



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Economy**

**SPEECH**

**Thursday, 22 October 2015**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Zappia, Tony, MP

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**Mr ZAPPIA** (Makin) (16:02): I welcome the opportunity to speak on this matter of public importance which talks about the failure of the Treasurer to provide economic leadership. If you want to see how the Australian economy is tracking, just look at some of the key indicators—indicators that some of my colleagues have referred to but which I will repeat just to create the picture. Unemployment is up from 5.8 per cent when we left office to where it is now at 6.2 per cent. The underutilisation rate is above 14 per cent. The annual GDP growth rate is tracking at around two per cent and trending downwards. The projected budget deficit was \$17 billion when we left office. It went to \$35 billion in just 12 months, and I understand that as at last month it was about \$48 billion. Government spending is at 26 per cent of GDP and government revenue is at 23.5 per cent of GDP. A particularly interesting indicator is that in the last six months the Australian share market index has fallen from 5,900 to 5,300.

The figures paint a very clear picture, and the picture is that the Australian economy is struggling. The government excuse will always be that commodity prices have fallen, that the Chinese economy is stalling and that we need to make tough decisions. They are weak excuses which simply do not stand up to scrutiny.

Have a look at the US, the UK and New Zealand who, during the GFC, were tracking with much more difficulty than Australia. The US economy is growing at a rate of 2.7 per cent, the UK economy at 2.4 per cent and the New Zealand economy at 2.4 per cent at the moment. Regarding their unemployment rates, the US is 5.1 per cent, the UK is 5.4 per cent and New Zealand is 5.9 per cent. All are lower than Australia's rates. That is despite the Australian dollar falling from 92c when we were in office to 70c against the US dollar, despite the three free trade agreements with Korea, Japan and China that members opposite keep talking about and despite the fact that the GFC is now behind us. It is not surprising that Westpac consumer sentiment shows that, since the election, consumer confidence in this country is down by 12 per cent. That reflects the message that I get every day while I am out there talking to people and businesses.

There is good reason for that consumer confidence to be down. Yesterday the member for North Sydney, in his valedictory in this place, applauded Labor's NBN policy because he understood the productivity gains and the industry efficiencies and how we can connect with the rest of the world much more easily. Indeed, the Prime Minister today referred to it in terms of the importance of online trade. He understood the importance of having a high-speed, fast broadband in this world. It is no longer a luxury; it is an essential piece of infrastructure. Yet what do the government do? They stall the rollout, they provide an inferior service and the country goes backwards and becomes a joke. Why? It is because the government simply do not understand the importance of it.

Which other advanced economy has trashed its manufacturing industry sector as this government has—and for no better than ideological reasons? None. Other countries value their manufacturing industry sector. Indeed, the USA and UK economies are both growing their manufacturing industries rather than trying to push them backwards and downwards. This government is putting ideology ahead of sound economic management. Which other smart economy would even contemplate spending \$50 billion on buying submarines from overseas when Australia has the capability to build them here, when we have Australian ship workers who are losing their jobs and when it actually makes economic sense as well as military sense to build the subs here in Australia? No other government would ever even contemplate that.

But this government simply does not get it and simply does not understand how to manage an economy. The Turnbull government, now with a new Treasurer, has clearly lost control of its budget. Its simplistic and desperate solution is to cut government spending with no understanding and no compassion for the consequences. It is pinning all its hopes on the China free trade agreement.

With respect to that, it is interesting to see that the ink has barely dried on the Japanese and Korean free trade agreements and they have been relegated to the waste bin in terms of the commentary we hear from members opposite in this place. They never talk about them anymore. It is all about how the Chinese free trade agreement is going to save this government. They might hope it will, but it is going to take more than that to do so. What

the economy needs is policies that are based on common sense, policies that will show some leadership. When it comes to that, this government has clearly failed to provide the economic leadership that will provide confidence to the rest of the Australian community.