the coalition that paid off \$96 billion worth of debt last time. Why would you trust us? The Labor Party are the people you should trust, according to the member for McMahon. After all, the Labor Party took \$60 billion and turned it into over \$400 billion worth of debt!

What is also extraordinary is that the shadow Treasurer, the member for McMahon, likes to say repeatedly—and he did just moments ago—how the coalition could have had the \$500 billion debt ceiling, if only the coalition had been willing to release MYEFO, as if in some way insinuating that, once again, the coalition could not be trusted. What is fascinating about that is that this is on Labor's own numbers, not coalition numbers. Do not rely on the figures that we put forward if you do not want to. I say to the Australian Labor Party: use your own numbers. Let me educate the shadow Assistant Treasurer as to which numbers. I am talking about the Pre-Election Economic and Fiscal Outlook forecasts that made it clear that you were going to reach \$370 billion worth of debt. And let us not forget the tabled minute from the Australian Office of Financial Management which said that you need a \$40 billion to \$60 billion buffer. Let me make this easier. I wish I had a big calculator, but I will add it up: \$370 billion plus \$60 billion is—

Government members interjecting—

Mr CIOBO: It is \$430 billion! It had to come from this side though, not from the other side. There you have it. On Labor's own numbers, there is \$430 billion worth of debt. And yet the Labor Party say, 'We don't understand why you need to have more than \$400 billion.' Well, it is because, on your own numbers, it will be \$430 billion. The most concerning aspect of this is that the Australian Labor Party is willing to play havoc with Australia's international reputation. The Australian Labor Party is willing to put Australia's national interest behind political expediency and political opportunism. That is entirely consistent with the approach of the shadow Treasurer and members opposite, because of this key reason: when it comes to making decisions in the national interest, the Labor Party knows full well that we are within a week or so of breaching Australia's current debt ceiling of \$300 billion.

So what is Labor's approach? Do they take a mature approach and say, 'Let's look at what needs to be done. We know that it has got to be \$430 billion as the peak debt limit that is anticipated on Labor's own numbers'? No, they do not. They say, 'We'll give you \$400 billion and then we'll go back to it in due course.' A similar approach was used by the Tea Party in the United States. So we know who they are getting their riding instructions from when it comes to political process; we know the approach the Labor Party likes to take when it comes to trying to work out what they need to do in terms of running this debate. But I have got news for you, Labor Party: that is not how we intend to govern. That is not the approach of the coalition and it is not the way in which we intend to conduct Australia's economic policy. Our focus is on providing economic certainty, and the way we

send certainty and security to the financial markets is to make it clear to them that we will deal with an issue comprehensively and we will deal with it once and for all.

It stands in stark contrast to Labor's approach of, 'Let's just kick the can down the road a little bit further. Four hundred billion dollars? What does it matter? Let's just worry about it when we have to come back to it in six or 12 months time.' That is what Labor have said should be the approach. That is not our approach. Our approach is to say that we need the debt ceiling to be at \$500 billion. Understandably, Labor again gets confused because they think 'debt ceiling' actually means 'debt target'. Labor thinks that if there is a \$500 billion debt ceiling then that means debt is going to \$500 billion. Well, I have news for the Australian Labor Party: debt is not going to \$500 billion. That is the ceiling, that is the maximum, that is the amount that we do not want to reach, and it stands in stark contrast to Labor's approach. I say to the shadow Treasurer, shadow Assistant Treasurer and shadow Parliamentary Secretary that what they need to realise is that the coalition deal with the issue once and we deal with the issue finally.

The other quite interesting approach Labor have been taking as part of their literal interpretation of the term 'opposition' is that they have decided being in opposition means they must oppose absolutely everything. You can almost see them sitting around the table saying, 'What are some other fascinating opportunities that we can come up with to differentiate ourselves from the government?' 'I know,' the shadow Treasurer would have said, 'let's oppose them on some savings measures to show what a compassionate group the Australian Labor Party is and how rough and tough the coalition is. Let's oppose them on some of these mean, nasty savings measures that the coalition has come up with.' You can almost see them; they would all be nodding in furious agreement. 'And why not start with \$2.3 billion of savings in the education sector?' The only problem with that is that they were Labor's savings. They were the savings that the Australian Labor Party came up with. So, when they literally interpret the term 'opposition', what they are actually doing is opposing their own announced savings measures.

The shadow Treasurer stands up and talks about hypocrisy. I have news for you, shadow Treasurer: the greatest and most glaring example of hypocrisy in the parliament today is the fact that you are willing to stand up and oppose your own savings measures. \$2.3 billion worth of savings measures were announced by the Australia Labor Party, and now Labor says, 'No, we are opposed to them. We don't support them.' In addition to that, there are some \$13.4 billion of savings measures that this government is trying to take to reduce the mountain load of debt that has been left behind by the Australian Labor Party—debt that we know is going to continue to accrue interest, debt that is currently running at \$10 billion a year in interest repayments. That is \$10 billion that could have been spent on, for example, new schools, new hospitals or new road projects—a whole raft of different approaches—but Labor says, 'No, we are opposed to those savings measures as well.'

The Labor Party want to have their cake and eat it too. They say, 'We want to make sure the debt stays lower,' yet they stand opposed to some \$15 billion of savings measures. How does the Labor Party compute that? They oppose \$15 billion worth of savings measures, yet claim to be concerned about keeping debt lower!

The simple, inescapable reality of this entire debate around Australia's debt ceiling is this: if you, Labor, were willing to stand up and do the right thing, to put Australia's national economic interests first, to put certainty and stability in the marketplace ahead of your own short-term political opportunism, you know that, based on the figures I outlined before, Labor Party figures, the best thing to do would be to increase Australia's debt ceiling to the \$500 billion that was called for by the coalition—not to stand in the way with some silly game of \$400 billion claims but to do the right thing by the Australian people and make a decision that, ultimately, is going to make a profound difference by ensuring that we can provide the certainty and stability that this nation so sorely needs after six years of mismanagement and debt-ridden rule by the Australian Labor Party.