



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



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

**Economy**

**SPEECH**

**Wednesday, 5 March 2014**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

---

## SPEECH

**Date** Wednesday, 5 March 2014  
**Page** 1735  
**Questioner**  
**Speaker** Bowen, Chris, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr BOWEN** (McMahon) (15:15): When it comes to economic management, it is very clear that the Liberal Party had a plan to win the last election but did not have a plan for government. They know how to fight for votes; they do not know how to fight for jobs. I have to confess—and some of my colleagues might be disappointed in this—that I have some sympathy for the Liberal Party in this regard, because it has all proven to be a lot harder than they thought it would.

They thought their election would magically improve the economy. They thought that, by their very genius, by their very being, the economy would improve the day after the election—that they would not have to do anything about it. The now Treasurer, when he was shadow Treasurer, said:

I think companies will unleash their balance sheets, and I think consumers will as well if there is a change of government.

The now Prime Minister—and this is even better—said:

I am confident that should there be a change of government later in the year there will be an instantaneous adrenaline charge in our economy.

This was going to happen just by the very election of a Liberal government!

It is time to check in and see how that instantaneous adrenaline charge is coming along. When I pointed out to the Treasurer, when he was shadow Treasurer, that putting a levy on big business and getting rid of franking credits would impact on the retirement incomes of millions of Australians, he said: 'No, you do not understand—the economy is going to be so much better under us. Profits are going to be higher and everything will be all right. Don't worry about the fact that we are increasing taxes. Just don't worry about that.' Just by their very election they were going to make things better.

But have things got better with the election of the Abbott government? Let us check in and have a look. We have seen 63,000 full-time jobs lost since the election of the Abbott government. As the member for Kingsford Smith reminds us, they promised to create a million over five years, yet we have seen 63,000 go. These job losses are not the job losses that have recently been announced—not the job losses announced at Holden or Qantas, where people are waiting to know their fate—these are jobs that are already gone. They have already disappeared from the Australian economy. The recent announcements of job losses are over and above that. These figures see 2013 as the worst calendar year for job losses since 1992—and almost all of those job losses occurred under the watch of the Liberal government. There were 14,000 job losses in all the months up until September and well over 50,000 in the months between September and Christmas.

Last week some figures came out on capital expenditure. Capital expenditure is a very important indicator of the health of the economy. The figures tell us whether businesses are investing, whether businesses are growing. The figures showed a decline in capital investment of 5.2 per cent. Some adrenaline! Some turbocharge to the economy resulting from the election of the Abbott government! The reported fall in capital expenditure is the worst outcome since the global financial crisis. I asked the Prime Minister about this in the House last week and he gave—and I say this objectively—one of the most bizarre answers ever to be given at that dispatch box. The Prime Minister told us:

We are marching to the rescue of this nation from the wreckage that we inherited from members opposite.

They must sing 'Onward Liberal Soldiers' at the beginning of every party meeting as they march to the rescue of the nation—to save us from the wreckage they say the previous government left them.

Let us have a look at the state of the economy they inherited. The International Monetary Fund said in a report that Australia's economy was growing and that it had low public debt, low unemployment compared to comparable countries and inflation well under control. This was at the end of Labor's period in office. But that is not good enough for this government and this Treasurer. No, they had to bring out a midyear economic forecast to match their rhetoric about the state of the economy they had inherited. We saw very interesting evidence before the Senate estimates committee last week. We saw Dr Tune provide evidence to the Senate that the forecasts and the assumptions in the midyear economic forecast were put in at the discretion of the government—not the Department of Finance, not the Treasury, but at the discretion of the government.

Madam Speaker, I am going to seek your guidance because I am going to quote from an article by Michael Pascoe which was published yesterday. It says:

No matter how much he scowls, the evidence keeps mounting that his MYEFO (mid-year economic and fiscal outlook) forecasts were a crock.

I presume that is parliamentary, Madam Speaker. I am quoting from an article. But I will take your guidance if you choose to give it.

The SPEAKER: I will give you some guidance. The bottom line is that you cannot use unparliamentary language, but in the circumstances there is nothing wrong with the quote.

**Mr BOWEN:** Thank you, Madam Speaker. I am glad you endorse the quote.

The SPEAKER: That is just too smug by half. The member for McMahon will withdraw.

**Mr BOWEN:** I withdraw, Madam Speaker. Mr Pascoe went on to say:

So where's the "budget crisis" Hockey was spouting last May or the more general "budget emergency" that has become a government catch cry? It doesn't exist as advertised.

We saw the executive director of Fiscal Group of the Treasury, Mr Ray, again provide evidence to the Senate estimates committee that the budget position was sound.

We need to see from this government a plan in order to ensure that they continue to grow the economy and that jobs are created. I am going to say that I agree with the Treasurer. He says that today's national accounts figures need to be improved on. They do. He says that they do not provide enough economic growth to create enough jobs for unemployment to go down. He is right; I agree—and we need to see a plan to fix it. One plan would be good. The Treasurer and the Prime Minister like to have parallel plans when it comes to big issues facing the nation and they leak against each other and they background and they speculate about what the plans are going to be.

But how about a plan which did not see business tax increased by putting a levy on Australia's businesses? How about a plan which does not see an increase in small business tax by reversing Labor's pro-small business reforms? How about a plan which does not see businesses pay more tax because loss carry-back is abolished under this government? We need to see an adrenaline charge to investment. We need to see the reduction in mining investment being made up for in other sectors of the economy. Do you do that by increasing taxes, by putting a tax on business to pay for the \$5 billion a year Paid Parental Leave scheme? Is that how you get an adrenaline charge in the economy? Do you do that by saying to Australia's self-funded retirees and superannuants, 'We are going to tax you more so that we can give \$75,000 cheque to millionaires?' Is that how you turbocharge the economy? Is that how you get more investment from the non-mining sector? No, it is not. We need to see a plan that sees the rest of the economy making up for the decline in investment from the mining sector.

But what do we get from this government? All we get is blame. It is somebody else's fault. It is Labor's fault. It is Gough Whitlam's fault. It is Ben Chifley's fault. It is somebody else's fault. Or it is the workers' fault: the workers are paid too much on \$50,000 a year. Or there is a wages explosion happening, the Minister for Workplace Relations tells us, a wages explosion which just happens to see the lowest wages growth since records began, which sees wages growing at 2.6 per cent per annum. Some explosion in wages! All we see is blame and excuses. From a government which told us there would be no surprises and no excuses, we see exactly the opposite. As the parliamentary secretary to the shadow Treasurer says, the Prime Minister has got a sign on his desk: the buck stops somewhere else. The buck stops somewhere else when it comes to this Prime Minister. He has to explain

to the Australian people what his plan for their future is. Is it to put a levy on business? Yes, it is. How does that create jobs? He is yet to tell us. He has not faced the workers who have lost their jobs. He has not been to Geelong, as the Leader of the Opposition and I, Senator Carr and the member for Corio have and spoken to those workers—

**Ms Henderson:** He lives there.

**Mr BOWEN:** The Prime Minister lives in Geelong, apparently, the member for Corangamite tells us. That is quite a revelation—great news, or maybe not for the people of Geelong, but never mind. More importantly, he needs to provide a plan for the future. He needs to provide a plan for Australian jobs, because all he has provided so far is excuses, and pathetic ones at that.