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PARLIAMENTARY DEBATES



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

**Economy**

**SPEECH**

**Thursday, 28 October 2010**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Emerson, Craig, MP

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**Question No.**

**Dr EMERSON** (Rankin—Minister for Trade) (3.56 pm)—The coalition has had a bad week, a shocking day, and it just got worse. What an appalling effort from a Leader of the Opposition who would not be able to spell the words ‘economic reform’. I noticed that he did early on congratulate former opposition leader Kim Beazley, confirming that while in opposition Labor in fact did support economic reform; we did support those elements of the Howard government’s program that constituted genuine economic reform. Of course, we did not support Work Choices and we are proud of not supporting Work Choices. There are other measures that we did not support but, of course, as a general presumption, Labor supported economic reform.

I know that former Prime Minister Howard has been very prominent in the media this week. On a number of occasions going back a long time, I have taken the opportunity to pay tribute to the fact that, when he was the opposition leader during the Hawke and Keating period, John Howard did lend bipartisan support to the essential elements of the great modernising economic reform program of the Hawke and Keating governments—an economic reform program that locked in 19 years of recession-free, robust economic growth. Now that is under threat because, for the first time in living memory, we have a Leader of the Opposition who is against reform, who is anti-reform, who is still sulking and sooking because he was not able to be Prime Minister after the election. He now has declared and is carrying through his threats to be a wrecker, to be a spoiler, to be anti-reform. It will be the Australian people who lose out of that because the Australian people need the benefits of ongoing economic reform to lock in high-skill, high-wage jobs and future prosperity.

I want to go a number of the points that the Leader of the Opposition just made in his contribution. He said that lowering taxes is economic reform, raising taxes is not. So why on earth did he go to the election campaign with a proposal to raise income tax to pay for his great big new tax—that is, the increase in the income tax rate to pay for paid parental leave? He said that the coalition is for lower taxation. Who holds the record as the highest taxing government in Australian history? It is the coalition—2002, 2003, 2004, 2005, 2006, the highest ratio of tax revenue to GDP in Australia’s history.

The Leader of the Opposition went on to the say that blowing the surplus is not economic reform. This is the first time, since the formation of the Labor government, I have heard the opposition saying that the government should not have put the budget into deficit. The impact of the global financial crisis initially was to strip \$200 billion of taxation revenue out of the books. What the opposition leader said today flatly contradicts the position taken by Mr Turnbull, the member for Wentworth, when he was opposition leader, who said, ‘Of course the budget needed to go into deficit in those circumstances.’ We now have a glimpse of what the current Leader of the Opposition would do if there is an economic downturn in the future and it strips away revenue: he would keep the budget in surplus—so he says.

But what happened when he was brought to account during the last federal election campaign—or, more particularly, after it? Following the forensic efforts of the Independents, it was revealed he had presided over a black hole in the coalition’s costings in the order of \$7 billion to \$10.7 billion. Yet we heard the opposition leader saying: ‘I’m a reformer. I would have cut government spending.’ There was a black hole in their costings in the order of \$7 billion to \$10.7 billion and that was revealed as a result of the activities of the Independents and their insistence at looking at the costings. We could not get the opposition to fess up during the election campaign. They said they had a favoured accounting firm that had audited the costings.

The shadow Treasurer is in the chamber at the moment. He revealed today that he only saw the figures five minutes before the shadow finance minister, the member for Goldstein, produced them. We know that they are at war, but you would think they could have had peace for just a couple of hours so that the shadow finance minister could have familiarised the shadow Treasurer with the costings, and the fact that there was a black hole in those costings of up to \$10.7 billion.

This has been a shocking week for the coalition. This debate this week was kicked off at a doorstep interview with the shadow Treasurer, where he talked about the banking and financial system in this country and said: ‘Obviously legislation is part of it.’ The shadow Treasurer was talking about re-regulating the financial sector of this country, undoing a quarter of a century of economic reform. Why? For cheap, populist reasons.

The coalition, led by the opposition leader and joined by the shadow Treasurer, are only in this for votes for themselves, for populism, and not in the national interest. That is what got the shadow Treasurer into all of this trouble.

The most cutting commentary on it was provided not by one of us, though it was not as if we were not trying; the gold medal went to the member for Canning, who said:

This is just another one of their ... lunatic fringe-type ideas.

The member for Canning was actually saying that the shadow Treasurer has come up with a lunatic fringe type idea. I know the various policy prescriptions of the member for Canning. If he reckons it is a lunatic idea, it certainly must be, because the member for Canning has a few wacko ones of his own. Even he was able to identify that the proposition put by the shadow Treasurer is lunacy—and that came from the coalition not Labor. For the first time in living memory, I agree with the member for Canning. The shadow Treasurer said today: 'I need a personal explanation. I have been verballed.' Why is it that we have senior Liberals, including a frontbencher, telling the *Australian*:

This is certainly not coalition policy. I think this was just Joe being Joe.

If it is such a sensible, rational policy and the poor shadow Treasurer has been misrepresented, why does a coalition frontbencher feel the necessity to declare anonymously that it is not coalition policy; it was just Joe being Joe? It goes further. We know, again, from the *Australian* that he was strongly criticised by colleagues at shadow cabinet on Monday for proposing that a coalition government would use levers to have an influence on bank interest rates.

The Deputy Leader of the Opposition, the member for Curtin, warned Mr Hockey not to trash the coalition's economic credentials. If the shadow Treasurer was misrepresented, and he has said that he never said it—that he was never there, that it was not him—why did the Deputy Leader of the Opposition feel compelled to warn the shadow Treasurer not to trash the coalition's reputation as a free market party? Because she was very concerned about what he was up to. Reportedly she said:

We shouldn't forget who we are as a party—

when running a populist line on rate rises. The Leader of the Opposition was asked three times to support the shadow Treasurer's nine-point plan. Three times he denied answering—the cock crowed. The shadow Treasurer's policies are so wacko. But we have now found out the truth: the opposition leader had not read it. This is an extraordinary development. The shadow

Treasurer put out a nine-point plan, which included the re-regulation of the financial sector—he is allowed to do that—and the opposition leader did not read it. That helps explain a statement that the opposition leader made some time ago, when he said:

I have never been as excited about economics as some of my colleagues ...

Ain't that the truth! The opposition leader said that he has never been excited about economics. He told other people that he is bored with economics. The shadow Treasurer produces a nine-point plan and it is so boring to the Leader of the Opposition that he does not bother reading it before it is put out. Then when it is drawn to his attention by the media three times, he thinks, 'I'd better have a look at Joe's plan.' He goes to look at Joe's plan, but thinks: 'It's out there now. I'll have to endorse it.' In so doing, he has endorsed the re-regulation of the financial sector of this country, a return to the bad old days before the Hawke and Keating governments.

There is plenty of further evidence. During the election campaign the coalition was developing a policy to reinstate wholesale funding guarantees for banks that engaged in small business lending. I know this for a fact. I know that the shadow Treasurer was involved in that and that when he was told that it would go over like a lead balloon—I will not use the other possible analogy or description as to how it would go over very badly—they withdrew it. You know what? That was going to be the centrepiece of the opposition leader's policy launch. What a shocking message that would have sent to the rest of the world, to international financiers: that an Abbott led government would require the reinstatement of wholesale funding guarantees for lending.

We go further. The shadow minister for small business proposed, in front of me and subsequently in the media, the re-establishment of a state bank—that is, a Commonwealth bank—to lend to small business. It is everywhere you look. There were no lessons learnt from the state bank collapses of the early 1990s. No, it is: 'We want to give it another go because we're smarter than the average bear. We'll get in there and do some small business financing and re-establish a state bank'—in this case a bank run by the Commonwealth of Australia.

One reason that this whole debate was kicked off is the coalition's opportunistic position on the reform known as putting a price on carbon. Every major business CEO to whom I have spoken has said, 'We need to get the uncertainty removed; we accept that there is a need to put a price on carbon.' What do we hear every day in this chamber? A set of questions, one after another, from frontbenchers on the other side

of the parliament saying, 'This is going to increase electricity bills by \$10,000.' They just make it up as they go along.

But we remember that this is the same opposition leader, when he knocked over the member for Wentworth in a ballot, who had told the member for Wentworth beforehand, through the pages of the *Australian*, that it was essential the coalition back Labor's emissions trading scheme. Of course, this was the weathervane going round and round and round because he saw some political benefit in renegeing on that commitment and then using it to skewer the member for Wentworth—and that is exactly what he did.

The shadow Treasurer did not know what he was going to do, so he said, 'We'll have a conscience vote on it—a free vote.' So we had one 'for', one 'against' and the other one 'I don't know'. All the two of them—I will not include the member for Wentworth in this—were trying to do was harvest votes within the coalition party room and harvest votes more broadly because if they can see any opportunity they will take it. The fact is—

**Mr Billson**—Mr Deputy Speaker, I raise a point of order. Craig Emerson has just told a blatant lie in this parliament and I would invite you to invite him to withdraw what he said about the government owned bank. Craig, you know that is not right, mate. That is a blatant lie.

**The DEPUTY SPEAKER (Hon. Peter Slipper)**—Would the minister resume his seat. Would the member for Dunkley explain what he considers is the blatant lie uttered by the minister.

**Mr Billson**—The minister accused me of proposing a government owned bank, and that is a blatant lie. He knows it to be a blatant lie and he should withdraw it if he has any decency whatsoever.

**The DEPUTY SPEAKER**—The honourable member for Dunkley will resume his seat. There are procedures of the House which would permit him to correct any perceived misrepresentation.

**Dr EMERSON**—Mr Deputy Speaker, I will come back on that but I indicate that the next speaker will get points of order to gobble up time and the sort of behaviour that we have seen in this parliament all week from the coalition. If you want disruption, you will get disruption. You will get plenty points of order.

The opposition leader is the godson of BA Santamaria. He is an interventionist. He is an anti-reformer. He has actually said that he worshipped the water that BA Santamaria walked on; that

he is a lifelong admirer. BA Santamaria was an interventionist. Whatever you might say about his religious views, he actually believed that capitalism is intrinsically more evil than communism. That says it all. That is the position of the opposition leader. He is an interventionist and he has demoted each and every member who believes in markets. (*Time expired*)