



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**

**MOTIONS**

**Budget**

**SPEECH**

**Thursday, 15 May 2014**

BY AUTHORITY OF THE SENATE

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## SPEECH

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**Senator BERNARDI** (South Australia) (16:27): Following Senator Ludwig, I have to remark that I am in awe of his ability to fake sincerity. How can Senator Ludwig, as a minister in the former government, give a 20-minute speech about saving money? Let us remember that the previous government racked up hundreds of billions of dollars worth of debt. It inherited no debt and it left an inheritance, a terrible legacy that this government is trying to pay off. Let us not forget Senator Ludwig's own performance in his portfolios, where he decimated the cattle industry for the Northern Territory and northern Queensland by making ad hoc, poorly thought-out decisions.

For the Australian people, I will remark that we have the consequences of some of those decisions being investigated by a royal commission, in which a twice former Prime Minister of this country is appearing today. The evidence suggests to me the chaotic policy that we saw on the front line was also happening behind the scenes, and the buck-passing goes on and on and on.

The budget that was delivered two days ago was about yesterday and about what had happened in the previous six years, but it was also very much about the future. When Senator Ludwig in his contribution said it was dumb politics, I just cannot believe that we have an opposition member criticising a budget on a political basis. It is not about the policy. It has nothing to do with the policy. It is not about whether it is in the national interest or it is good for the country. Apparently, the politics are dumb.

Let me go on the record and say I think this budget is a politically risky budget. If someone wants to characterise that as dumb politics, so be it. Being in this place is not just about the politics. It is about getting effective outcomes and engineering positive things for the country. Sometimes you have to take political risks in order to do that.

We should be reminding every Australian that the smartest decision that has been made in this country in the last seven years was made at the last election, when Australians tipped the worst government in the history of this nation out and said, 'We want a fresh start. We want a new approach. We want an opportunity to get our country back on the right track.' Let me also say: there is no perfect budget. Viewed through the prism of individuality or the particular circumstances applying to a person, a family or a community, there is always something to pick holes with in a budget. I do not like the fact that we are going to be putting up the marginal tax rate for those who are perhaps paying the most tax in our community. I do not like the fact that we are going to have to take away some benefits for families. I do not like the fact that we are going to have to freeze or change indexation going into the future. But we have to do this in the national interest. And overwhelmingly, when you discount the hyperbole, when you discount the partisan politics that are going on, when you discount the ALP members that are trotted out on their ABC to say how badly the government is affecting them, and you go out into the community, overwhelmingly people are saying, 'There are aspects of this that I do not really like, but I am prepared to do my bit for the country.' And what more should we ask for from the Australian people? Everyone needs to do their bit for the country, because they recognise just how bad things have got.

Senator Ludwig talked about parochialism and that this is somehow parochial politics and it is a parochial budget. Let me tell you: I do not find parochialism to be some sort of sledge or slur. I think parochialism is about sticking up for your country and turning your back on those internationalists who say, 'Our responsibilities are abroad before they are at home.' That is why I will be a parochial politician. That is why I will look after my state, that is why I will look after my country, and I will let those on the other side say that they want to go out and lead the world with an emissions trading scheme or a carbon tax or some other cockamamie idea that is not going to achieve any outcomes. Let them swan around the world on their junkets to the United Nations to say how important they are. Let them worship at the altar of internationalism. I will be a parochial politician sticking up for my country. And I think that mob on the other side should do exactly the same. But they are not really interested in that.

Senator Ludwig belled the cat when he spoke about outdated ideas. Let me tell you about some of these outdated ideas that Senator Ludwig referred to. He referred to federalism as an outdated idea. He thought we were a

federation. But apparently the policy mix that has come through in this budget, where we expect the states to pick up their constitutional responsibilities, where we are going to remove duplication of services and we are going to say, 'States, you look after your knitting and we will look after ours,' is an outdated concept. Well, it's not. I know I get called old-fashioned but it is not an outdated concept where I come from and it is not an outdated concept in the history of our country or our Constitution, and it is what the Australian people want. They want more accountable government, they want government that is closer to them so they can pick and choose what is acceptable. And unfortunately, I must agree that in recent times federalism has not worked particularly well, because we have had these rogue, spendthrift states that have racked up billions of dollars' worth of debt doing nothing. We have had New South Wales—of course we had glamourpuss here; what was his name? Senator Bob Carr. We had him swanning around the place. He was very good at doing nothing in New South Wales, and he wrote a tell-tale book about how flying business class is akin to the slave trade. It was extraordinary. That is what is important to these people.

Where the states have failed it was left to the Commonwealth to pick up the tab. I regret that the Commonwealth does not have the money to pick up the tab anymore. We have got to stick to our knitting. We have got to look to the things that our Constitution says we should be providing and we have got to make the states accountable for their responsibilities. Federalism and federation are not outdated—not where I come from and not for the Australian people.

Apparently another outdated idea—I should list these as the F words—is financial accountability and financial responsibility. Apparently that is outdated. In Senator Ludwig's and the Labor Party's world, you can just keep clocking up debt after debt after debt. It is only 13 per cent of GDP, we are told. At one stage Greece had only 13 per cent of GDP, as did Japan, as did the United States. If you keep going in that way, soon enough you end up with 20 per cent of GDP in debt and 30, 40, 50 and 100 per cent. And then you go into bankruptcy. Mark my words, the world will experience a sovereign debt crisis in the next two or three years, and I do not want Australia to be part of that crisis. I do not want us to go down the same path that has been committed by the social democrats right around the world, where people have just been expecting to receive cash and handouts for doing nothing and governments put off the day of reckoning until it is too late.

I am pleased that this government has taken steps in the right direction, and that means embracing what Senator Ludwig and the Labor Party called 'outdated ideas: a financial responsibility'. See how outdated that is to the families of Australia who are struggling and know the very real risks of debt. Senator Ludwig also touched upon the issue of the family and how taking away some of the entitlements for families is going to make it more difficult for them. Of course, that is true. But the ultimate goal has to be about allowing families to keep more of their own money, their own earnings, in their pocket to make decisions for themselves. Gone should be the days when governments tax, shuffle, clip the ticket and then give it back. That is wrong. We should be taking less. We should be living within our means and we should be allowing Australian families to make decisions in their own interests. And, yes, starting that process and completing that process can involve pain. And it can be difficult for people, but it is a process that needs to be done. If it is not, this country will end up like those that I mentioned earlier.

Apparently another outdated concept for Senator Ludwig and the Labor Party is freedom, allowing people to make choices for themselves rather than being prescribed what is good for them. Do you know what? If people have responsibilities and if they have freedoms, they will live with the consequences of their decisions. Yes, people will make mistakes and people will experience hardship as a result of it, but they will learn. It is how children learn. It is how adults learn. We need to make sure that we have a safety net, but it should be more like a trampoline so they can bounce back, recover and keep going. We need to encourage people to take more responsibility for themselves, for their health care, for their retirement savings, for their consumption of medical services.

Much has been made about asking for a modest contribution towards attending a medical service. It is a modest contribution when you are on my salary. It is a much more significant contribution if you are a pensioner or unemployed, or you are on a much more modest salary than mine. But the point is it is not so much about how much it is; it is about the symbolic importance of people understanding nothing in this world is free. There is a price for everything. If someone is giving you something for nothing, it is because someone else has paid for it. Government is no different.

It is important to recognise that in the concept of this \$7 co-payment, \$2 will go to the doctor—and will probably cover the administrative process for the doctor—but \$5 of every payment will go towards an investment in the future, an investment in medical research. I think it is a good idea, but my concern with these investments in the future is they can always be undone by future parliaments. We saw it with the rural telecommunications infrastructure fund in 2008. We have seen the Future Fund raided and put under pressure. We have seen those sorts of longstanding commitments have partisan politics applied to them. I do not want to see that happen with this medical research initiative. I sincerely hope it will not happen and I hope those on the other side will actually embrace it and put the partisan politics and the grubbiness aside, put all that aside, and say, 'In the end, this will be good for the country.'

The outdated ideas that Senator Ludwig loathes so much, supposedly—division of powers, financial accountability, freedom, families, responsibility, accountability, acting in the national interest, being a parochial Australian rather than some worshipper at the altar of internationalism—are outdated ideas that I embrace. I think they are outdated ideas, if that is what he wants to call them, that this government philosophically embraces. The former government were a spendthrift, social democratic government that had no accountability. They clocked up \$300 billion in debt in six very painful years and left a legacy that expected the debt to run out to \$667 billion in the future. They needed to be changed and that is what the Australian people voted for.

Not everyone will like everything in this budget and I certainly don't. I would rather see taxes lowered, but we cannot afford to do it right now. I would rather see less spending. I want to see the government as a smaller proportion of our gross national product. I want to see government stick to its knitting. I would like to see less bureaucracy. At least this government has taken a step in that direction by cutting out a billion dollars' worth of red and green tape over the next 12 months. I would like to see even more defined responsibilities between the states and the Commonwealth.

One thing I would like to see is a bigger saving made against the budget of the ABC. The ABC gets about \$1.2 billion of taxpayers' money. Sure, we have shut down the Australia Network, or we intend to, which was playing reruns of *Home and Away* and mostly highlights of Senator Sarah Hanson-Young's opposition to refugee policy. But there is an efficiency dividend of one per cent applying to the ABC, some \$9 million a year. Everyone else is having to make significant cuts, but one per cent is being applied to the ABC. This is less than what Prime Minister Bob Hawke applied to the ABC, which was 1.2 per cent back then. There are plenty of savings that can still be made. I would be delighted if the Minister for Communications would invite me in to give him a blueprint about exactly how we could reform the ABC to make it more financially viable for taxpayers. It would not involve cutting radio or television; it would maybe involve some structural separation. But that will be for another time.

The opportunity before this country is an immense one. We have a chance to get our nation back on the right track. In order to do that, to rebuild this self-reliance, this aggressive ingenuity, this spirit of entrepreneurialism, this idea that we can do it, we need to get government out of the way. We need to stop the bureaucrats from stifling the things that have built this nation. We need to accept the fact that we cannot have such a huge percentage of our workforce working in the public sector, not because they do not work hard or provide a contribution but because we simply cannot afford it. But if you want to create the jobs for the future, you have to encourage Australian families and businesspeople to invest, to take the risks themselves. We have to provide that opportunity so that whatever reductions come in our public service, those people can be redeployed. It should not matter whether they are young people, old people or middle-aged people; it should be about ensuring they have an opportunity to give to this country. There are incentives in this budget to do exactly that.

While no budget is perfect, we have started on a long journey. It is a journey that should be embraced by those on the other side of politics. I agree with Senator Ludwig that we should leave dumb politics behind, but dumb politics is about refusing to embrace good ideas simply because they come from somewhere else. Dumb politics is about suspending the national interest and the long-term interest of our country for some petty partisan point-scoring—which we have heard a lot of in the last few days.

Good politics is about redefining the goals of a nation and having the courage of your convictions to set those goals out very clearly for the Australian people, to make your case plainly in a language that everyone can understand—that we have to accept that we all have to make a contribution. I do regret that those on the other side have started in a manner that I think they will come to regret. If they do not embrace the change that the Australian people are demanding, they will forgo any opportunity to reacquaint themselves with the Treasury bench. Quite frankly, we need a strong and competent opposition to ensure that the government is itself as strong

and competent as it can be. That is how the adversarial system works. Unfortunately, over the last two days, the opposition have demonstrated that they are not willing to be strong and competent.