



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

**Appropriation Bill (No. 1) 2017-2018,
Appropriation Bill (No. 2) 2017-2018,
Appropriation (Parliamentary
Departments) Bill (No. 1) 2017-2018**

Second Reading

SPEECH

Monday, 22 May 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Monday, 22 May 2017 Page 112 Questioner Speaker O'Brien, Ted, MP</p>	<p>Source House Proof Yes Responder Question No.</p>
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Mr TED O'BRIEN (Fairfax) (19:18): I too wish to give my best wishes to the member for Fowler. Welcome back—you are looking fighting fit! I look forward to ensuring that our healthy love of debate will continue, which is what it is all about. But, indeed, there are times when we stop, pause and take stock of what is important. It is good for you to have your wife here today too. Rest assured that we on this side of the House have been with you and that it is good to see you in good health.

I will move on to more sombre issues, maybe, in talking about the Appropriation Bill (No. 1) 2017-18, the related bills and the budget. Can I say, as a relatively new member of this House, how delighted I am to be speaking about this year's federal budget—a budget that ultimately does represent fairness, security and opportunity for the existing generation of Australians and also sets Australia up for the years ahead. Let me start by making the point that context counts, particularly for the Australian federal budget, given that we are such an open, liberalised, free market economy working within a highly integrated international economy. What we see within the global economy is renewed investment and optimism. We see some of our key trading partners, key investment partners, having their own economies find renewed optimism. We are finding this in particular from the likes of the United States. We are seeing it also with a bounce in China. This sets the scene for better days ahead for the Australian economy and, therefore, for the everyday Australian citizen.

That is why you see that the economic transition underway within Australia is gaining momentum. As we come off the back of the mining investment boom, we see an Australian economy that is diversifying across other sectors. We are seeing growth come into those other sectors while our resource exports are still looking for a positive trajectory moving forward, as are our service exports. This is why we see a growth forecast of 2¾ per cent in 2017-18 and up to three per cent in 2018-19. This all translates into jobs. Indeed, jobs has been the mantra of this government from the get go, and it will continue to be so.

The budget tabled by the Treasurer promotes jobs not in a fiscally irresponsible manner such as those opposite are renowned for—a 'hold nothing back, stimulus by any account' approach—but, rather, in a fiscally responsible manner. So much as it is optimistic, based on that broader international context and strong growth rates, the underlying assumptions about Australia's growth within this budget are actually below those forecast by other authoritative bodies, including the IMF. So we have relatively conservative assumptions on growth.

We also have a determination to ensure that real growth in payments is restricted to 1.9 per cent. So as we enjoy higher economic growth, and therefore increasing receipts, we are holding a very firm fiscal discipline of restricting an increase in payments to 1.9 per cent or lower. This also means that, as time goes on, we are going to see something Australians have been screaming out for for years; we are going to see that our everyday expenses do not need to be borrowed for come 2018-19. That is a very large commitment, and it is one that we have measured on very conservative assumptions. What it means is that the Australian nation will go back to days it has not seen since the coalition was previously in government, and we will have our current expenditures being covered by something other than debt. This is all about that often expressed comment that 'we need to live within our means'. Indeed, come 2018-19, we are going to be in a position where we are no longer borrowing just to keep the wheels in motion. Net debt will peak in 2018-19 and then decline over the forward estimates.

So it is a fiscally responsible budget but it is also a practical budget. Running government is not a matter of academia; the government took the very responsible decision to withdraw measures that were in previous budgets that we could not get through parliament. So, you have about \$13.5 billion of budget withdrawn at the time of this most recent budget being tabled—which is why you also see that the government is trying to meet the Labor Party halfway over several measures while also dealing so productively with the crossbenchers and of course all of those in the Senate.

We need to make sure that this budget passes so that small businesses in particular can be the winners. We do know that small businesses are the main ones creating jobs throughout Australia, and in particular in regional

and rural areas that have been most hit with unemployment struggles over recent years. That is why I am very excited, being from a region where over 98 per cent of businesses are small businesses, that the government has already changed the definition of 'small business' from ones with a turnover of only \$2 million a year to those with a turnover of up to \$10 million a year.

This budget has also extended the \$20,000 instant asset write-off. Small businesses certainly in my part of the world have been celebrating this \$20,000 instant asset write-off. Keep in mind, of course, that by virtue of extending the \$20,000 instant asset write-off while simultaneously seeing the increase in the definition of small business to a \$10 million turnover means you have thousands of businesses across Australia who for the first time in the next financial year will be able to make good use of the instant asset write-off. Cutting red tape—regulatory reform—continues to be a focus of this government. We recognise that there are regulatory constraints imposed by other tiers of government, which is why I welcome the \$300 million funding package in this year's budget to incentivise states and territories to reduce their own regulatory barriers, again improving life for small business.

It is worth at this point asking what would the Labor Party propose for small business. They have already made it very clear in their questions during today's question time. Their questions homed in on the aggregate cost of the government's Enterprise Tax Plan. What they have so far failed to realise is that by prosecuting the case against that aggregate package, the aggregate cost of our proposed tax decreases for business, they are by default saying they are going to take a tax increase policy to the next election—as nearly half of the cost of the government's Enterprise Tax Plan has already been legislated for. So, with the opposition screaming today about the cost of tax decreases, every time we hear that from now on we will know that what they are really saying to small businesses, what the opposition is saying to any business with turnover of less than \$10 million a year, is that they want to see them pay higher taxes. The Labor Party have confirmed today that they want small businesses to pay higher taxes. They are opposing legislated tax decreases. They are not having a moot debate about prospective policy here—they are very clearly talking about legislated tax decreases being reversed. That is why those in small business know that the Labor Party is no friend of small business.

But it is not just the fiscal responsibility and the practicality of this budget that is significant, nor is it only what the budget does for small business; indeed, it is the boost for the broader economy through game-changing infrastructure, with a commitment to over \$70 billion for transport infrastructure—road, rail and air. Of course, we know that there is an \$8.4 billion equity commitment—

Debate interrupted.