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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Budget

SPEECH

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Speaker Perrett, Graham, MP

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Mr PERRETT (Moreton) (15:57): I rise to speak on this matter of public importance, discussing in particular Australia's fiscal position. In doing so I follow on from Dr Emerson, my next-door neighbour, who is the minister at the table. I would like to contrast his contribution with those of the member for Dawson and the member for North Sydney.

I do not know the member for North Sydney's electorate that well, though I think I have been in his electorate. I know that if I stand in the southern part of his electorate I am in Kirribilli. So I have been there once, for a function—I think with the minister, in fact—with the Chinese community. If you stand in the southern bit of my electorate you are in Acacia Ridge, which is quite a different part of the world. But I know that when I am in Acacia Ridge talking to the people about debt and what sort of debt is manageable—and I refer to the member for Dawson talking about the seven million households in Australia and how we should approach debt—most people understand that debt is not a bad thing. Debt, in fact, can change your circumstances.

I have here a newspaper story from Simon Benson from June 2010 talking about the Leader of the Opposition taking out a mortgage for \$710,000 for his house. Even for someone in their 40s or 50s, as the Leader of the Opposition would have been when he took out this loan, debt is not necessarily a bad thing. It is good if you can keep interest rates under control. So I am sure the opposition leader would be thankful that, under this government, the interest that he is paying on that mortgage has probably halved in the time that we have been here. I think we even gave him a pay rise as well. So I am sure he is very thankful for that to this side of the House.

Dr Emerson: He has not mentioned it!

Mr PERRETT: He has not mentioned it, but I am sure as a good Christian that he would mention it at the appropriate time. The reality is we need to put everything in context, like the spin that comes out of the member for North Sydney—we need to put things in context. We need to remember that Australia has a \$1.3 trillion national economy. We are not just talking about a small trucking business and not just talking about one household: we are a nation with an economy of \$1.3 trillion.

It is important that we look at some of the other countries. The member for Dawson said, 'You should compare our situation to comparable countries, like resource-rich countries such as Canada.' He did not mention Canada, but obviously that is very comparable in terms of size, resources and population. Canada is very comparable. As I read through the list of significant countries in terms of GDP growth, we outdo the lot. In fact, I think the only one that is outperforming us that is comparable would be Taiwan, which is good for some of the constituents in my electorate.

When we are compared to Norway or Sweden—as mentioned by the member for North Sydney—or to the United States, Canada, Japan, the United Kingdom or France, we are outperforming those countries. The reality is we are outperforming these countries. We have had 3.1 per cent growth and 0.6 per cent in the December quarter. However, what do we hear from those opposite? If they are overseas, they say that it is good. But no, because they are here, we hear the member for North Sydney say that our economy is flatlining. It is out and out misleading the public.

We have the Leader of the Opposition say that it did not grow. It did grow 3.1 per cent, but he says that it did not grow. The member for Dawson calls it a 'horror movie'. It must be like the *Scary Movie* version of a horror movie, because the reality is that when our economy grows like that it actually brings smiles to people's faces. Obviously, there are some stresses and this high Australian dollar is obviously something of concern. It is nice if you are an importer and your business is selling tires or something like that—as I inspected at one of my businesses yesterday. But to have a high dollar and these declining terms of trade is obviously something that is of concern to the government. Obviously, we could take a leaf out of the John Howard a playbook. If we taxed at their rates of taxing, we would have an additional \$30 billion in taxes per year.

Dr Emerson: Easily in surplus.

Mr PERRETT: Yes, in surplus in five, six or seven years easily if we taxed at the rate that John Howard did, which has a record in history as the highest taxing government ever at 24.2 per cent of GDP. Instead, we have made the decision to be a much lower taxing government at 22 per cent of GDP. Sadly, obviously the reality is that no government in more than 30 years has run a surplus with a tax to GDP ratio below 22 per cent. That does bring some strains and stresses to the government, but obviously we are not hearing those opposite say that we should be taxing at the same rate as John Howard.

I do know what we should do. The member for Dawson said that we would have nothing to show at the end of the process and compared acquiring a house to what the government does. I can tell you what we do: we invest in education, we invest in the NBN and we invest in infrastructure. I want to return to those three points, because the member for Dawson—so typical of people down here in Canberra—mocked our investment in education and insulation. Of course, he goes to the school facilities that have had their curriculum improved and that have had their quality of educational delivery improved, and he mocks the NBN.

In fact, we have the Leader of the Opposition make that incredible statement during his contribution that he would nationalise the NBN if he was in power. He did not say that term, but he forgot that the government does not actually own the NBN. He said that he would effectively nationalise the NBN and then sell it for \$1. That was his offer; it is on *Hansard* today. He did not realise that that is the major contribution that this government is making to improving productivity. It was ironic to have someone from the region—the Mackay area—not mention the NBN and the contributions that it makes to the local economy.

In terms of productivity, I well remember that when we took office in 2007—the member for Petrie and I were elected on 24 November 2007—productivity for that December quarter was at zero. That is not all the fault of the Howard government, admittedly. I know it does fluctuate a little bit. But the reality is that now we are starting to improve productivity, because—as everyone knows—productivity drives growth in living standards. We have got a bit of a pick-up in labour productivity. In fact, the labour productivity in the market sector grew by 3.3 per cent over the year to December, which is well above the 1.5 per cent average annual growth rate over the last 10 years.

Productivity is a sure indicator as to whether the economic engine is tuned correctly. Anyone that understands economics understands that you just cannot cut wages, which is the Work Choices way—the lazy way—of bringing improvements to the economy. You cannot make people work harder by cutting their wages—that just does not work. You have got to be smart about it. What do you do? You invest in infrastructure. It is a disgrace to have one of the economic brains of those opposite come in and say, 'I guarantee that I will nationalise the NBN and then sell it for \$1.' I would like him to go to the Islamic college in the minister's electorate and tell them that the NBN is not worth anything. I say that because I received over 1,000 letters from the students in that school saying that they want the NBN rolled out faster to them, because they understand the jobs of the future will not necessarily be in their neighbourhood but will be throughout the Asian region. How do we engage with the Asian region? We invest in the NBN.

Mr Craig Kelly: Which private company owns the NBN?

Mr PERRETT: It is not the government. The reality is that it is not actually owned by the government. For the Leader of the Opposition to commit to nationalising that company and to then sell it off for \$1—and for the snickers to come from those opposite—shows that those opposite do not get technology. The reality is the digital age is upon us. I know we have a Leader of Opposition who says: 'I do not get technology. I do not worry about banking.' They go into the bank with their little passbook and say, 'This is the way to do things.' We need to invest in productivity, the NBN and the infrastructure in schools. That is what we need to do to improve our economy and make sure that we maintain this strong position.

The member for Dawson said we should be compared to other countries, and the member for North Sydney said we should be compared to other countries. I think the member for North Sydney mentioned Sweden and Finland. When you look at their actual GDP growth, when you look at their unemployment, when you look at the size of their economies and not just the fact that they have got some particular resources, Australia comes out ahead by a mile. (*Time expired*)