



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
MATTERS OF PUBLIC IMPORTANCE

Abbott Government

SPEECH

Thursday, 27 March 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Bowen, Chris, MP

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Mr BOWEN (McMahon) (15:36): This week, perhaps more than in any other week of this government, we have seen its priorities. We have seen a government introduce a scheme so anachronistic that not even John Winston Howard thought it was a good idea, and he has distanced himself from it. We have seen a government embrace old imperial honours that have been gone for almost 30 years, but a government that today trashed the Westminster tradition in this House for their own partisan advantage. They love tradition when it comes to honours for themselves, but they hate tradition when it comes to a fair parliament.

But even more than that, we have seen their priorities when it comes to the budget. We have seen them playing partisan politics with the budget just as they have played partisan politics with the traditions of this parliament. This is a very transparent game. We have called it for what it is, and we will continue to call it for what it is. It is a transparent game to inflate the projections on budget deficits, for their own cheap and tawdry partisan politics. They are talking down the national economy for their own cheap political gains.

How are they doing this? We have seen it on display in the House this week. We had the Treasurer's mid-year economic forecast. He was beating his chest, huffing and puffing as he so likes to do, with big numbers on budget deficits. However, when you look at the analysis, one deficit after another has been added to by this government as a result of their own decisions—\$68 billion worth has been added to the budget deficits over the projection period, more than doubling the deficit.

How have they done this? Just have a look at what happened in the House this week. We had the Deputy Leader of the Opposition ask a very straightforward question to the Prime Minister: 'What is the government's policy on overseas development assistance, and when will they meet the target of 0.5 per cent of gross national income?' The Prime Minister gave an honest answer. He said it is an aspiration. We would like to get there one day, but not until the budget is back in surplus. Fair enough, that is government policy. But what does the government's budget document say? What does their mid-year economic forecast very clearly say, in black and white? It says that target will be met at the cost of billions of dollars in 2017-18, and it is not even government policy.

Why would that be the case? Why would the Treasurer—this is his document with his name on it—have that written into the mid-year economic forecast when it does not represent the government's position to inflate the deficit by billions of dollars?

We have also seen the Treasurer fail at the dispatch box to defend his projections on company profits—growing at nine per cent per annum, but he cut the projections to a quarter of their long-run average to try to reduce the projections on government revenue and make the deficits bigger. We have also seen the \$9 billion transfer to the Reserve Bank of Australia, which was not asked for, not requested, but gifted by this Treasurer to inflate the budget deficit, and that in the hope of getting dividends from the Reserve Bank of Australia in future years. Those are the lengths this Treasurer will go to. This is not a Treasury position and it is not a Department of Finance position. These are all decisions of the Treasurer of Australia.

We have even see him change the methodology for forecasting unemployment—the same methodology that applied when I was Treasurer, that applied when the member for Lilley was Treasurer and that applied when Peter Costello was Treasurer. But, no, that methodology is not good enough for this Treasurer. He had to change it in order to inflate the budget deficit yet again. As much as \$68 billion has been added to the budget deficits by changes in the economic assumptions and by the spending decisions of the Treasurer.

Why would they do this? What game are they playing? It is very clear what they are doing here. They are inflating the budget deficits for two reasons. First, to soften up the Australian people for cuts they always intended to make; cuts they always in their hearts wanted to make; cuts that they kept secret during the election campaign; cuts that are contained in a 900-page document that the Prime Minister has seen, the Treasurer has seen, the Minister for

Finance has seen, but not even the rest of the Cabinet has seen—let alone the voters of Western Australia, who will go to the polls in a couple of weeks without the benefit of knowing what their government has in store.

The second reason is to help their attempt to mislead the Australian people about the legacy of the previous government, for their own cheap and tawdry purposes. I give credit to Peter Costello for introducing the Charter of Budget Honesty Act, and that means this game is false, because the days of a Treasurer playing this game are gone. The state of the budget, inherited by this government, was in the pre-election economic forecast. Anything the Treasurer has done since are his tawdry games.