

14 May 2008

MATTERS OF PUBLIC IMPORTANCE

Economy

Mr BRADBURY (Lindsay) (4.17 p.m.)—This matter of public importance moved by the member for Wentworth is further evidence that those on the other side of this chamber know no bounds when it comes to sheer hypocrisy—those who, just a short time ago, issued that great clarion call that ‘working families have never been better off’, a clarion call that was denounced by people throughout this country. Hardworking people in communities right across this country stood up to be counted at the last election. They were not going to take the fact that they were under enormous financial pressures, many of those pressures created by the profligate spending and continual pork-barrelling by those on the other side, using budgets year after year to win votes rather than invest in our nation’s long-term future. The result of that, their legacy, is the highest inflation in 16 years—the highest inflation, stripping away the living standards of working people across this country and eroding the value of the money in their pockets.

This is the great challenge, a challenge that we as a government are ready to confront head on. That is why in this budget we have reduced government spending. We have brought to an end the rapid increases in government spending that occurred consistently throughout the period of the previous government.

Interjection

Mr Keenan interjecting—

Continue

Mr BRADBURY—Under a government more concerned with pork-barrelling in marginal seats than investing in their long-term future, working families across this country saw their costs, whether they were child care, fuel, education, mortgage or rental costs, spiralling out of control and leading to that 16-year high in inflation. It is a massive challenge and one that we are prepared to confront.

The opposition leader says that it is a charade. Go and talk to the working families right across this country who are seeing the money in their pocket eroded, ripped away, by the scourge of inflation. Go and tell them it is a charade.

Interjection

Mr Keenan interjecting—

Interjection

The DEPUTY SPEAKER—*The member for Stirling is warned!*

Continue

Mr BRADBURY—Perhaps one or two people in the course of the opposition leader’s so-called listening tour through this country might have pointed it out. I can tell you that in my electorate they consistently point it out, because it is having a real impact. I want to address this issue by making some reference to

my local community.

There have been suggestions that we should ignore inflation or that we should not confront it—and we can go back and look at the record to see the many comments that have been made by those on the other side, including the member for Wentworth, as recently as 9 February. Asked if inflation was out of the target band, Mr Turnbull on Friday said it was not. On 28 April 2008 he said:

I think the Treasurer's got to be very careful not to be too Scrooge-like with the Federal Budget ...

He said:

... I'm saying there is a lot of grief coming in from outside Australia—

well, that is a revelation!—

and this is a time for us here in economic management to be cautious. We shouldn't be rushing in to measures be they monetary or fiscal, that could in effect, overdo the downward pressure on economic activity that is coming from the rest of the world.

It seems a far cry from what we are now hearing. Our budget, the Treasurer's budget, this government's budget, did not go far enough. But back then—it was not that long ago—we had to be 'cautious'. We had to demonstrate the sort of caution that the member for Wentworth was calling for.

The very expenditure cuts that we have announced, in particular the means-testing of the baby bonus, is a case in point when it comes to the absolute failure of those on the other side in their time in office to recognise that government revenue, tax dollars, is money contributed by hardworking Australians throughout this country. To hoard it and try and funnel it back as a bribe to those who are less deserving has consequences, and one of those consequences has been that inflation has run out of control. People in my electorate who are absolutely stretched to the verge of bankruptcy in many cases now find that, because inflation is out of control, the Reserve Bank, using the only instrument available to it, is having to increase interest rates—putting more and more pressure on those people who are on the edge.

This is all occurring because those on the other side failed to act. They failed to rein in government expenditure. If this government does the same and fails to do that, it is going to impact even more on people in my community than in some others. We have expenditure cuts that are targeted. They are targeted to the people who can absorb those cuts, because if we do not do that then the people who cannot absorb further increases in interest rates are going to be the victims. That is why it is imperative that we run a tighter budget, and that is why this government has risen to that challenge. Economic commentators right across this country acknowledge that—even Goldman Sachs. Either the quality of advice that they offer has deteriorated somewhat or, some might suggest, it has improved! But, notwithstanding the credentials of a firm of that nature, even they can see the merits of the budget that we have brought down.

Let me quote Peter Anderson from the Australian Chamber of Commerce and Industry in relation to the budget:

It's good on infrastructure, it's good on workforce skills and it makes good progress on reducing the size of government expenditure.

Those on the other side say there are no reductions in government expenditure. Well, Peter Anderson seems to believe that there are. He has read the budget papers. He focuses on workforce skills and infrastructure, key elements of our five-point plan. You come into this place and talk about a lack of a strategy. What is your strategy? We have a five-point plan, and it is not just rhetoric; we are delivering on it. The budget delivered last night delivers on each and every one of those five points in the plan.

The first point, ensuring that we have a surplus of over 1.5 per cent of GDP, was delivered. 1.8 per cent of GDP was the surplus handed down last night. The second point is investing in skills and education. We have had over 20 warnings from the Reserve Bank—and I have to say to the Leader of the Opposition, who thinks that inflation is a charade, that he is clearly not looking at the gestures coming from the Reserve Bank, because they have been very clearly articulating their stance with over 20 warnings about infrastructure blockages, skills shortages and the risk of inflation. All of those cautions and those warnings were not acted upon. But we are delivering on the education and skills front—\$2.5 billion to trades training centres in schools around this country, delivering access to the skills that our economy needs in the school. These are significant changes and measures that we are introducing, including 630,000 additional training places. That is a significant measure that will have a significant impact. Whilst those on the other side sat on their hands and ignored those warnings, we are acting decisively. The suggestion that we do not have a plan and have not implemented it decisively really does defy any credibility and raises the question: what were those people over there doing over the last 12 years?

In terms of investing in skills and training, there are a raft of other measures, including delivering relief to families through the education tax refund. This will make a real impact for hardworking families trying to give their kids the best start in life and trying to make sure that when they go to school each day they have access to the resources that they need to do their homework, to be prepared and to be able to compete with those million-dollar babies that the people on the other side are so determined to protect. At some point those on the other side need to recognise that we need to target government expenditure to areas of need and not throw it around in order to continue to curry favour with those constituencies that may happen to be their supporters.

Our third point is investing in infrastructure. Our Building Australia Fund, our investment in housing and the National Rental Affordability Scheme are real measures attacking the infrastructure problems. We are boosting workforce participation with the low-income tax offset and tax cuts targeted to middle- and low-income earners. We are boosting national savings through our first home owners saving scheme. This is the five-point plan. This is our strategy. We have acted decisively, and we will now see over the coming period results that you would never have seen if those people on the other side, who sat on their hands for 12 years, were still on this side and in control of the treasury bench.