



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**  
**Government Spending**  
**SPEECH**

**Wednesday, 23 May 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Speaker** Perrett, Graham, MP

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**Mr PERRETT** (Moreton) (16:33): Mr Deputy Speaker Scott, before I start can I commend you on that wonderful tie that you are wearing and its nice maroon colour. And coming from country Queensland I want to point out a mortal sin that was committed by the previous speaker. He misquoted Johnny Cash—and that is reprehensible!

This matter of public importance is all about looking at government spending, especially in the face of events unfolding in Europe. We have heard from the member for North Sydney, the member for Goldstein and the member for Dawson. It is always easy to find fault with some obscure and esoteric component of a multimillion-dollar budget. But when you are talking about a trillion-dollar budget it really is just smoke and mirrors to trot out one small amount as an example of what this government is doing wrong.

It is funny that I am the third speaker today to quote from the *Australian*. I hate to do this, but I too am going to quote from that well-known socialist and ALP stooge David Uren. In the first paragraph of his article in today's *Australian* he says:

The Australian economy is tipped to beat Labor's current budget targets—and grow at one of the fastest rates in the OECD

A government member: The member for Goldstein did not quote that, did he?

**Mr PERRETT:** No, he did not. In fact, I could not find in this article the bit that the member for Goldstein quoted. But I will go back with a fine toothcomb to find it. Uren said:

The Paris-based OECD last night endorsed Labor's "ambitious" plan to return the budget to surplus. And it said that despite the "fragile" state of the international economy, Australia could expect to continue reaping the benefits of the mining boom ...

Then he gives other quotes that provide the correct economic context for Australia. It is a shame that the other speakers who quoted from the *Australian* were not prepared to quote from that part. I was actually a bit misled by the MPI raised by the member for North Sydney; I thought he was only going to talk about the events unfolding in Europe. But he did not refer to that at all in his presentation, and nor did the member for Goldstein.

Times are tough, we do know that. I have another quote, which I printed off from the *Brisbane Times*, just to balance the fact that I am quoting from the *Australian*. It states:

The stocks have shed another \$15 billion, bringing losses to May to about \$100 billion.

These are serious, important, tough economic times throughout the world. We have got the dollar going down below 98c. In fact, apart from the yen, all currencies are falling against the US dollar—that is simply a part of the global shift. So these are very tough times. But I was interested to see comments from the World Bank—which are in contrast to the member for North Sydney's motion—saying countries could further loosen monetary and fiscal policies. I quote:

Fiscal measures to support consumption, such as targeted tax cuts, social welfare spending and other social expenditures, should be viewed as the first priority.

That is the recommendation of the World Bank. Thankfully, we do have a little bit of room to manoeuvre—but not to do some of the fanciful wish list things that the member for Dawson listed in his speech. Flood-proofing and paralleling the Bruce Highway from Coolangatta to Cairns was not in their budget announcements. In fact, there were not many monetary measures mentioned in either the budget in reply speech by the Leader of the Opposition or in the member for North Sydney's response at the National Press Club. They really are drifting into magic pudding economics. Just five days ago, Mr Abbott reaffirmed their commitment that there will be

lower taxes, less government spending and lower interest rates under the opposition. The stuff that they are able to commit to is just magical! He is able to commit to all of this, as well as scrapping the MRRT and the carbon tax, while still meeting the same emissions targets that this side of the House will meet!

The member for Dawson seems to be a bit of a sceptic about harmful pollution.

**Mr Tehan:** He liked your basket-weaving initiative though!

**Mr PERRETT:** I have to remind those opposite that you are committed to exactly the same emissions targets that this side is committed to. John Howard committed to them when he was Prime Minister. He was not prepared to ratify Kyoto but he started the measuring process—and, but for the efforts of Queensland farmers, he would not have been able to meet those targets. Still, I remind those opposite that they are committed to exactly the same targets.

It is important to point out that taxation as a proportion of GDP is currently 22.1 per cent, which is lower than at any time during the previous Liberal government, and that percentages are what is most important when we are talking about dollars. This is especially so in an expanding economy, though it is slightly different in a contracting economy. The people opposite understand this.

We are making life a lot easier for Australians. It is great that we have low cash rates so that a person with a mortgage of \$300,000, which is the average, is paying \$3,500 less in interest per year. Take the member for Warringah with his, I think, \$750,000 mortgage—the one that he forgot to mention on the register of interests. The actual mortgage that is on the register of interest—

**Mrs Mirabella:** The one that's not real.

**Mr PERRETT:** I will take that interjection from the member for Indi. I am only reading from the headline here; perhaps she could correct the record. It says '\$710,000 in Abbott loans not declared'. That is the headline of the article in the paper, but I am sure the member for Indi will explain how it is not an actual mortgage. She understands more about the Leader of the Opposition's finances than I do. I am sure he is thankful that he is paying \$8,000 less.

**Mrs Mirabella:** Mr Deputy Speaker, on a point of order: the member for Moreton is deliberately being misleading. My interjection was relating to the Prime Minister saying people on the North Shore were not real, their families were not real and their mortgages were not real.

The DEPUTY SPEAKER ( Mr S Georganas ): There is no point of order. I remind the member for Moreton that all comments are made through the chair. A couple of times he has directed his comments directly to members opposite. I remind him to keep his comments through the chair.

**Mr PERRETT:** Mr Deputy Speaker, I misunderstood. I took the member for Indi's words literally; but, since she has explained them, I take that on board.

Spending as a percentage of GDP is now at 23.5 per cent, which is much better than at any time under the coalition. Incredibly, we have delivered \$33.6 billion in savings in this budget, which builds on the \$100 billion in savings over the last four budgets. So we are in a great position compared to the rest of the world, and I see great opportunities.

This MPI debate is potentially quite provocative in the light of what is going on. People in Australia are a little bit scared, they are feeling a little bit of trepidation. They take their lead from their political leaders—and, at the moment, the Leader of the Opposition and the team opposite are setting a tone. On *Insiders* on the weekend, they compared the happiness index for Australia with that for Spain, and I was amazed to learn that the Spanish, with 23 per cent unemployment and youth unemployment of nearly 50 per cent, are happier than Australians. We have 4.9 per cent unemployment. I think a lot of the responsibility for the unhappiness of Australians lies with the current political discourse, which is so bitter. The jeremiahs are constantly coming at a time when we should be encouraging people to spend more.

Thankfully, we are encouraging people to go to the shops, to look after their local retailers, and to take advantage of the government money circulating in the economy. There will be 4,000 more people in Moreton after 1 July

who will no longer have to pay any tax at all. So, by 14 July, when the first pay packet arrives, they will have more money in their hand. Around 45,000 people in Moreton will receive a tax cut of more than \$300, and 55,000 people overall will receive a tax cut in Moreton. That money can go into bills, and, by 14 July—Bastille Day—it will be able to go into tills as well. That will be a great boost for my local economy, as will the education refunds and the \$69, \$250 and \$380 for pensioner couples and the \$110 for children. All those payments, combined with the Clean Energy advance payments, will be great for the economy. *(Time expired)*