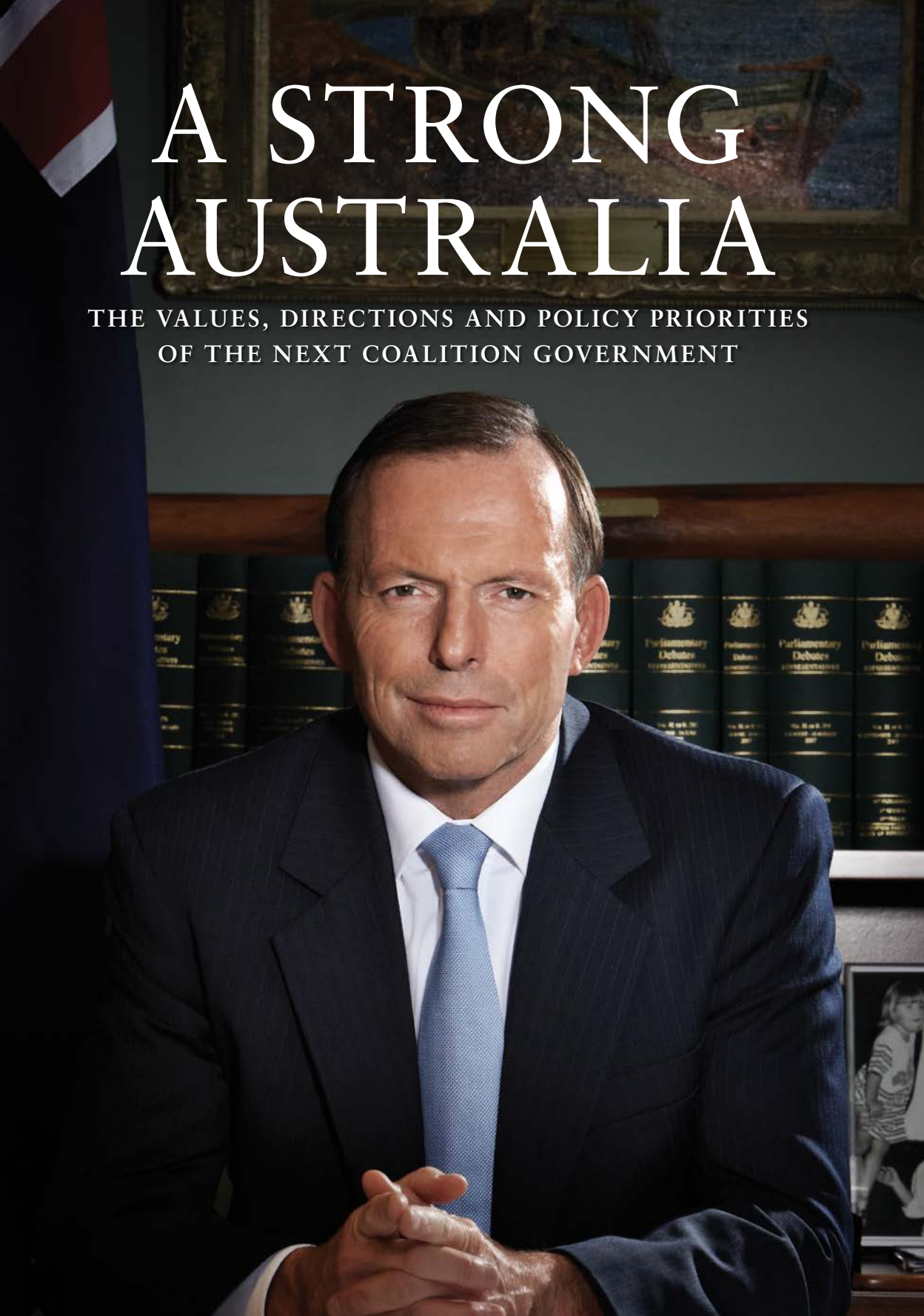


A STRONG AUSTRALIA

THE VALUES, DIRECTIONS AND POLICY PRIORITIES
OF THE NEXT COALITION GOVERNMENT







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POLICY PRIORITIES OF THE NEXT
COALITION GOVERNMENT

Nine Major Speeches 2012

CONTENTS

7	FOREWORD
13	THE COALITION'S PLAN FOR A STRONGER AUSTRALIA
16	A plan for a stronger economy
19	A plan for stronger communities
23	A plan for a cleaner environment
24	A plan for more secure borders
25	A plan for the infrastructure of the future
29	THE COALITION'S PLAN FOR A STRONGER ECONOMY
31	Fixing Labor's debt and deficits
33	The savings task
36	Commission of audit
39	The Labor-Greens carbon tax
41	Delivering a productivity agenda

45	THE COALITION’S PLAN FOR STRONGER COMMUNITIES
48	Better employment programmes for indigenous Australians
50	Better law enforcement
51	Better schools and hospitals
53	A fair-dinkum paid parental leave scheme
55	New incentives for disadvantaged job seekers
57	National Disability Insurance Scheme
58	Our vision for stronger communities
61	THE COALITION’S PLAN FOR A CLEANER ENVIRONMENT
63	Rescinding the carbon tax
69	The Coalition’s Direct Action Policy
71	Getting the balance right
72	One-stop-shop for environmental approvals
77	THE COALITION’S PLAN FOR MORE SECURE BORDERS
79	Stopping the boats
84	A better immigration programme
91	THE COALITION’S PLAN FOR THE INFRASTRUCTURE OF THE FUTURE
92	Australia’s infrastructure challenge
96	Labor’s mismanagement of infrastructure
99	The Coalition’s better way on infrastructure
105	RESTORING HOPE, REWARD AND OPPORTUNITY
107	Labor – no plan for economic growth
110	The Coalition’s plan for economic growth
119	THE COALITION’S PLAN TO BUILD A MORE PRODUCTIVE AUSTRALIA
120	Sound economic management
125	The Coalition’s Deregulation Reform Agenda
128	Policies for a more productive economy
130	Governing in the national interest
133	BUILDING ON THE STRENGTHS OF MODERN AUSTRALIA



The Hon Tony Abbott MHR

FOREWORD

IN the two years since the last election, my colleagues and I have travelled to all parts of Australia listening and talking with people about their lives, their families and their hopes for our country. We have also consulted with experts about opportunities to harness Australia's great potential.

From these conversations at homes, workplaces, factories, farms, school halls, businesses and universities, we have developed our plans to offer hope, reward and opportunity for all Australians.

Over the course of 2012, I have delivered a series of landmark addresses that set out the Coalition's plans for our country. They are plans for a better Australia by building a stronger economy, stronger communities, cleaner environment, stronger borders and more modern infrastructure. In their totality, our plans are a vision for Australia with the potential to embrace the dreams of 22 million people.

The Coalition's priority will be to build a powerhouse economy through lower taxes, more efficient government and more productive

businesses that will deliver more jobs, higher wages and better services for Australian families.

Within five years,
I am confident that our
economy can create at
least one million new jobs.

With the right policies, Australia can once again have competitive manufacturing industries, a dynamic services sector, and a growing knowledge economy as well as strong agriculture

and mining. Within five years, I am confident that our economy can create at least one million new jobs.

Our businesses
will be more productive
because they will face
less red tape and be less
exposed to lawlessness
in the workplace.

If you want to know what the next Coalition government will be like, you should read this book. It's the plan for government that the Coalition has been developing – at the same time as we hold the current government to account – in order to restore the hope,

reward and opportunity that Australians deserve.

Here are 10 specific changes that will make our country stronger and better under the next Coalition government:

- First, there will be no carbon tax because you don't improve the environment by damaging the economy and because families need relief from cost of living pressures.
- Second, there will be substantial savings in government expenditure because governments, like families and businesses, can't keep living beyond their means and because lower spending will make it possible to reduce taxes responsibly.
- Third, our businesses will be more productive because they will face

less red tape and be less exposed to lawlessness in the workplace.

- Fourth, there will be no mining tax because you don't improve the economy by penalising success and people need the jobs that mining investment brings.
- Fifth, we will restore border protection policies that have been proven to work – so that people come to this country the right way, not the wrong one.
- Sixth, more people will be contributors to our economy as well as to our society through work for the dole and other measures to keep people in the workforce.
- Seventh, there will be genuine environmental improvement through a standing Green Army to supplement the land care efforts of councils, farmers and volunteers.
- Eighth, our main cities will start to get 21st century infrastructure with big, new road projects underway within 12 months of a change of government.
- Ninth, public schools and hospitals will work better because they will be run by school councils and community boards, not by unaccountable bureaucrats.
- And tenth, there will be better engagement with Asia through a new Colombo plan which sends our future leaders to Asian universities as well as bringing their leaders here.

Taken together, these changes should significantly boost economic growth, which is the foundation of a better life for everyone.

Our vision for Australia is grounded in the belief that I expressed in my very first speech to the Parliament 18 years ago, that “*there is no limit to what Australia can achieve*”. In the seven parliaments I have served since that first speech, as a backbencher, parliamentary

secretary, minister, cabinet minister, leader of the house and now as a party leader, I have not wavered in my belief that our best days as a nation are still ahead of us.

We can reset our country's course to one that sees increasing confidence, renewed productivity growth and real improvement in the wealth of households.

The prosperity Australia experienced during the Howard era was not an aberration or a fluke. We can reset our country's course to one that sees increasing confidence, renewed productivity growth and real improvement in the wealth of households. In the future, as in the past, the

Coalition can do great things for our country.

We will move confidently and swiftly to deliver on our commitments. Sixteen members of my shadow cabinet were ministers in an effective government and that experience will allow us to hit the ground running. We won't need to learn how to be a successful government because we've been one before.

The sum of human happiness is most likely to be maximised when government knows its limits.

The Liberal Party is the custodian, in this country, of the conservative as well as of the liberal political tradition. The Coalition instinctively supports more choice and greater freedom but we also

support values and institutions that have stood the test of time. Our settled judgment is that the sum of human happiness is most likely to be maximised when government knows its limits. Ours is a genial, eclectic political creed, best characterised as pragmatism based on values.

FOREWORD

For more than three decades, as a journalist, advocate and member of parliament, I have led an “on-the-record” life. These slightly edited speeches represent the distilled essence of what I think Australia needs right now.

Here, in these pages, is the strong Australia that the next Coalition government will build. This is the Australia that we believe in.





*Tony Abbott with Malcolm Turnbull, Scott Morrison, Andrew Robb, Joe Hockey,
Julie Bishop, Warren Truss and Christopher Pyne*

THE COALITION'S PLAN FOR A STRONGER AUSTRALIA

*Address to the National Press Club of Australia,
Canberra, 31 January 2012*

FOUR decades after Donald Horne ironically tagged Australia as “the Lucky Country”, the Gillard government is relying on good luck rather than on good management to secure our nation’s future.

The government often cites the fragile international economic situation but fails to propose any new policies to respond to it. It claims ownership of the fundamental strength of the Australian economy even though its own actions have weakened it. And it boasts of a future return to surplus while actually delivering the four biggest budget deficits in Australian history.

Labor’s economic strategy is to hope that China’s strength will keep our economy growing. It is lazy, complacent economic management from a government which is much better at deception and dirty tricks than at the hard work of actually running the country. The Eurozone crisis is a terrible verdict on governments that spend too much, borrow too much and tax too much, yet our prime minister is lecturing the Europeans while copying their failures. In just four

years, Labor has turned a \$20 billion surplus into \$167 billion in accumulated deficits and \$70 billion in net Commonwealth assets into \$133 billion of net debt. That is \$6,000 for every Australian man, woman and child.

At the heart of Labor's failure is the assumption that bigger government and higher taxes are the answer to every problem. Emissions are rising; so let's tax the necessities of life. There is a two-speed economy; so introduce a mining tax. Some teens drink too much; let's have an alcopops tax. People do not save enough; so increase the superannuation tax. Gambling is a problem; so let's force every club to redesign every poker machine. The government has completely failed to appreciate the iron law of economics that no country has ever taxed its way to prosperity.

The only way to take the pressure off family budgets, to increase job opportunities, and to have the better services and infrastructure that every Australian wants is to build a stronger economy.

The only foundation for a successful country is a strong economy. The only way to take the pressure off family budgets, to increase job opportunities, and to have the better services and infrastructure that every Australian wants is to build a stronger economy. That is why my plan for a stronger economy is to scrap unnecessary taxes, cut government spending and

reduce the red tape burden on business.

My plan to reduce the cost of living pressures on families is to take the carbon tax off their power and transport and make government live within its means. That way, there can be lower taxes and less upward pressure on interest rates.

I know how to build a stronger economy because I was a senior

member of a government that did so. As employment minister, I brought unemployment down through the Job Network and Work for the Dole. As workplace minister, I boosted construction industry productivity by \$5 billion a year through the establishment of the Cole Royal Commission which subjected industrial bullies to the rule of law. I know how to deliver the social dividend that a strong economy should provide because I've done that too. As health minister, I introduced the Medicare safety net for people with big out-of-pocket expenses and expanded Medicare beyond doctors – a historic change.

My vision for Australia is to restore hope, reward and opportunity by delivering lower taxes, better services, more opportunities for work and stronger borders.

Australians can be confident that the Liberal and National parties will provide good economic management in the future because that is what we've always done in the past. We've done it before and we will do it again. After all, 16 members of the current shadow cabinet were ministers

in the Howard government, which now looks like a lost golden age of reform and prosperity. Australia was a stronger society because we had a stronger economy. Between 1996 and 2007, real wages increased more than 20 per cent, real household wealth per person more than doubled, and there were more than two million new jobs. Since then, real household wealth has declined, productivity has stagnated and 2011 was the first year since 1992 without a net increase in jobs.

It does not have to be this way. We could be so much better than this. What Australia most needs now is a competent, trustworthy, adult government with achievable plans for a better economy and a stronger society.

My vision for Australia is to restore hope, reward and opportunity by delivering lower taxes, better services, more opportunities for work and stronger borders. The government I lead will do fewer things but do them better so that the Australian people, individually and in community, will be best placed to realise the visions that each of us has for a better life.

In 2004, the then leader of the Labor Party often spoke of the ladder of opportunity. It was a nice metaphor, albeit one recycled from conservative leaders such as Winston Churchill. Government can build ladders, but it takes motivated people actually to climb them. The current leaders of the Labor Party have failed to understand what Abraham Lincoln knew in the marrow of his bones that government should do for people what they cannot do for themselves and no more.

Unlike Labor, the Coalition has achievable plans for a stronger economy, for stronger communities, for a cleaner environment, for stronger borders, and for future infrastructure. In each of these areas our plans will deliver change for the better. We understand that Australia has to live within its means, in much the same way that families and businesses do. We also know that countries have to get better at what they do, as businesses do. Finally, we appreciate that all the stakeholders in Australia Inc. eventually need to see a dividend as the reward for their hard work.



A PLAN FOR A STRONGER ECONOMY

At the heart of our plan for a stronger economy is getting government spending down and productivity up so that borrowing reduces, the pressure on interest rates comes off and taxes can responsibly come down.

The first act of an incoming Coalition government will be to prepare the carbon tax repeal legislation to take the pressure off the power prices and transport prices that feed through to every price in our economy.

The first act of an incoming Coalition government will be to prepare the carbon tax repeal legislation to take the pressure off the power prices and transport prices that feed through to every price in our economy. Australians can have tax cuts without a carbon tax but only if we get government spending down by eliminating wasteful and

unnecessary programmes and permanently reducing the size of government.

No good government would ever spend more than a billion dollars putting pink batts into roofs and a billion dollars to take them out again. It wouldn't spend \$16 billion on over-priced school halls while the standards of academic achievement actually fell. A good government wouldn't spend \$2 billion buying Victorian brown coal power stations only to close them down; or \$11 billion buying Telstra's copper wires only to shut them down too; or \$50 billion plus on a National Broadband Network that people do not need and do not want to pay more for.

The last Coalition government turned an inherited \$10 billion budget black hole into consistent surpluses averaging nearly one per cent of GDP. At the last election, the Coalition identified \$50 billion in responsible savings – starting with a reduction of 12,000 in the size of the Commonwealth government payroll. Finding savings is a big task but we are up for it and will release all our costings in good time for the next election. The starting point will be programmes that have become bywords for waste.

Discontinuing the computers in schools programme, which parents are now having to pay for anyway, could save over half a billion dollars. Not proceeding with the extra bureaucracies associated with hospital changes that no one will notice could save over half a billion dollars. Not proceeding with the so-called GP super clinics, which are delivering new buildings not more doctors, could save about \$200 million. Big savings could be made in the government's \$350 a throw set-top box programme since Gerry Harvey can supply and install them for half the price. Vastly reducing the number of consultancies (which have cost over \$2 billion over the past four years) would produce significant savings. Not proceeding with the carbon tax would deliver \$31 billion in savings over the forward estimates period with a net improvement of \$4 billion in the budget bottom line. Not proceeding with the mining tax would deliver \$14 billion in savings over the forward estimates period with a net improvement of \$6 billion in the budget bottom line.

After a quarter century of reform that made Australia one of the world's miracle economies, the tragedy of the past four years is the damage that has been done to our fiscal position with almost nothing lasting to show for it; and the changes that have been wrought that are almost designed to make our economy less competitive.

Make no mistake: the Coalition supports a high wage economy. My best moments as employment minister were the figures showing ever-higher real wages and record job increases. It was possible to have more jobs and higher pay then because there were productivity increases to sustain them.

There are many problems with the government's so-called Fair Work Act: there is a flexibility problem, a militancy problem, but above all else a productivity problem which is hardly surprising when workplace negotiations are always meant to involve outside union bosses rather than the employees of a business. A serious review

of the Act would have been given to the Productivity Commission rather than to departmental officials even under the auspices of a distinguished committee.

Higher productivity begins with more adaptable and creative workplaces, not with new government programmes.

Higher productivity begins with more adaptable and creative workplaces, not with new government programmes. The Coalition will save business \$1 billion a year in red tape expenses by requiring

each department and agency to quantify the costs of its regulations and to set targets to reduce them. We will give people the chance to show what they can do – not what they cannot – by offering employers incentives to take on young people and seniors who might otherwise become trapped in the welfare system.

There will be tough love too. Why should fit young people be able to take the dole when unskilled work is readily available? Why should middle aged people with bad backs or a bout of mental illness be semi-permanently parked on the disability pension because it is easier than helping them to experience once more the fulfilment of work?



A PLAN FOR STRONGER COMMUNITIES

At the heart of the Liberal National Coalition's plan for stronger communities is the delivery of better health and education services. Almost nothing is more important for families than good schools, good clinics and hospitals. As technology improves and the

population ages, more spending will be needed but, right now, what's needed is more intelligent spending as much as greater spending.

We are going to work with the states to make public hospitals and public schools more accountable to their communities with local boards and councils choosing leaders, employing staff and controlling budgets. We are going to work with community organisations and with the private sector to ensure that government funded services are delivered in the most effective way, much as the former government did with the Job Network. And we are going to deliver a fair-dinkum paid parental leave scheme, not the government's re-badged baby bonus.

I want to change Australia for the better. That means change that reflects our best work and family values and our deepest instincts. That is why paid parental leave is best understood as a conservative reform that makes it more achievable for women to combine larger families with better careers, if that is their choice.

An immigration programme pitched to our economic needs and humanitarian obligations has not only been good for Australia, it has helped to create Australia.

Just as every child is a parent's implicit vote of confidence in our country and its future, likewise, every migrant who comes here is a tribute to the gravitational pull of the Australian way of life. One of John Howard's great achievements in stopping the boats was to rebuild public support for a large, non-

discriminatory immigration programme. An immigration programme pitched to our economic needs and humanitarian obligations has not only been good for Australia, it has helped to create Australia.

Every migrant has chosen Australia in a way that no Australian-born person has ever had to. No migrant takes Australia for granted in the way that some who were born here do. The vast majority of them choose Australia not because they want to change us but because they want to join us. Nothing makes me prouder to be an Australian than the eagerness of people from all over the world to swap their life for ours. There should never be first and second-class Australians based on where they were born, how they worship, or the length of time their forebears have been here.

I was part of a government that sent in the army to improve infrastructure in remote Aboriginal communities, launched an intervention to get “the booze out and the police in” to Northern Territory townships, supported the work of Noel Pearson to end the poison of sit-down money, and put to a referendum the first proposal to recognise indigenous people in the constitution.

Should I become prime minister, I will spend at least a week every year in a remote indigenous community because if these places are good enough for Australians to live in they should be good enough for a prime minister and senior officials to stay in.

I want to end forever any lingering suspicion that the Coalition has a good head but a cold heart for dealing with Aboriginal people. Because there is no substitute for seeing things on the ground, I have been a volunteer teacher's aide, assisted truancy patrols and helped with a home building project in Cape York.

Should I become prime minister, I will spend at least a week every year in a remote

indigenous community because if these places are good enough for Australians to live in they should be good enough for a prime minister

and senior officials to stay in. That way, everyone should understand that the next Coalition government's commitment to a fair go for Aboriginal people is more than just words.

After all, the measure of a decent society is how it looks after its most vulnerable members. Once the budget is strongly back in surplus, our aim is to provide the additional services that Australians yearn for but know cannot be built on debt. To be sustainable they have to be the social dividend of a strong economy. The Coalition strongly supports the Productivity Commission's recommendation for a disability insurance scheme but, with an estimated price tag of \$6 billion a year (roughly equal to the Commonwealth's current interest bill), this important and necessary reform cannot fully be implemented until the budget returns to strong surplus. It is one of the reasons why it is so important to return to surplus quickly.

A disability insurance scheme is not the only important social initiative that would become deliverable once the budget is back in the black. One of my final acts as health minister was to establish the Medicare dental scheme to give people on chronic disease care plans access to up to \$4,000 worth of dental treatment every two years: not check-ups but treatment. I always envisaged that this would be the precursor to putting dental services more generally on Medicare. The advantage of Medicare funding is that it supports treatment by private health professionals who do not have to bulk-bill so there are still price signals to discourage excessive use.

One in three Australians say that they have avoided dentistry because they cannot get Medicare-funded dentistry.

The Medicare system respects the crucial difference between helping to fund services that are privately provided and government directly delivering them. The big problem with Medicare, as it stands, is that

it supports treatment for every part of the body except the mouth. People sometimes spend years on Medicare-funded antibiotics because they cannot get Medicare-funded dentistry. One in three Australians say that they have avoided dental treatment because they cannot afford it. I stress that Medicare funded dentistry is an aspiration not a commitment. Like disability insurance, this would be an expensive reform at over \$4 billion a year. It is the kind of initiative that cannot responsibly be implemented until the budget returns to strong surplus but it is the kind of social dividend that should motivate the economic changes that Australia needs.



A PLAN FOR A CLEANER ENVIRONMENT

The Liberal National Coalition's commitment to the environment means more trees, better soils and smarter technology.

We only have one planet and it is vital to leave it to our children and grandchildren in better shape than we found it. I support reducing emissions because we should tread lightly on the planet, but it has to be part of the right plan for a cleaner environment, not the wrong one.

No one should be fooled by Labor's carbon tax which is socialism masquerading as environmentalism and will not actually start to reduce domestic emissions until the carbon tax is well over \$100 a tonne. The best way to reduce emissions is to invest intelligently in the changes that cost-conscious enterprises are already making to become more energy efficient. That is what our \$10 billion emissions reduction fund is for: reducing domestic emissions by 5 per cent by 2020 by reinforcing what businesses are already doing.

The government's carbon tax fixation has meant that every other environmental challenge has been neglected.

The government's carbon tax fixation has meant that every other environmental challenge, like water quality, soil conservation and invasive species has been neglected.

That is why the Green Army providing a reliable, substantial workforce to support the land care efforts of local councils, farmers and volunteers should turn out to be one of the next Coalition government's signature policies.



A PLAN FOR MORE SECURE BORDERS

For a decade, the Coalition has been entirely consistent on border security.

Our plan for strong borders starts with temporary protection visas to deny the people smugglers a product to sell, rigorous offshore processing for illegal arrivals so that bad behaviour has consequences, and turning boats around where it is safe to do so because sovereign countries do not allow themselves to be played for mugs.

We will stand up for Australia's values as well as for our interests but will avoid big talk without actions to match.

The Coalition will ensure that Australia continues to play a role in global security working with our principal allies in the fight against terrorism.

We will not lightly put our soldiers in harm's way but

withdrawal from Afghanistan should happen when our objectives have been secured not when a fixed date has been reached.

We will stand up for Australia's values as well as for our interests but will avoid big talk without actions to match.

We will concentrate on the areas that are most important to Australia and where Australia can make the most difference, so our foreign policy will have a Jakarta focus rather than a Geneva one.



A PLAN FOR THE INFRASTRUCTURE OF THE FUTURE

The Coalition's plan for a more prosperous future will try to ensure that our children and grandchildren look back appreciatively on the big decisions this generation has made. We have a responsibility to ensure that our land is as productive as possible. That is why we are looking at new dam sites especially in northern Australia, which could become a food bowl to Asia. We have a responsibility to keep a diverse five pillar economy: with a capable manufacturing sector, a growing knowledge economy and a sophisticated services sector, as well as strong resources and agricultural industries.

This doesn't mean "picking winners" or second guessing the private sector but it does mean low taxes, competitive interest rates, user-friendly government and first world infrastructure so that creative businesses can flourish. A rolling 15-year plan for major infrastructure priorities based on rigorous, published cost-benefit analyses should be the starting point for decision-making on the better roads, railways and ports that Australia needs for the years and decades ahead.

With abundant coal and iron ore, Australia should have a natural advantage in making steel. With abundant bauxite and cheap power, Australia should have a natural advantage in making aluminium. With greater export orientation to drive higher production volumes, there is no reason why Australia cannot sustain a viable motor industry.

The demands of the resources sector should help to sustain a sophisticated heavy engineering capacity in Australia. In this case, the tyranny of distance should actually be working for us, not against us. The threat to Australian manufacturing industry doesn't come from lack of subsidy but from ideologically driven taxes, union-brokered labour market changes and governments fixated on scoring political points ahead of good long-term policy.

The threat to Australian manufacturing industry doesn't come from lack of subsidy but from ideologically driven taxes, union-brokered labour market changes and governments fixated on scoring political points ahead of good long-term policy.

The ministers in the next Liberal National government will be responsible reformers. We will take advice because we understand that good intentions can have unanticipated consequences. But we also understand that Australians are an optimistic people who want a government that sees potential rather than just problems. We will be a pragmatic, problem-solving government but it will be

pragmatism based on mainstream Australian values. I know how important giving everyone a "fair go" is to Australians. That is why we need to "have a go" to build a stronger economy.

By the close of the next Coalition government's first term, I am

confident that waste, mismanagement and reckless spending will have been brought under control; more tax cuts will be in prospect; there will be community controlled public schools and hospitals; and just about every fit working age person will be in work, preferably for a wage but, if not, for the dole.

Small businesses, in particular, will have a government that wants to make their life easier, not harder. Illegal boat arrivals will be no more common than in the last five years of the Howard government. Better broadband will once more be delivered through market competition freeing more money to tackle traffic gridlock. The carbon tax will be gone and, with it, some of the upward pressure on prices.

Instead, as the new parliamentary year dawns, it is hard to be confident about our country when people cannot have confidence in a government whose parliamentary survival depends upon Fair Work Australia stringing out its investigation of Craig Thomson into a fourth year. The best way to help the country right now would be to change the government and the best way to change the government would be to give the people their choice at an election. Changing the government, of course, is but a means to an end: to bring out the best in our people and in our nation.

In his famous “light on the hill” speech, Ben Chifley said that the purpose of public life was not to make someone premier or prime minister or even to put an extra sixpence into people’s pockets but to “work for the betterment of mankind, not just here but wherever we can lend a helping hand”. People should be in public life for the right reasons. Mine are to serve our country, to stand up for the things I believe in, to do the right thing by my fellow Australians as best I can, to build a nation that will inspire us more and to lead a government that will disappoint us less.



Tony Abbott and Joe Hockey

THE COALITION'S PLAN FOR A STRONGER ECONOMY

*Address to the Victorian Employers' Chamber of Commerce
and Industry, Melbourne, 9 March 2012*

BUILDING a stronger economy is the foundation of the Coalition's positive agenda for building a better Australia. An incoming Coalition government will take specific, practical steps to manage our economy better and to deliver hope, reward and opportunity for our fellow Australians: hope, for a brighter future; reward, for hard work; and opportunity, for you and your family to get ahead.

As well as our plan for a stronger economy, the Coalition has achievable plans for stronger communities, a cleaner environment, more secure borders and the infrastructure of the future. These are the five plans I outlined recently to the National Press Club. Building a better Australia, though, has to start with building a stronger economy.

Today, I announce a further commitment to reduce the cost and complexity of government through the swift establishment of a commission of audit that will examine the detail of what the Commonwealth government does and whether it could be done better and more cost-effectively. In the marrow of our bones, the

In the marrow of our bones, the Coalition understands that you cannot have stronger communities without a stronger economy to sustain them and you cannot have a stronger economy without stronger, more profitable businesses.

Coalition understands that you cannot have stronger communities without a stronger economy to sustain them and you cannot have a stronger economy without stronger, more profitable businesses. My basic message to Australians today is that securing our future depends more on strong citizens than on big government; that success depends on our

industry not just on our geography; and that our destiny will be secured more by hard work than by good luck.

It would be dangerous complacency to think that economic stagnation only happens to other countries. After all, it is not so long ago that Lee Kuan Yew thought that Australians were destined to be the “poor white trash of Asia”. Take California, an economy so large that it would be in the world’s top 10, were it an independent country, and long regarded as the most dynamic region of the most dynamic country. Too much spending and too much bureaucracy have given California an unemployment rate three percentage points higher than the American average, the lowest credit rating of any US state, and an “Oakies-in-reverse” flight of residents to places with more opportunities.

Take Ireland, once regarded as the “Celtic tiger”, after big reductions in government spending, tax cuts, consistently large budget surpluses, and massive increases in labour productivity. Between 2000 and 2007, however, labour productivity growth halved and government outlays rose by more than 5 percentage points of GDP. With the economy thus weakened, unemployment trebled to 14 per cent

in the wake of the Global Financial Crisis and the former miracle economy seems another Eurozone basket case.

Australia is not California and is not Ireland but we certainly cannot afford to rest on our economic laurels. Productivity has risen by just two and half per cent over the past four years – just one-tenth the rise achieved under the Howard government. Government spending is now \$100 billion a year more than it was just four years ago. As Adam Smith once remarked, there is a lot of ruin in a country. Still, Australia's comparatively strong economic position owes far more to the reforms of previous governments than it does to the spending spree of the current one.



FIXING LABOR'S DEBT AND DEFICITS

The first priority of an incoming Coalition government will be to end Labor's waste and get debt and deficits under control as quickly as possible. This is what's most needed to restore confidence and to get the economy moving again. As the Howard government demonstrated, prudent fiscal management is in the Coalition's DNA. It is what I learned during nine years in the Howard ministry, seven years in the Howard cabinet and six years as John Howard's Leader of the House of Representatives.

The Coalition's plan to restore our economy means lower spending, lower taxes and higher productivity to produce higher economic growth. Lower spending, because government has to live within its means as families and businesses do; lower taxes, because this will take the pressure off family budgets and provide more incentive for people to do well; and higher productivity, because it is the foundation

of greater wealth. The result of reduced spending, reduced taxes and boosted productivity should be less pressure on interest rates, fewer burdens on household budgets and, above all else, higher economic growth to generate more jobs, more wealth, and better government services.

To put Labor's fiscal recklessness into perspective, since 2007 the US budgetary position has deteriorated by around 7 per cent of GDP, the UK budgetary position by just under 6 per cent of GDP and the Australian position by over 5 per cent of GDP, despite the absence of an Australian banking crisis and despite the China-boom-derived maintenance of employment. Australia's recent fiscal performance has scarcely been better than that of countries facing far worse economic circumstances.

On close examination, Australia's headline economic growth has largely been a function of higher population rather than of greater prosperity. Since 2007, GDP per person is up by just 0.4 per cent per year, compared to two and a quarter per cent per year over the term of the previous government. This helps to explain why the Howard era now seems like a lost golden age of prosperity.

Thanks to Labor's profligacy, all Australians are now paying a government interest bill on top of their own. This interest bill will be due each and every year, long after the budget returns to surplus, until Labor's debt is finally paid off. Notwithstanding next year's projected \$1.5 billion surplus, Treasury forecasts an ongoing \$6 billion a year in Commonwealth interest payments. That is money that will not be available to reduce personal or business taxes, or to fund better roads, schools and hospitals.

With unemployment at not much over 5 per cent and with the terms-of-trade at record highs, there is no way that last year's Commonwealth budget deficit should have been close to \$50 billion and this year's should be almost \$40 billion. In 2004-05, for instance, when the

unemployment rate was also at 5 per cent, the Howard government managed to deliver a surplus of \$13.5 billion, or one and a half per cent of GDP, despite terms of trade around 40 per cent lower than now. This comparison highlights the extent to which budget settings have been structurally loosened, far beyond any requirement to cushion the economic cycle. According to estimates published in the Treasury Economic Roundup just over a year ago, in its first three years the Rudd/Gillard government ran structural deficits averaging well over 4 per cent of GDP. The same estimates show that the Howard government ran structural surpluses averaging over 1 per cent for its final five years.



THE SAVINGS TASK

At the last election, the Coalition identified \$50 billion of savings, for an \$11 billion improvement in the budget bottom line and a reduction of \$30 billion in net debt. Labor's post-election claim of a fiscal hole was spin and Labor's renewed talk of a "hole" in the Coalition's current funding commitments is more spin.

It is the incumbent government, in fact, which is committed to tens of billions of dollars of spending that it routinely seeks credit for but which is either unfunded or hidden "off budget", so as not to count towards the budget bottom line. If just the annual payments for the construction of the National Broadband Network alone were included in next year's budget, a \$1.5 billion surplus would become a \$2.9 billion deficit. Further down the track, there are tens of billions more for the NBN, all off-budget. There is \$2 billion a year, also off-budget, to pick green energy winners. There is a commitment

to implement the National Disability Insurance Scheme that is not provided for anywhere in the forward estimates; and there is an unfunded commitment to buy 12 new submarines at a probable cost of over \$30 billion. Finally there is an ongoing multi-billion dollar hole in carbon tax compensation funding once emitters can buy licences more cheaply on the international market than from the Commonwealth government.

By contrast, eliminating the spending associated with the carbon tax would produce a \$31 billion saving over the current forward estimates. Eliminating both the revenue and the spending associated with the carbon tax would produce a net improvement to the budget bottom line of over \$3 billion.

Although this puts the savings task into better perspective, the Coalition does not under-estimate the fiscal challenge because the more Labor spends, the more clients of government it creates. The Coalition remains fully committed to the signature policies we took to the last election. There will be direct action to improve the environment and to reduce emissions, including a standing Green Army to meet the land care challenge. We will work with the states to produce community controlled public schools and public hospitals. We will offer incentives to employers who take on long-term unemployed young people and seniors currently on welfare. We will reform the welfare system to strengthen the motivation to work. There will be a modest company tax cut plus a modest levy on Australia's 3,000 most profitable companies to run a fair-dinkum paid parental leave scheme that gives mothers six months off at their actual pay.

We have also made important commitments since the election: most notably to personal tax cuts without a carbon tax. All of these policies are structural reforms. They will boost participation and productivity. They will produce a stronger economy and more

prosperous citizens. Over time, they could help to re-produce the circumstances of the later Howard years when higher economic growth enabled the government simultaneously to cut taxes, increase spending and post higher surpluses. But in the short term they will all have to be paid for.

We will offer incentives to employers who take on long-term unemployed young people and seniors currently on welfare.

Besides these signature policies and a very few hyper deserving cases like military super-annuants, the Coalition will promise very little new or increased government spending at the next election. In many portfolios, the Coalition's pitch to voters will

rest on improvements to administration and on better targeting, not on more spending. After all, the focus of the next election should be the carbon tax, which will swing like a wrecking ball through the Australian economy.

As Labor seems incapable of grasping, no country has ever taxed itself into prosperity. The best way to promote economic growth is not for government to spend more but for citizens to spend more because they are less likely than government to make irrational spending decisions and far more likely than government to insist on getting value for their money. Of course, there are some things that only government can do like national defence, the administration of justice, and the regulation of finance. There are other things that government has to ensure such as the delivery of essential services, the maintenance and upgrading of economic infrastructure and the provision of a frugal welfare safety net. Beyond this, government action, however well intentioned, can easily turn out to do more harm than good.



COMMISSION OF AUDIT

As the Business Council has recently pointed out, it has been 16 years since the Commonwealth government last conducted a top-to-bottom independent review of public spending from the perspective: “if we were to start with a clean slate, what government spending and what government programs are really required?” The last such review was the National Commission of Audit chaired by Professor Bob Officer in 1996, following the election of the Howard government. As David Uren has noted, by not taking for granted current spending levels and delivery mechanisms, it is likely that a contemporary process might identify scope for vast improvements in the functions, efficiency, and cost of government without compromising its core business.

After beginning the carbon tax repeal process and giving the navy new instructions for responding to illegal boats, establishing a commission of audit will be an incoming Coalition government’s most urgent task. The commission will be asked to consider the range and effectiveness of existing Commonwealth government programmes and agencies and to make recommendations for improvement. This no-more-than-once-in-a-decade review of what government does and how government does it, will report within four months to the Treasurer and the Minister for Finance. That way, the operations of government can be improved and streamlined while a new government has maximum political capital to take hard decisions.

The commission of audit will not replace the expenditure review committee process, which continuously vets new and existing

programme spending. It will, however, supplement and draw on the work of Senator Arthur Sinodinos' Deregulation Taskforce to ensure that a new Coalition government delivers businesses at least a billion dollars a year in red tape reduction cost savings.

The Commonwealth government, after all, constitutes close to a quarter of Australia's GDP. If we are serious about building a more productive economy, it is vital to ensure that the Commonwealth and its agencies are only doing what they really have to do and doing it as efficiently as they reasonably can. For instance, a 2009 study discovered that in Victoria alone there were 65 business regulators employing 8,000 staff, administering almost 2.4 million licences, spending over \$2.3 billion and recovering more than \$500 million in fees. These regulators administered 188 Acts comprising 26,096 pages, as well as 218 regulations and over 370 codes of practice.

It is likely that a similar regulatory apparatus would be discovered operating at Commonwealth level with similar potential for pruning, and for savings in costs to business and taxpayers and in citizens' time. Some questions that the commission of audit might like to consider, amongst the multitude being uncovered by the Sinodinos taskforce, include: why registering the same medical device took nine months in the United States but four and a half years in Australia – and why it costs \$400,000 to register an anti-bacterial hand-rub when the same product with a different dye can be put on the market without registration for less than \$3,000? Why does the average GP spend almost five hours (or about half a day a week) complying with what the AMA says are government red tape requirements rather than treating patients; why is it impossible to share a birthday cake in an aged care facility without signing a disclaimer form; and why does the same Centrelink paperwork have to be filled in every six weeks by an employer giving work to people who are on part-benefits?

This unnecessary, intrusive and burdensome data collection could be a further place for the commission of audit to recommend simplification and savings both for government and for citizens. Claiming the Baby Bonus or the government's inadequate parental leave scheme, for instance, is the latest example of how user-unfriendly Commonwealth programmes have become. The application has 48 pages of dense instructions and requires, in effect, the preparation of a new, prospective tax return for the six month period commencing with the birth of a child – but without the benefit of the usual information provided by employers on group certificates and with verifying paperwork demanded of applicants whose income is near the cut-off threshold.

Other questions that the commission of audit might ponder could include: whether the federal health department really needs all 6,000 of its current staff when the Commonwealth doesn't actually run a single hospital or nursing home, dispense a single prescription or provide a single medical service; whether the federal education department really needs all 5,000 of its current staff when the Commonwealth doesn't run a single school; and whether we really need 7,000 officials in the Defence Materiel Organisation, when the United Kingdom, with armed forces at least four times our size, gets by with 4,000 in the equivalent body?

At the last election, the Coalition pledged to shrink, through natural attrition, the Commonwealth public sector payroll by 12,000. This would still have left Commonwealth employment at higher levels than in the last days of the Howard government when former Finance Minister Lindsay Tanner threatened to take a "meat axe" to the public service. The Coalition has already committed to abolishing the Department of Climate Change and to rolling its essential functions into the Department of the Environment. Finally, there is a multitude of government programmes that do not seem to involve the provision of any tangible services to the public

or which involve funding other bodies to do what they should be doing anyway. These could also be candidates for review by the commission of audit.



THE LABOR-GREENS CARBON TAX

Contrary to the government's repeated assertions, there are no countries – none – that are planning to impose an economy-wide carbon price.

Along with the commission of audit, another powerful way to restrain the growth of government is to eliminate the carbon tax. Eliminating the carbon tax is a big tax cut as well as a fundamental structural reform. The unilateral imposition of the world's largest carbon tax will

put Australia at a serious competitive disadvantage compared to other countries that are taking no such action. Australian manufacturing, for instance, will have to cope not just with the high dollar but with paying a carbon tax that its competitors do not.

Contrary to the government's repeated assertions, there are no countries – none – that are planning to impose an economy-wide carbon price. Not the United States. Not Canada. Not Japan. Not India, which has a coal tax of just \$1 a tonne. Not China, whose emissions are increasing each year by an amount larger than Australia's total emissions. Yes, there is an emissions trading scheme in Europe but it is chock-full of exemptions and has a carbon price less than half that proposed for Australia.

The carbon tax is economically and environmentally perverse. It will destroy Australia's comparative economic advantage in affordable power. It will benefit dirty industries in competitor countries and penalise relatively clean ones here in Australia. Far from being a "market mechanism", it is a permanent close-to-one per cent of GDP boost to the size of government. As the non-delivery of an invisible product to no one, it will be open to rorting on a massive scale, as has already occurred in Europe.

Energy-intensive industries – such as steel, cement, aluminium, plastics, glass and motor manufacturing – will be the carbon tax's first victims. As for the "green jobs" that it will supposedly spawn, the idea that moving from low cost to high cost sources of energy will create jobs is, in Nigel Lawson's phrase, "economic illiteracy of the worst order". The government's own modelling confirms this. Annual national income per person is \$5,000 lower by 2050 with a carbon tax than without one. By 2050, cumulative losses of GDP under a carbon tax will come to \$1 trillion. It is as if, between now and then, the country were to close down for almost a year.

After all that, the carbon tax will hardly reduce domestic emissions at all. On Treasury figures, Australia's emissions will continue to go up, not down, despite a 2020 carbon tax of \$37 a tonne. Only by 2050 are emissions forecast to decrease marginally and that is thanks to a carbon tax that has then reached (in current dollar terms) \$350 a tonne.

A key difference between Labor and the Coalition is that we look to bigger government as a last resort, not a first.

Like the carbon tax, the mining tax will also shift jobs and investment offshore. The mining industry already pays state royalties that other companies do not. Consequently, the effective tax rate for mining companies

is often more like 40 per cent than the standard 30 per cent corporate rate. That will just get worse with a new Commonwealth tax grafted on top which is why abolishing the mining tax, like abolishing the carbon tax, is a vital economic reform.

A key difference between Labor and the Coalition is that we look to bigger government as a last resort, not a first. Labor's health insurance means test (which is basically a new health tax) has no health policy justification whatsoever. Labor's carbon tax is socialism masquerading as environmentalism. Labor's mining tax is envy dressed up as investing in the future. As if any government that is responsible for combustible roof batts and over-priced school halls could ever be trusted for a moment to get investment decisions right!



DELIVERING A PRODUCTIVITY AGENDA

Finally, there is the Coalition's productivity agenda, which Labor is incapable of matching because of its propensity for big government and its symbiotic relationship with the union movement. The Coalition will encourage more people into the workforce, make public institutions more effective and responsive, cut red tape, improve competition rules, get greater value from infrastructure spending, and reform workplace relations to encourage higher pay for better work, as I announced in a speech to the Australia Israel Chamber of Commerce last year.

Since the fall of the Berlin Wall, it is often said that there is little to distinguish the economic policies of different political parties. In fact, there are few items of conventional wisdom that are so misleading:

Labor supports a carbon tax and a mining tax. The Coalition will rescind them.

The Coalition insists that paid parental leave is a workplace entitlement. Labor thinks it is a welfare payment.

Labor empowers union officials. The Coalition empowers workers.

Labor says it supports smaller government but has done almost nothing to bring this about. Almost the first act of a Coalition government will be to establish a commission of audit to bring government back to manageable size.

Labor says it supports budget surpluses but has delivered the four biggest deficits in history. The Coalition has consistently delivered budget surpluses approaching one per cent of GDP.

Labor regularly and flagrantly dishonours its commitments. Sixteen members of the Coalition front bench were ministers in a government that consistently “under-promised and over-delivered”.

Economically, the differences could hardly be more stark and the right choice could hardly be more clear. Only one side of politics, after all, would despatch its principal economic spokesman to attack the entrepreneurs responsible for billions of dollars of investment, tens of thousands of jobs and hundreds of thousands of families' prosperity.

If it is alright for Wotif founder Graeme Wood to fund a new online paper and to give Australia's largest ever political donation to the Greens; and if it is alright for the Treasurer to launch his attack on business people's free speech in a property developer's hobby publication, it can hardly be subversive of our democracy for mining leaders to advertise against job-destroying new taxes.

Playing the class war card demonstrates how little Treasurer Swan really understands running a modern economy. Attacking people for daring to disagree shows how little this government appreciates the essentials of democracy. The Treasurer's determination to attack wealth creators rather than to support them shows that you cannot trust Labor to run the economy; any more than you can trust the current government to run programmes efficiently or to tell the truth when it would be more convenient to lie.



"We will seek a childcare system that is more flexible, affordable and accessible."

THE COALITION'S PLAN FOR STRONGER COMMUNITIES

*Address to the Pratt Foundation, Melbourne,
8 June 2012*

JOHN Howard was onto something when he said that he wanted Australians to feel more “relaxed and comfortable” about our country. People naturally seek the reassurance that their job is safe, their doctor available, their children are at a good school, their neighbourhood is friendly, and their country is secure.

As a Liberal, the former prime minister readily appreciated that the more people can personally participate in the things that matter to them, the more likely they are to have a well developed sense of belonging to strong and cohesive communities. As John Howard saw it, a big part of his mission was to end the confused sense of self that afflicted Australia at the end of the Keating era, exacerbated by the then prime minister’s insistence that we couldn’t be a real country unless we changed our symbols and repudiated much of our history.

These days, there is an even deeper sense of public unease about where we are headed, only the uncertainty is more economic than cultural. The Rudd/Gillard government is less than five years old yet its

ineptitude and untrustworthiness has engendered a profound sense of disappointment even amongst people who normally vote Labor.

This government looks like it is deliberately trying to set Australian against Australian with its class war rhetoric and insistence that families earning more than \$150,000 a year are the undeserving rich. It is almost the polar opposite of Bob Hawke's search for consensus and striving to bring the nation together. The current government plainly fails to understand what its Labor predecessors knew, namely that a cohesive community depends upon a strong economy that, in turn, depends upon profitable private businesses. Wealth, after all, has to be created before it can be redistributed. For all his fierce partisanship, not for a moment did Paul Keating ever treat business as an enemy of the people.

The next election is set to be more than usually significant for Australia's future: it will confirm that we are now set on the continental European path of higher taxes, growing debt and bigger government; or it will restore the Hawke/Keating/Howard consensus that government should operate to empower individuals and communities rather than itself. Based on the carbon tax broken promise, the poker machine backflip, the dumping of Speaker Harry Jenkins for Peter Slipper and the never-ending defence of Craig Thomson, voters quite understandably suspect that the current Prime Minister is more interested in her own welfare than in theirs.

Hence, my purpose is to explain how our society would be different and better under a Coalition government. I want people to understand some of the important respects in which their lives would be better should the government change. Of course, to political partisans there is always a purpose to winning elections: it is to keep out the other side who are self-evidently a threat to all that is decent and good. That is not how the public see it, though. They normally think there is strength and weakness on both sides of politics and want to be

sure that the people they support have voters' best interests at heart. If it is to be more than a dispiriting struggle between competing ambition, politics cannot simply be about power. There has to be a purpose to the exercise of power and to the quest for it. Otherwise, it differs little from a boxing match only for much vaster stakes.

I was brought up to think that a good part of life's purpose should be to leave our country and the world a better place than we found it. Australia should be such an exemplar of freedom, fairness, mutual respect and economic opportunity that much of the rest of the world would gladly live here.

I was brought up to think that a good part of life's purpose should be to leave our country and the world a better place than we found it. Australia should be such an exemplar of freedom, fairness, mutual respect and economic opportunity that much of the rest of the world would gladly live here. My fear is that current government policies are badly letting our country down: not only making it much harder for Australian businesses and Australian

workers to compete but eroding the confidence that we should have in ourselves and the rest of the world should have in us.

Australian suburbs and towns are almost unique in the range of community organisations they spawn from service clubs to charities, the school and hospital auxiliary, the volunteer bush fire brigade and the local land care group. It is these volunteer associations, the "little platoons" of life as Burke described them, between the individual and the state, that give people a sense of wider purpose and belonging. Government cannot create these organisations but it can certainly hinder them especially if it habitually assumes that the official knows best.

Unlike the current government, which seems to think that the resources boom will continue regardless of how many new taxes are imposed upon exporters and regardless of how hard it becomes to do business here, my expectation is that the Asian century will belong to those who are most efficient at taking advantage of it. That is why the commitments that the Coalition will take to the next election are so focussed on giving more Australians a more realistic chance to be economic participants and on making our institutions more responsive to the needs of the people they seek to serve.

The Coalition's plan for stronger communities complements our plans for a stronger economy, for a cleaner environment, for stronger borders and for better infrastructure.

Today, I announce two new commitments: first, an incoming Liberal National government will renew reconciliation by adopting more imaginative ways to include Aboriginal people in the mainstream economy; and second, an incoming Coalition government will restructure an element of the Council of Australian Governments to deliver more seamless law enforcement given that criminals do not respect state or national borders.



BETTER EMPLOYMENT PROGRAMMES FOR INDIGENOUS AUSTRALIANS

Andrew Forrest's Australian Employment Covenant is based on the great insight that the key to employment is in fact the employer. Rather than train Aboriginal people for jobs that might not exist or provide training that employers might not want, his method is to identify willing employers, earmark suitable jobs and guarantee Aboriginal people ongoing employment provided they do the

training and take the job. Forrest's plan starts with the job rather than with the jobseeker. Once the job has been identified, it guarantees employment to someone who wants the work enough to do the training. It addresses the key weakness of existing Aboriginal employment programmes: namely that people without much employment history tend to regard training as a waste of time, as training for training's sake, unless it is more-or-less certain to lead to a relevant job.

An incoming Coalition government will fund four trial sites for two years to train 1,000 unemployed Aboriginal people for guaranteed jobs.

Working with Forrest's Australian Employment Covenant and GenerationOne, an incoming Coalition government will fund four trial sites for two years (at a cost of about \$10 million using funds from existing indigenous programmes)

to train 1,000 unemployed Aboriginal people for guaranteed jobs.

Success rates would not have to be very high to be a big improvement on existing programmes. So far, even working with very disadvantaged people, Covenant employers report a 70 per cent plus retention rate after training and six months employment. With almost 6,000 Covenant jobs pledged to become available over the next 12 months in Sydney, Melbourne, Brisbane and Perth, this is a nothing-to-lose bid to break the cycle of unemployment and exclusion. It would also be a sign that government is prepared to match the commitment of civic-minded employers in an intelligent experiment where so much else has failed. If it works, and the signs are very encouraging, this methodology could be extended to employment services more generally.



BETTER LAW ENFORCEMENT

An incoming government will invite its COAG partners to merge the two existing attorneys-general and police ministers councils into one new council on law, crime and community safety that would bring together lawmakers and law-enforcers. Importantly, state and territory police commissioners as well as the heads of Commonwealth agencies such as the Australian Crime Commission and ASIO would attend this council. The new council would report back to the prime minister within 12 months on five priority tasks: border security arrangements within Australia; a national approach to crime gangs; co-ordination of community crime prevention; new ways to ensure cyber-safety, especially for children; and best practice approaches to the harmonisation of laws about working with children.

This should help to close the gap between those who make the law and those who enforce it. Policy-makers have to take the insights of uniformed police more seriously. Governments have to recognise that criminals do not become law-abiding citizens just because they've crossed state boundaries. People are sick of self-evidently absurd situations, such as the now notorious flight of Captain Emad, where the computer at the airport gate could identify a people smuggler but the government couldn't stop him.

These two new commitments complement those that the Coalition has already announced to produce more productive citizens living in more cohesive communities. We want the institutions that matter most to people to be more effective and responsive. We want individuals and communities more often to come closer to being their best selves.

Government cannot live people's lives for them. It cannot abolish all the disappointments and failures that are part and parcel of even the best lives. If it tries to, it ends up diminishing people, not empowering them, because it takes away the element of striving that allows people to own their achievements. The risk, when government tackles problems that are best addressed in the community, is that people are denied the chance to achieve something for themselves.



BETTER SCHOOLS AND HOSPITALS

The next Coalition government will work closely with the states to try to ensure that public schools and public hospitals are locally run rather than controlled by distant bureaucracies.

The Coalition is much more interested in an empowered community than we are in an empowered government. We do not necessarily want government to do less for people but we certainly want people to have the capacity to do more for themselves because that is the way that stronger communities are

built. A community that invests its own time and money in its local hospital or school will have more social capital and a stronger social fabric than one that doesn't. Parents who have more choice to combine family and career are likely to be more personally fulfilled and ultimately to be more effective parents and workers. Welfare recipients who are working for the dole should have more self-respect than those who are getting something for nothing.

The next Coalition government will work closely with the states to try to ensure that public schools and public hospitals are locally run rather than controlled by distant bureaucracies. Our objective is not a Commonwealth takeover of public hospitals because, as John Howard frequently pointed out, Canberra public servants might be no better at running hospitals than their state counter-parts. Rather, it is to shift the epicentre of public hospital decision-making from head office to the local hospital.

Hospitals would be funded on the basis of what they did rather than what they received last year plus or minus an allowance for inflation or head-office's priorities. A local hospital board would appoint the CEO and, together with the CEO, determine how the hospital's budget is spent. Hospitals would keep any private money that they raised or earned without any adjustment in their government funding.

It would be much the same with public schools. More engagement between parents and educators should mean more community appreciation of the vocation of teaching and less pressure for teachers to be loaded up with non-teaching duties. Empowered principals and school communities should also have more capacity to invest in and retain the best professional staff. A Liberal National government in Canberra will work with the other states to promote changes similar to the independent public schools initiative put in place by the Barnett government in Western Australia. We would try to ensure that the system that the Kennett government adopted for public hospitals in Victoria with activity based funding and local hospital boards was taken up by the other states. Additional Commonwealth support would depend upon changes along these lines.

The Coalition will not take further the Rudd-Gillard government's attempt to reinvent the funding system Victoria already has at national level and would rationalise the extra bureaucracies the government has created to do so. We are sceptical of the Gonski recommendations because to implement them, even on what's supposed to be a "no loser" basis, would mean spending an extra \$5 billion a year that governments simply do not have.

Empowering local communities would allow hospitals and schools to make more of the government funding that they currently receive. It would liberate schools and hospitals to do more themselves rather than simply look to government for the resources they want.



A FAIR-DINKUM PAID PARENTAL LEAVE SCHEME

The Coalition's fair-dinkum paid parental leave scheme will give mothers six months to be with their babies at their full wage. This is an acknowledgment of contemporary social reality. Modern women expect to work when they leave school or university. They expect to continue working, albeit often part-time, even after they become mothers. They expect to make a financial contribution to the family budget. Most want some financial independence and few accept that career and family should be an either/or choice. Most households cannot afford to lose a substantial part of their regular income. If that is what having a child means, then fewer families will have children and they will have fewer children. As well, fewer women will have careers because it will be less easy to combine serious work with involved parenting.

At present, the only families that can have more children without

Paid parental leave ought to be paid at a person's wage rate, like holiday pay and like sick pay, because it is a workplace entitlement, not a government benefit.

damaging their financial position are those on welfare. It is one of the reasons why the birth rate tends to be higher among people of lower socio-economic status. People who are doing it tough undeniably deserve financial support when their families grow. But every family's

budget comes under strain as it grows, which is why all families deserve the support that a fair-dinkum paid parental leave scheme provides. Paid parental leave ought to be paid at a person's wage rate, like holiday pay and like sick pay, because it is a workplace entitlement, not a government benefit. It is only paid through government because making it a responsibility of the individual business would inevitably lead to small businesses not hiring younger women.

In the Abbott family, childcare has been a significant topic of discussion for almost 20 years. When our children were young, it was how we could best access occasional care or family day care for the times Margie was working. More recently, it has been how government policy is impacting on the community-based occasional care centre that Margie runs. Like so many mothers with a family budget to manage, Margie once had to juggle the costs of childcare against the benefits of working. Now, she strives to run a quality service while keeping quality childcare affordable.

Childcare enables more parents to participate in the workforce but it is also an important means of providing early childhood education. Higher quality is important but so is greater flexibility to accommodate contemporary work patterns with irregular hours. A Productivity Commission review is the best way to investigate the

ultimate economic impact of our investment in childcare and how it might be improved with fairer access to in-home care as well as to traditional eight-through-six institutional care.



NEW INCENTIVES FOR DISADVANTAGED JOB SEEKERS

The next Coalition government will fight the tyranny of low expectations by again requiring a mutual obligation activity from long-term unemployed people.

Given the fiscal situation that Labor has created, the Coalition's priority has to be measures that make our people and our economy more productive. In Sir Robert Menzies' words from his famous "Forgotten People" speech, we want to encourage more "lifters not leaners". As at the last election, it is again

our intention to offer very disadvantaged job seekers additional incentives to take work and to keep it, along the lines of the seniors' employment incentive that the government has recently announced. As employment minister in the former government, I was responsible for a massive expansion of work for the dole and mutual obligation under which every long-term unemployed person under 50 was expected to give something back to the community.

The next Coalition government will fight the tyranny of low expectations by again requiring a mutual obligation activity from long-term unemployed people. The vast majority of prime-of-life people should be working, preferably for a wage but, if not, for the

dole. Our focus should always be on what people can do rather than on what they cannot. Continuous, mandatory work for the dole (or work for the dole-like activity) will help to distinguish the genuine unemployed from those who are fussy about the jobs they'll take. It should ensure that people do not get lost in the system while also reassuring taxpayers that people are fair-dinkum when they need support.

Unemployment benefits should never be the "conscience money" that society gives to those it otherwise ignores. Because mutual obligation requirements are a way of keeping the rest of society engaged with unemployed people, far from "blaming the victim" they're actually an element in maintaining a strong social fabric. Suspending dole payments for fit young people in places where unskilled work is readily available, as advocated by former Labor

Part of building a more inclusive society is fostering more economic and social engagement amongst people who tend to be excluded from the mainstream.

national president Warren Mundine; and extending more widely the welfare quarantining for long-term unemployed people now operating in the Northern Territory would be further means of discouraging a "something for nothing" mindset.

Part of building a more inclusive society is fostering more economic and social engagement amongst people who tend to be excluded from the mainstream. Insisting for instance that Aboriginal children attend school and that adults attend work programmes, is a much more effective means of promoting social inclusion than merely adding the term to a minister's title.

The next Coalition government will tighten access to the disability

pension and consider a different benefit for people whose disabilities need not be lasting. Our objective will be to work with people to maximise their potential, not to park them on a benefit that often excludes them from meaningful participation in the economy.



NATIONAL DISABILITY INSURANCE SCHEME

The Coalition supports the National Disability Insurance Scheme (NDIS) that aims to give everyone with a serious disability the same access to treatment, rehabilitation and support that is currently provided to people injured in traffic accidents or at work. The Productivity Commission's landmark report provides a timetable and an outline for reform but it is a long way short of a detailed blueprint. The hard work of designing the scheme and, more importantly, paying for it has yet to be done. As the principal providers of existing disability services, the states need to be fully engaged. The logistics of moving from government-run services to a government-funded contestable market are far from worked out. Highly sophisticated assessment tools and defensible eligibility requirements will need to be agreed.

A Coalition government in fact is more likely to deliver an effective NDIS because it is more likely to produce the strong surpluses needed to pay for it.

Our worry is that a government which couldn't successfully insulate people's roofs is unlikely to get right a reform as complex as this. That is why the Coalition has offered to help design and build the new system through a bi-partisan parliamentary

committee co-chaired by senior representatives of both the government and the opposition and comprising MPs with a vested interest in making it work. A Coalition government in fact is more likely to deliver an effective NDIS because it is more likely to produce the strong surpluses needed to pay for it. The danger, now that Labor is more a welfare class than a working class party, is a government that builds in expenditure but takes revenue for granted. There has to be a national emphasis on productivity lest ever more people end up receiving ever more benefits paid for by an ever shrinking workforce.



OUR VISION FOR STRONGER COMMUNITIES

The Coalition wants an Australia that is prosperous, united and respected; where families' choices are taken seriously by government; where pensioners and carers are regarded as people who have served and are serving our country; where officials understand that the public are their masters not their servants; where migrants are welcome but borders are secure; where people's taxes give them decent hospitals and proper highways; and where the armed forces represent our country's best values. But we also know that government cannot solve all problems and that over-promising and under-delivering politicians are the cause of so much cynicism about our public life.

From our experience of participating in our own local community, whether it is serving on the local school parents and friends' committee or in the Rural Fire Service, Margie and I know the importance of what people do for love rather than for money. It is

the things people choose to do, rather than those they have to do, that are the real measure of personal worth.

More capable and more contented individuals living in stronger and more cohesive communities is the goal of the five policy plans the Coalition has announced. After all, the ultimate purpose of good government is better people. Everything should be a means to this end.

A stronger economy means stronger communities with more jobs and better services. It means more scope for lowering taxes so that families are better off and for increased social spending so that communities can have more of the facilities they need. Stronger borders mean stronger communities because people will have more confidence in immigration when they know it is run by the government rather than by people smugglers. Better infrastructure means stronger communities because people will spend less time in traffic jams and have more time for the things they need or want to do. A cleaner environment means stronger communities because people will be more confident that their children and grandchildren will have a good country to live in.

Lincoln's famous description of democracy was government of the people, by the people, for the people and I think politicians should worry less about who's in government and more about who government is for. We need constantly to re-focus on what government is for. Government is not for politicians' benefit. It is for the people's benefit.

My life, my record and the policies of the Coalition parties I lead demonstrate that I know this to be true and will strive to serve the community in accordance with this belief. I look forward to a deep and lasting and candid conversation about what this country needs, so that we can give the Australian people the better government that they so obviously now deserve.



"With Margie, I have done my best to give our three girls a good start, paying a mortgage, wrestling with school fees and juggling bills."

THE COALITION'S PLAN FOR A CLEANER ENVIRONMENT

*Address to the Australian Industry Group, Brisbane,
20 April 2012*

EVER since I was old enough to understand the term, I have regarded myself as a conservationist. As a child, I used to play in the gullies and creeks surrounding the Lane Cove National Park. I wasn't as careful then as now about protecting fauna, such as the red-bellied black snake, but I loved the bush for its potential for adventure and sense of solitude.

In the valley behind our house, I first learnt to sleep under the stars. On canoeing trips, I learnt to read a map. On student bush walks, I developed a sense of direction. How could I not appreciate the natural environment in which so much of my life has been lived? As a mate speculated, on a day when the dolphins were swimming between the surfers off North Steyne, perhaps "we'd died and gone to heaven". I've never much minded houses springing up on semi-derelict farms but have always been keen to protect our cities' remnant bushland, especially as it has been so threatened by invasive weeds and polluted run-off.

As a member of parliament, my first big campaign was for more local control of mobile phone towers. My next campaign was against the Keating government's proposed sale of former military land around Sydney Harbour. Largely at my instigation, the Howard government committed more than \$115 million to the Sydney Harbour Federation Trust to preserve the natural and built heritage of places like North Head and Middle Head.

In 1998, I started the annual Pollie Pedal bike ride, among other things, to promote cycling as a means of staying fit and seeing the country. As parliamentary secretary for youth affairs, I helped to establish the Green Corps to give young people a six-month hands-on traineeship in land care. I was a senior member of the government that used the proceeds of Telstra to set up the Natural Heritage Trust, sought a total ban on whaling, and committed \$10 billion to restore the Murray-Darling basin.

Properly understood, conservation is not an obstacle to progress. It is part of it. One of the reasons I want better roads is because it is actually cleaner for cars to be moving than caught in traffic jams. And I support the right dams in the right places because that is a far more sustainable way to support modern life than desalination, which Bob Carr once called "bottled electricity".

A cleaner environment is an essential part of restoring hope, reward and opportunity for all Australians because we should leave our country in better shape than we found it.

The terms "conservative" and "conservation" have a common root. Both involve keeping the best of what we have. It was President Teddy Roosevelt, a Republican, who first declared that "conservation (is) a national duty" and created America's first wildlife refuge. It was a UK conservative

government that passed the Clean Air Act in 1956 that finally ended London's pea soup fogs. In this country, it was the Coalition that began Kakadu National Park and ended whaling in Australia. No less than the imperative to live within our means, the imperative to conserve what's best in our heritage is part of the Coalition's DNA.

Our plan for a cleaner environment complements plans for a stronger economy, for stronger communities, for more secure borders and for the infrastructure of the future as one of the five key elements in our overall plan for a better Australia. A cleaner environment is an essential part of restoring hope, reward and opportunity for all Australians because we should leave our country in better shape than we found it. The question is not "who is for" and "who is against" environmental protection. We are all environmentalists now. The challenge is to support smart ways to protect the environment, not dumb ones. The Coalition supports sensible measures to reduce carbon dioxide emissions, but will never accept the proposition that you could save the environment by killing the economy.



RESCINDING THE CARBON TAX

The Coalition is against the carbon tax because it is not an environmental measure. It will not actually reduce emissions. It is socialism masquerading as environmentalism. It is a kind of reverse tariff that not only penalises Australian jobs and protects overseas jobs but also penalises clean Australian enterprises while giving a competitive advantage to dirty overseas ones.

Not only is the carbon tax a bad tax based on a lie, it is increasingly obvious that it is also a stupid tax that will never work. The whole

point of a carbon tax is to make fossil fuels more expensive. Because it is a tax on power and a tax on transport, it will drive up every single price in our economy. Because it is designed to make using coal and gas more expensive, it is a signal to the world not to buy Australia's largest exports and a deadly threat to the affordable energy, which is our greatest single comparative economic advantage.

For its part, the government cannot quite decide whether the carbon tax is a historic reform that will change forever the way Australians live and work or whether it is just a minor change that no one will notice especially after they've been more-than-fully compensated. On the government's own modelling, the carbon tax will reduce Australia's iron and steel output by 21 per cent by 2050. On the government's own modelling, the carbon tax will reduce Australia's aluminium production by 61 per cent. The government's own documents have Australia's coal-fired power generation, absent carbon capture and storage, dropping from over 70 to just 10 per cent of Australia's energy needs.

The government's own modelling reveals that Australia's cumulative GDP between now and 2050 will be one trillion dollars less with a carbon tax than without one.

The government's own modelling says that Australia's gross national income will be more than \$4,000 per person lower with a carbon tax than without one by 2050. The government's own modelling reveals that Australia's cumulative GDP between now and 2050 will be one trillion

dollars less with a carbon tax than without one. That is the equivalent of the entire country actually closing down for almost a whole year.

The government claims that most households will be marginally

better off, after compensation, while the carbon tax is \$23 a tonne. No one is claiming that people will still be better off when the tax rises to \$37 a tonne in 2020 let alone skyrockets to \$350 a tonne in 2050, as the government's own modelling predicts. Even these forecasts, dismal though they are, depend upon the rest of the world adopting a similar carbon pricing scheme. That is where Copenhagen changed everything. Since the failure of the Copenhagen conference in December 2009, it has been obvious to everyone except the current government that the world is moving against making energy more expensive, not towards it.

Late last year, Canada's Foreign Minister declared on Australian TV that his country would not be pursuing an emissions trading scheme or a carbon tax. Shortly afterwards Canada formally withdrew from the Kyoto protocol. Also late last year, during his visit to Australia, President Obama declared that the United States had abandoned its pursuit of a national cap-and-trade scheme. Just this month, the US state of Florida formally repealed its own cap-and-trade law, joining Arizona, Montana, New Mexico, Oregon, Washington, Utah, New Jersey and New Hampshire to wind back or abolish state-based greenhouse gas initiatives.

As the Productivity Commission reported last year, not a single country – not one – has an economy-wide carbon tax or emissions trading scheme.

As the Productivity Commission reported last year, not a single country – not one – has an economy-wide carbon tax or emissions trading scheme. Not Canada. Not America. Not Japan. Not Russia. Not China. Not India. The government's repeated claims that the world is moving towards a carbon

tax are as believable as the Prime Minister's pre-election pledge that "there will be no carbon tax under the government I lead".

The government often claims that China is closing down its coal-fired power stations. Plainly, it is not reducing its demand for coal. If it were, the mining boom in Queensland would be over tomorrow. In fact, China is closing down small inefficient power stations only to replace them with much larger, more efficient ones. Even so, the increase in China's emissions in just one year exceeds the total emissions of Australia. Another deception is the impressive-sounding claim that China plans to reduce its emissions intensity by 40 per cent over 15 years. This is only a "non-binding pledge".

In any event, Australia has already achieved a reduction in its emissions intensity of nearly 50 per cent over the past 20 years without a carbon tax through direct action policies and businesses taking economically sensible steps to save on power and transport. Incredibly, the government's own modelling suggests that the reduction in Australia's emissions intensity is projected to be less over the next 20 years with a carbon tax than it was over the last 20 years without one!

Without a carbon tax, the transport group, Linfox, estimates that it has reduced its emissions by 35 per cent since 2007 mostly by encouraging its drivers to be more economical. Since 1996, without a carbon tax, the trucking industry has reduced its particulate emissions by 92 per cent. Without a carbon tax, the packaging group, Visy, is pioneering less-than-zero emissions power generation by converting some of its operations from standard coal-fired power to power from burning garbage that would otherwise give off massive emissions in landfills.

Perversely, many of these environmentally and economically sensible measures would actually be harder in a higher cost business environment under the carbon tax. Because it is energy-intensive, plastic recycling in Australia might become uneconomic because of the carbon tax. Not only would this mean importing more plastic

products from China but it would also mean another 300,000 tonnes of plastic a year dumped in landfills to decompose.

The government demands that Australians accept lower living standards and the decimation of some of our most important industries because of the urgent need to save the planet by getting emissions down. But guess what? The carbon tax does not actually reduce emissions. The government's own modelling shows that Australia's domestic emissions will rise, yes rise, from 578 million tonnes a year in 2010 to 621 million tonnes in 2020 despite a carbon tax increasing to \$37 a tonne. Under the government's modelling, Australia will only achieve the targeted 5 per cent reduction in emissions in 2020 by purchasing nearly 100 million tonnes of carbon credits from foreign traders at a cost, in just that year, of nearly \$3.5 billion.

Australia will only achieve the targeted 80 per cent reduction in emissions in 2050 by purchasing more than 400 million tonnes of carbon credits from abroad at a cost, in just that year, of some \$57 billion. Thus, the carbon tax turns out to be not just a reverse tariff penalising Australian manufacturers and giving a competitive advantage to foreigners but by far the greatest wealth transfer from Australia to the rest of the world in our history.

Australian families will endure a lower standard of living and some of our most important industries will virtually close down. There'll be no requirement for comparable action overseas but Australians will be expected to spend about 1.5 per cent of total GDP every year supporting emissions reductions in other countries. It is no wonder that David Murray, former Commonwealth Bank chief and Future Fund chairman has described the carbon tax as the worst piece of economic policy in his lifetime.

This is the "bargain" that Julia Gillard negotiated with Bob Brown. Perhaps this is why Senator Brown has decided that his work here is done and that the Prime Minister alone should reap the political credit.

Should the Coalition win the next election, the carbon tax repeal process will be the first thing I do. There is no mystery to this. Essentially, all that it requires is the passage of the repeal bill through the parliament. After all, what is done by legislation can be undone by legislation.

I do not expect the Greens to support repealing the carbon tax. On the other hand, it is hard to imagine the Labor Party, beaten in an election that is a referendum on the carbon tax, committing suicide twice by resisting the new government's mandate. If they do, there is a constitutional procedure designed for just this eventuality. It is called a double dissolution. I would not hesitate to seek a second mandate to repeal this toxic tax. Indeed, it would be my duty to do so.

I will not reduce the tax,
change the tax,
or redesign the tax.
I will repeal the tax.

I will not reduce the tax, change the tax, or redesign the tax. I will repeal the tax. The next Coalition government will repeal the carbon tax as quickly as possible and, because the

electorate would double-punish the Labor Party for wilful obstruction, I expect that the repeal arrangements would be in place within six months.

The Prime Minister often says that repealing the carbon tax cannot happen because you cannot fund tax cuts and benefit increases without a new tax to pay for them. Well, the public aren't mugs. They know that a tax cut paid for by a tax increase is a con, not a cut. The only way that taxes can sustainably be lowered is if government spending is lower or if the economy is larger. The Coalition can deliver tax cuts without a carbon tax because we will eliminate wasteful and unnecessary government spending and because lower taxes and higher productivity will boost economic growth.



THE COALITION'S DIRECT ACTION POLICY

The Coalition's Direct Action policy is a practical, affordable and effective way to reduce emissions by 5 per cent and to improve the environment without harming the economy.

The Coalition is serious about reducing emissions because we should rest lightly upon the only planet we have. We will get on with the job of actually getting emissions down. That is what our Direct Action policy does: it directly reduces emissions by encouraging actions that will bring emissions down; it doesn't simply make everyday life

more expensive. The Coalition's Direct Action policy is a practical, affordable and effective way to reduce emissions by 5 per cent and to improve the environment without harming the economy.

Our Emissions Reduction Fund will spend, on average, a billion dollars a year to encourage businesses to take further steps to reduce energy and fuel consumption, relying on incentives, not penalties. In one of his reports, Professor Garnaut estimated that Australia could achieve 286 million tonnes of abatement every year for up to 50 years through capturing and storing carbon in soil. This is almost double the 5 per cent by 2020 cut that both sides have committed to.

Soil carbon is by no means the only "direct action" means to reduce emissions but it certainly is a vast potential carbon sink. In any event, more trees and smarter technology, as well as better soils, can be

funded under the Coalition's plan. Through a tender process, overseen by an independent panel, the Coalition will support measures that reduce emissions and that deliver practical environmental benefits but that do not increase prices to consumers or cost local jobs. A tender process is a market mechanism. We will go to the market seeking the best value bids for measures that will improve the environment and bring emissions down. A tender process is far more realistically a market mechanism than an emissions trading scheme, which is about the non-delivery of an invisible product to no one. The carbon tax cum emissions trading scheme will involve a massive and permanent increase in the size of government so is hardly the kind of measure that economic liberals would naturally support.

Climate change is an important issue but it is not the only big environmental problem we face.

Climate change is an important issue but it is not the only big environmental problem we face let alone the "greatest moral challenge of our time". Since 2008, the government has focussed on climate change to the exclusion of

almost everything else. Some of the government's most spectacular administrative failures have involved programmes to deal with climate change: the notorious combustible roof batts scheme, for instance, the green loans shambles, and the solar rebate debacle.

The government's climate change fixation has not only spawned programmes that were badly thought-through and incompetently delivered. It has also led to the neglect of other environmental issues and the running down of other programmes that could make at least as much contribution to a cleaner, greener future for Australia.



GETTING THE BALANCE RIGHT

The Coalition intends to get the balance right. As well as taking direct action to reduce emissions, the Coalition will directly deal with issues like invasive species, habitat protection, and soil and water conservation.

The Coalition will create and properly resource the Green Army, as a larger and more lasting version of the former Green Corps, and over time build it up to be 15,000 strong.

The establishment of the Green Army will, I hope, turn out to be one of the “signature” changes the next Coalition government will drive. Should we win the next election, the Coalition will create and properly resource the Green Army, as a larger and more lasting version of the former Green Corps, and over time

build it up to be 15,000 strong. It will be Australia’s largest-ever environmental deployment. It will mark the first time that Australia has approached environmental remediation with the same seriousness and level of organisation that we have long brought to bushfire preparedness and other local and regional priorities. This workforce will be capable of supplying the skilled, motivated and sustained attention that large-scale environmental remediation needs.

The Green Army will be available on an ongoing basis (over and above the existing efforts of councils, farmers, volunteers and national parks personnel) to tackle the environmental tasks that most urgently need willing hands to do the job. There are hundreds

of organisations and local environmental groups across Australia that are already doing some of this work, mostly on a volunteer basis, and they deserve our congratulations for making this country a better, cleaner and safer place. These groups, plus local councils, could submit conservation projects that require a significant labour force.

I was recently on the Mornington Peninsula with the Shadow Minister for the Environment, Greg Hunt, to look at a proposed Green Army project. Revegetation would protect the southern Peninsula's beaches and foreshore from further erosion and improve water quality in local creeks. In addition, there would be a sea wall and pathway so people could better enjoy the beauty of the area. The Green Army would renew the type of work done through the Natural Heritage Trust under the former government. Between 1997 and 2007, \$5.1 billion was invested to help more than 800,000 volunteers to support threatened species over 1.4 million hectares of habitat; reduce pests and weeds over 15 million hectares and help protect eight million hectares of wetlands.



ONE-STOP-SHOP FOR ENVIRONMENTAL APPROVALS

At COAG in April this year the Prime Minister acknowledged the need to reduce green tape. One wonders how this is consistent with introducing a carbon tax that already requires 1,100 pages of legislation and nearly 400 pages of regulation. This will only get worse as the government struggles to come to terms with anomalies built into the system. Australia's waste disposal companies have had literally dozens of staff still trying to work out exactly what the

carbon tax means for them. Companies face a cost cliff the instant their emissions exceed 25,000 tonnes a year and they are required to buy permits, not for one tonne of emissions, but for 25,001. As an abattoir operator described it, “the first beast I slaughter above a certain number costs me \$600,000”. Abolishing the carbon tax will be the Coalition’s biggest single contribution to reducing the regulatory costs on business but we will not stop there.

Over time, the proliferation of federal, state and local environmental approvals has vastly added to the complexity, cost and uncertainty of investment. The proposed Bell Bay pulp mill in Tasmania is probably the most notorious example of a big, job-creating investment that has been jeopardised by approvals processes that can take not just months but many years.

The Coalition will offer state and territory governments the opportunity to act as a one-stop-shop for environmental approvals.

In a submission to the April 2012 COAG meeting, the Business Council of Australia (BCA) noted that obtaining approvals for one major project had cost \$25 million and involved 4,000 meetings, briefings and presentations and the preparation of a 12,000-

page report. After two years, 1,200 state and 300 Commonwealth conditions were imposed with a further 8,000 sub-conditions. In another notorious case, a marina in Victoria that had spent \$1 million to gain state approval was indefinitely delayed under the Commonwealth Environmental Protection and Biodiversity Conservation Act because it might threaten the orange-bellied parrot that had not been seen in the area for 25 years.

Investors invariably accept that projects should comply with best environmental standards. The standards aren’t the problem. It is the

indecision, imprecision and inconsistency that is killing new projects. The Coalition will maintain high standards but seek to simplify the approvals process. As the BCA has recommended, the Coalition will offer state and territory governments the opportunity to act as a one-stop-shop for environmental approvals. Should they accept, the states and territories would administer a single approvals process including approvals under Commonwealth legislation such as the EPBC Act. For some projects, such as major offshore developments, the states and territories may prefer to have the Commonwealth as the sole, designated assessor.

A Coalition government would seek to create a single lodgement and documentation process for environmental approvals.

In addition to a single assessment process, a Coalition government would seek to create a single lodgement and documentation process for environmental approvals. States and territories that agree to be part of this one-stop-

shop process should have a significant advantage attracting investment. Engendering competition between the states would be a way to make Australia's federal system work for us rather than against us.

The one-stop-shop process could also be extended to councils that choose to be involved. This one-stop-shop process should also be accompanied by deadlines for decision-making with penalties if these are breached such, perhaps, as partial reimbursement of lodgement fees.

As the BCA has further recommended, the states should aim to have up to 70 per cent of applications for residential and light industrial developments that comply with planning criteria exempted from the development assessment process. Certainly, the proponent of

a residential development in Mission Beach, for instance, should not need Canberra's go ahead just because there are cassowaries in North Queensland.

The next Coalition government will work with the states to bring about these reforms. Environmental standards should be clear, assessment processes should be swift, and decisions should be unambiguous. Approvals have to be final, subject to an equally clear and consistent formal review mechanism. They cannot be at the mercy of last minute lobbying by campaigners lest Australia start to lose the investment, the jobs and the wealth upon which lasting and sustainable environmental outcomes depend.

Too often, public debate assumes that generating wealth is incompatible with preserving the environment.

Too often, public debate assumes that generating wealth is incompatible with preserving the environment. There is no doubt that economic returns aren't always worth their long-term environmental costs. Still, the

wealthier a country is, the more readily it can afford to judge money-making opportunities against exacting environmental standards. It is a poorer country, after all, not a richer one, that is more likely to poison its air and water and to devastate its flora and fauna.

It is a question of getting the balance right. One side of Australian politics appreciates this. The other is politically dependent upon a Greens party that has never seen a major development it didn't oppose. Australians can trust the Coalition to deliver a cleaner environment based on our record of getting things done.



Tony Abbott meeting with H.E. Dr Susilo Bambang Yudhoyono, President of Indonesia, in Darwin.

THE COALITION'S PLAN FOR MORE SECURE BORDERS

*Address to the Institute of Public Affairs, Melbourne,
27 April 2012*

AS well as an occasion to reflect on the valour and self-sacrifice of Australia's military personnel, our commemoration of Anzac Day should also be a reminder of the role that our country has played in the wider world.

In World War One, the five divisions of the First Australian Imperial Force (AIF), along with the Canadians, were the shock troops of the British Army. In World War Two, the Second AIF liberated Syria and largely drove the Italians from North Africa. In Vietnam, an Australian task force was responsible for the security of a province. More recently, 5,000 Australian troops formed the bulk of the INTERFET force that secured the independence of East Timor. At the Versailles conference, Prime Minister Billy Hughes won an Australian mandate over German New Guinea. In 1956, Prime Minister Robert Menzies was the lead international mediator over the Suez Canal. A decade ago, Prime Minister John Howard was a key leader of the "coalition of the willing" that toppled the Iraqi regime.

Ideas above our station should never drive Australian policy. Still,

we are about the world's 15th largest economy, a significant contributor to the military effort in Afghanistan, one of America's most trusted allies, and the leading Western country in our region. We are an influential middle power and, whether we quite appreciate it or not, the big power of the South Pacific. We count for something in the wider world and should use our reach and sway to promote Australia's true interests and best values.

When I say that Australia's foreign policy should have a Jakarta focus, not a Geneva one, I certainly do not mean that Australia has few interests and little weight around the globe.

We are vitally interested in the peace and prosperity of the wider world. We have a considerable role in upholding liberal democratic values and in promoting freer economics.

After all, keeping commitments, valuing human life, acknowledging property and extending freedom are universal aspirations, not just Australian ones.

My contention, rather, is that we would be taken more seriously in the world at large if we were coping better with the "backyard" issues in which we have a vital national interest and for which we have prime responsibility. In our nearest neighbour and former colony, Australia seems to have little influence and even less engagement despite the obvious risks should PNG deteriorate further.

Likewise, in the Pacific, indifference and neglect have created a vacuum into which less benevolent influences could readily expand. Indonesia is the country that could most readily impact on Australia yet the current government has been almost wantonly provocative, unilaterally suspending live cattle exports in panic over a TV programme and giving an understandably sensitive neighbour public lectures on how it should behave.



STOPPING THE BOATS

Perhaps nothing better illustrates the current government's incorrigible failings in the development and execution of sensible national policy than the border protection disaster. Its predecessor found a problem and crafted a solution. The Rudd-Gillard government found a solution and created a problem.

It is in Australia's vital national interest to stop the boats. It is the mark of a sovereign nation that it keeps control over its borders; or, as John Howard put it, "we will determine who comes to this country and the circumstances under which they come".

In August 2008, moral vanity overcame judgment. The government publicly congratulated itself for being more compassionate than its predecessor, closed the Nauru processing centre, scrapped temporary protection visas and announced swifter asylum claim processing. Since then, there have been over 300 illegal entry vessels and nearly 17,000 illegal arrivals by boat while the border protection budget

has blown out by \$4 billion. *(Note: as of 15 November 2012 there have been 507 illegal entry vessels and 29,400 arrivals by boat – Ed).*

Hundreds are known to have drowned attempting to reach Australia. The government cannot be blamed for people's deaths but it is certainly responsible for giving the people smugglers a business model. Under the current government there have been almost two boats a week. Under its predecessor, between 2002 and 2007, there

were just three boats a year. On border protection, as for economic management, the Howard era now looks like a lost golden age.

It does not have to be like this. There is a better way. The Coalition has a plan for stronger borders. It is part of our overall plan for a stronger Australia with a stronger economy, stronger communities, a cleaner environment and the infrastructure of the future. It is in Australia's vital national interest to stop the boats. It is the mark of a sovereign nation that it keeps control over its borders; or, as John Howard put it, "we will determine who comes to this country and the circumstances under which they come".

When she was the shadow minister for immigration, Julia Gillard used to issue press releases headed: "another boat, another policy failure". There were very few failures in those days because there were just 15 illegal boats in the last five years of the Howard government. By Gillard's standards, there will shortly have been 300 border protection policy failures under her government.

Border protection, in fact, was one of the three key policies where Julia Gillard said that Kevin Rudd's government had lost its way. Despite Labor's repeated declarations that it was against offshore processing and would end the Pacific Solution, since then there has been the East Timor detention centre that was announced without any consultation with that country's government; the PNG detention centre that was announced and forgotten (despite Julia Gillard declaring, in 2007, that "we would not have offshore processing in Manus island"); and the five-for-one people swap with Malaysia that the High Court subsequently overturned. The government now routinely blames the opposition every time a boat arrives yet it will not risk its Malaysia legislation failing in the House of Representatives even though putting Mr Slipper into the Speaker's chair should have given it the numbers.

Let me make one thing crystal clear: the Coalition will never support

Labor's Malaysia people swap. It is a bad deal for Australia and a cruel deal for boat people. On average, there are about 6,000 canings a year of irregular non-citizens in Malaysia. The government's proposed legislation lacks the protections built into the former government's Pacific Solution that the Prime Minister used to describe not only as "costly" and "unsustainable" but "wrong in principle". If the government were serious about its Malaysia deal it would declare support for this legislation to be a matter of confidence and require the Greens to support it under their power-sharing arrangement.

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It is a bad deal
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As things stand, while declaring that it supports offshore processing, the government has effectively adopted the Greens policy of onshore processing. Illegal arrivals are now being quickly transferred from Christmas Island to the mainland and released into the community before, in

some cases, even their identity has conclusively been established. Under the Gillard government, not a single illegal boat arrival has been processed offshore and fewer than 300 of the boat people found not to be refugees have been returned to their country of origin.

Under the Howard government, by contrast, more than 1,500 boat people were processed offshore, mostly at Nauru. Of these, about 30 per cent were found not to be refugees and returned to their home country. Of the rest, nearly half went to a country other than Australia.

On my first day as prime minister, I would pick up the phone to the President of Nauru to accept Nauru's bi-partisan, standing offer to

Within a week of taking office, I would go to Indonesia to renew our cooperation against people smuggling.

reopen the detention centre there. Within a week of taking office, I would go to Indonesia to renew our cooperation against people smuggling. I would, of course, politely explain to the Indonesian government that we take

as dim a view of Indonesian boats disgorging illegal arrivals in Australia as they take of Australians importing drugs into Bali.

Within a week of taking office, I would give new orders to the navy that, where it is safe to do so, under the usual chain-of-command procedures, based on the advice of commanders-on-the-spot, Indonesian flagged, Indonesian crewed and Indonesian home-ported vessels without lawful reason to be headed to Australia would be turned around and escorted back to Indonesian waters.

Temporary visas for illegal boat arrivals would be re-created, if necessary by legislation; in the unlikely event that legislation is blocked, by a joint sitting of the parliament after a double dissolution election. There would be a presumption against refugee status for boat arrivals transiting through Indonesia who lack identity papers. There would be tougher minimum sentences for people smugglers with mandatory non-parole periods.

By far the biggest obstacle to implementing policies that would stop the boats is pride.

By far the biggest obstacle to implementing policies that would stop the boats is pride. The Prime Minister is prepared to try any set of policies except those that actually worked under the former government.

Over the years, she has been for and against temporary protection

visas; she had been for and against third country processing; and she has been for and against turning boats around so stubbornness should not be a deterrent to the right policy now that our border protection is in her hands.

Every illegal boat marks a failure of foreign policy, a failure of security policy and a failure of immigration policy. Australia's foreign policy has failed to establish the rapport with our largest neighbour needed for people smuggling to be stamped out. Australia's security policy is breached whenever an illegal arrival is released into the community without the thorough checks that should routinely apply to newcomers.

Australia's immigration policy is undermined because people who were welcomed through the front door a generation back understandably resent more recent arrivals who climb in through the back window.

Stopping the boats matters. It would signify that the Australian government is in every respect sovereign over Australia's borders.

Stopping the boats matters. It would signify that the Australian government is in every respect sovereign over Australia's borders. It would be a sign that our relationship with Indonesia was in much better repair. It would give everyone confidence that the

immigration programme was being run in Australia's national interest, not as a favour to anyone who would prefer to move to a rich country. It would mean again being able to put behind us an awkward and divisive episode when concern about how people came clouded our appreciation of the contribution they could make.



A BETTER IMMIGRATION PROGRAMME

As long as a significant section of our immigration programme appears to have been contracted out to people smugglers, immigration will not – as it should – be seen as one of our country's defining characteristics and most important assets.

The Coalition has always
been pro-immigration
and pro-immigrant.
To be otherwise would be
almost anti-Australian.

Just about every Australian is an immigrant or a descendant of immigrants. That is why the Coalition has always been pro-immigration and pro-immigrant. To be otherwise would be almost anti-Australian. It is vital, though,

for our country's well being, that the immigration programme be run unambiguously in our national interest and that every migrant be enthusiastic about joining the team.

Monash University analysis has shown that during the Howard years – with the boats stopped and a focus on skilled immigration – the percentage of Australians concerned about numbers being too high almost halved, from more than two thirds to just over one third, notwithstanding a doubling of the permanent immigration intake.

John Howard rebuilt a consensus in favour of immigration. It was one of his most significant achievements and it continued the legacy of previous Coalition governments. It was the Menzies Government that turned accepting post-war refugees into actively seeking non-English-speaking immigrants who wanted to build a better life in

Australia and that first offered non-European immigrants citizenship after 15 years. It was the Holt Government that abolished the White Australia policy by allowing applications for migration from well-qualified people who could readily integrate. It was the Fraser Government that first accepted large numbers of Asian immigrants while helping to end Australia's first, much more modest wave of boat people, by establishing an offshore processing centre on an Indonesian island. It was the Howard Government that more-or-less-stopped the second wave of illegal boats while resettling about 150,000 refugee and humanitarian entrants.

The Coalition recently pledged to guarantee a minimum of 1,000 places in the refugee and humanitarian intake to women at risk and their dependents. We are also committed to allowing community groups to sponsor refugees on a bonded basis that would take the annual intake to 15,000. Notwithstanding the odd case of Britons catching the first plane back because they cannot stand the heat, immigrants to this country almost universally want nothing more than to be considered Australian. After all, they have chosen Australia in a way that the native born never quite have.

That is why it is invariably wrong to question newcomers' commitment to Australia. If they weren't committed they would not have come. What's more, Australians have usually made it easier for immigrants to embrace their new home by appreciating that they would come to terms with life here in their own way and at their own pace. In the meantime, the different accents and different flavours of contemporary Australia have been a strength, not a weakness.

The term "multiculturalism" has been officialese for Australians' traditional acceptance of newcomers' attachment to old ways while they get used to new ones. Of course, immigration has changed Australia but it has changed our country far less than it has changed

our immigrants. A decade after arrival, there is hardly a newcomer that is not more fluent in English than in any other language and who doesn't take for granted democracy, the rights of minorities and freedom under the law. Usually, the less like Australia that immigrants' homelands have been, the more exhilarating they have found life here.

For the Coalition, the issue has never been whether or not Australia should have a strong immigration programme. It has always been what's the best programme for our country at this time and what can best be done to help migrants to settle quickly into their new life.

The Howard Government, it should be said, placed less stress on Australians' diversity than on our unity. The citizenship test that Labor supported in opposition but has watered down in government was an on-the-whole-successful attempt to stress the common values that all Australians were expected to understand and uphold.

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Australia should have a strong immigration programme. It has always been what's the best programme for our country at this time and what can best be done to help migrants to settle quickly into their new life.

The best immigration programme is one that helps Australia to be more prosperous and productive and the best way for an immigrant to settle in is to work. Under the Howard government, the permanent programme's skilled component went from under 40 to over 60 per cent of the total intake. Along with the stopping the boats, this was an important element in restoring public faith in the immigration programme. Under Howard, Australians were confident

in a way they weren't before or since that the Australian government was in charge and that more-or-less everyone was pulling their weight.

Over the decade to 2005-06, unemployment for skilled migrants fell from 9 per cent to just 3 per cent. Even for the family reunion stream, unemployment dropped from 19 to 6 per cent and participation increased from 55 to 70 per cent. By contrast, unemployment for the family stream has now risen to 29 per cent with a decline in participation to 65 per cent.

The introduction of sub-class 457 visas was one of the former government's most significant innovations. Provided they were earning more than average weekly earnings and provided their employer had tried hard to find an Australian for the job, businesses could bring in workers from overseas for up to four years. During that time, they would normally become eligible for permanent residency.

A stronger economy is in everyone's interests; immigrants who contribute to a stronger economy improve the life of every Australian.

These are the best possible immigrants to Australia. They make a contribution from day one. From day one, they are immersed in the Australian way of life. They also help Australian businesses to make the most of their economic opportunities to build a

prosperity in which every Australian participates. In 2008-09, when net overseas immigration almost touched 300,000, less than a quarter of the overall intake was skilled and less than 10 per cent were on 457 visas. The current government has progressively made it more difficult for businesses to bring in sub-class 457 workers, mostly to accommodate union concerns, even though businesses using them are invariably employing more Australians too.

Provided they are paid the same wages and provided there aren't Australians who could readily fill particular jobs, businesses should be able to bring in the workers they need to keep growing and to create more local jobs. A stronger economy is in everyone's interests; immigrants who contribute to a stronger economy improve the life of every Australian. Under a Coalition government, 457 visas will not be just a component but a mainstay of our immigration programme.

Provided immigrants are in relatively well paid, skilled jobs that enable businesses to expand in ways that would not otherwise be possible, they are undeniably making our country stronger. A more skills focussed immigration programme should actually make it easier for governments to discharge their perennial duty to plan for the future and to provide the infrastructure needed to sustain a growing economy and a larger population.

A strong and non-discriminatory skilled immigration intake should help Australia to take advantage of what's been described as the "coming Asian century".

A strong and non-discriminatory skilled immigration intake should help Australia to take advantage of what's been described as the "coming Asian century". Properly utilised, immigrants to Australia could be our best business ambassadors to the

world's expanding markets. We should have ready-made experts on the economics and cultures of the booming economies to our north among the well-integrated immigrant Australians who grew up there.

Most of the hundreds of thousands of Australians with, for instance, Chinese as their first language are understandably more focussed

on their future here than on links with their homeland. The more successful they are in Australia, though, the more readily they could give us a head start in dealing with China. Well-integrated immigrants who've kept their language might also help to make up for Australians' tendency to linguistic laziness and complacent reliance on English being the world's second language.

Australians have lately had more reasons than usual to despair of their government but that is no justification for losing faith in our country and its future. Overseas observers might be shaking their heads in wonderment at a government with the Midas touch in reverse but Australians readily know what's gone wrong.

After the 2010 election, a desperate prime minister broke promises she should have kept to the Australian people and made promises she couldn't keep to fringe politicians in order to keep her job.

We are a great country and a great people let down by a bad government but that will pass. Whether it is this year or next year, we will soon enough have the chance to pass judgment on the current government. Australians know that it is possible to end the waste, to repay the debt and to stop the boats because it has been done before.

In 2002, just a year after the Tampa, there were no illegal boats at all because the people smugglers and their customers knew that the game was up. The next Coalition government may not be able to stop the boats instantly but we know it can be done soon and we are keen to start work immediately.



"Infrastructure matters because it helps determine our quality of life as well as our country's productivity and prosperity."

THE COALITION'S PLAN FOR THE INFRASTRUCTURE OF THE FUTURE

*Address to Infrastructure Partnerships Australia, Sydney,
2 May 2012*

FOR most Australians, there are few more infuriating things than never being able to get a seat on the train or the bus to work; or having to leave for work earlier and earlier because the traffic jams just keep getting worse and worse. Infrastructure matters because it helps to determine our quality of life as well as our country's productivity and prosperity. If we cannot readily get to where we need to go, so many of the things we take pleasure in become that much harder. If we do not have enough dams, we cannot water our gardens. If ships are banked up outside our ports, the goods we need do not turn up on time. If the airport has monster queues, we try to avoid travel.

Infrastructure has made modern civilisation possible. Without sewerage and clean water, cities would still be places where people died young. Without power, there would be no large-scale industry and none of the goods that we take for granted every day. Without railways and highways, most people would still be the prisoners of the village they were born in. For most people, expanded ports,

better railways, more roads and bigger air terminals have been the visible signs of a stronger economy and greater prosperity. They meant more trade, more customers, better goods and more leisure. Conversely, crumbling roads, unreliable ports, and unsuitable railroads were a sign of civic failure.



AUSTRALIA'S INFRASTRUCTURE CHALLENGE

The provision of better infrastructure has, quite rightly, become one of the key tests for any government: more so, perhaps, for state governments which have always had the principal responsibility for it in Australia; but increasingly, also, for the Commonwealth, which is invariably held responsible for the overall state of the nation.

By any standard, Australia's infrastructure is inadequate. Our trains are no faster than 100 years ago. Our big cities are still linked by two-lane highways. No major dams have been built for 20 years. Our urban motorways mostly start and end in suburban streets. We often give the impression of being much better at arguing about big developments than getting them built.

Over the past decade, infrastructure improvements have not kept up with population growth. State Labor governments have been more inclined to employ public servants than to invest in roads and rail, especially when that has meant braving local protests. The result has been frustrated commuters, more expensive goods and services, and an economy less able to compete against rivals that have planned ahead. Since 2007, there has been very little significant new road infrastructure commenced in Sydney or Melbourne. There has been serious new infrastructure in Brisbane but mostly thanks to Brisbane

City Council, the one local government in the country big enough to invest in major capital works. The lines of ships outside our ports have got longer, not shorter. Sending most cargoes by rail has got harder, not easier. The Hume Highway between our two biggest cities is about to be duplicated, finally, but that is the result of commitments made by the former government, not by the current one.

This government solemnly promised that it would not fund any infrastructure project without a cost-benefit analysis. In practice, there has not been a single cost-benefit analysis published prior to any of this government's infrastructure commitments.

The Rudd-Gillard government's most notable contributions to infrastructure have been roof insulation that has caused house fires, school halls built at double the normal cost and a National Broadband Network that is digging up streets so that families can pay three times the current price for broadband speeds they do not necessarily want or need and that could be delivered sooner at vastly lower cost. If the \$4.4 billion that the NBN is due to spend in the coming

financial year were on budget, the government would be unable to predict a surplus. But to move the NBN off budget, the government has had to assume unrealistically high take-up rates to generate a commercial rate of return. Even the government's construction ambitions have been caught up in the spin and general untrustworthiness that taints almost everything it does. If the Treasurer predicts a budget surplus, Australians can be confident that it will be based on cooked books, like the pretence that the NBN is not really government spending.

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infrastructure project without a cost-benefit analysis. In practice, there has not been a single cost-benefit analysis published prior to any of this government's infrastructure commitments. Every single programme and project has gone ahead because it has suited the government's political agenda. Whether it actually met the long-term economic needs of our nation has never been the government's main concern. The result is an infrastructure spending gap that Infrastructure Partnerships Australia estimates would cost \$800 billion over the next decade to fill.

The Coalition has a plan for Australia's infrastructure of the future. It is a key component of our overall plan for a stronger Australia.

There is a better way. The Coalition has a plan for Australia's infrastructure of the future. It is a key component of our overall plan for a stronger Australia. If implemented, the Coalition's plan should mean that our economy improves and that people's lives get better. If

implemented, our plan means that new infrastructure would be less a political trophy with which MPs might beguile their electorates than part of a specific design to give our country the best possible return for the billions that it costs.

Outside the Territories, the Commonwealth's infrastructure responsibilities were originally limited to defence facilities and, later, to soldier settlement irrigation works. First with telecommunications and the rail line to Western Australia, then with the Snowy Mountains Scheme and national highways, and finally with the Howard government's Auslink programme, the Commonwealth has steadily become the key element in many, if not most, large infrastructure projects.

The Howard government's instinct was to leave infrastructure to the states, other than national highways and telecommunications. The relative success of the Commonwealth in discharging its responsibilities, compared, at that time, to the relative failure of the Labor states in discharging theirs, led to strident demands for the Commonwealth to be more involved in infrastructure as it did for more Commonwealth involvement in public schools and hospitals. In 2004, the Howard government announced Auslink, a \$16 billion programme over five years, to support productivity-boosting transport projects. A further \$22 billion was allocated in 2007. Earlier, in 2001, the Howard government had established the \$300 million a year Roads to Recovery programme. This has become a key element in local councils' capacity to maintain and upgrade more than 650,000 kilometres of local roads. So far, the current government has largely continued both these programmes. What has been missing though is a long-term vision for Australia's infrastructure needs and a comprehensive plan for achieving it.

This matters because inadequate infrastructure and the convoluted regulatory systems that make new infrastructure more expensive lead to higher costs, longer travel times and millions of working hours lost in frustrating traffic jams or waiting for trains that never arrive. Goods that rely on inefficient transport networks cost more to ship to consumers, which means higher prices in shops. By definition, people sitting in traffic jams, even using their mobile phones on hands-free, are less productive than those that are actually at work. If people spent less time travelling, they could spend more time working as well as more time with their families. If work journeys were quicker, there'd be less "dead time" in the working day and a significant improvement in output per hour. The current government is more accustomed to link productivity with training than with investment in transport infrastructure but provided it is responsibly funded and done in accordance with the best available

cost-benefit analyses, infrastructure spending is a strong contributor to productivity growth.

A decade ago, the World Economic Forum ranked Australia among the top ten most competitive and productive economies in the world. This was driven by a series of microeconomic reforms, such as privatisation, more flexible workplaces and national competition policy impacting on telecommunications, transport and utilities. By contrast, Australia's worsening infrastructure inadequacies, the Forum says now, have been a fundamental element in Australia's recent productivity decline.



LABOR'S MISMANAGEMENT OF INFRASTRUCTURE

When it comes to delivering productivity enhancing infrastructure, the government has been more talk than shovel. Only 14 per cent of the stimulus, not the school halls and certainly not the roof batts, was spending that directly enhanced Australia's economic capacity.

Infrastructure spending is important, even when money is tight, provided it has a strong economic outcome. It cannot just be building for building's sake. The problem with the Rudd-Gillard government's infrastructure spending is that it has invariably been driven by political rather than economic priorities. When it comes to delivering productivity enhancing infrastructure, the government has been more talk than shovel. Only 14 per cent of

the stimulus, not the school halls and certainly not the roof batts, was spending that directly enhanced Australia's economic capacity.

In 2008, infrastructure minister Anthony Albanese said that all infrastructure decision-making would be based on "rigorous cost-benefit analysis to ensure the highest economic and social benefits to the nation over the long term." He also declared that the government had a "commitment to transparency at all stages of the decision-making process" and that Infrastructure Australia would routinely undertake a "proper cost-benefit analysis" of projects to ensure that "value for taxpayers' dollars" was achieved. Only a year later, the government failed to release cost-benefit analyses for any of the 15 big projects selected for funding in the 2009 Budget. Some of them were not even on Infrastructure Australia's priority list. A subsequent National Audit Office report found that before Infrastructure Australia had come to any conclusions about the 28 "pipeline" projects that it had identified, the government had already announced funding for 10 of them.

NBN Co currently has 1,300 staff earning on average \$148,000 a year, the highest pay of any business in the country. That is one staff member for every five customers. As Churchill might have said: never has so little been delivered to so few by so many at such expense.

Not only has the government failed to deliver on due process. It has also failed to deliver on its commitments to get things built. Its biggest single project by far, the NBN, is over-budget and way behind schedule. The latest figures show that it has only passed 18,000 houses and that only 12 per cent of these are actually using fibre. To meet the target of 760,000 houses passed by the end of the year,

it will have to pass over 3,100 houses a day – or 100 times its

performance up till now. NBN Co currently has 1,300 staff earning on average \$148,000 a year, the highest pay of any business in the country. That is one staff member for every five customers. As Churchill might have said: never has so little been delivered to so few by so many at such expense.

The government's promise to duplicate the Pacific Highway by 2016 is almost certain to be unfulfilled because it will require, according to the latest estimates, \$7 billion more than has been committed. In 2007, the government promised \$150 million to start planning to connect the expressway at Hornsby to the Sydney Orbital but cancelled this funding in last year's budget. The South Sydney Freight Line was supposed to be finished early in 2010 but is still not completed. In 2007, the government promised to "get moving now" to build the missing link from Brisbane's Gateway Motorway to the Bruce Highway. Five years on, the department says merely that "planning is nearing completion".

The government has recently committed to build a government-owned and run inter-modal freight hub at Moorebank in Sydney even though this will cost more and take longer to build than the private sector alternative planned, literally, for the other side of the street. Along with the NBN and the \$10 billion fund for clean energy proposals that banks will not touch, this is another victory for Labor's born-again socialists.

The Gillard government's recent attempt to renew debate about Sydney's second airport, without officially naming a preferred site or a timeframe, looks more like a ploy to defuse a Greens challenge in Labor's inner city seats than a serious proposal. Action is urgently required to improve air travel in and out of Sydney.

For now, though, this has more to do with addressing the traffic gridlock around the airport at peak times and making better use of other airports than it does with building a new one that couldn't be operational for many years.



THE COALITION'S BETTER WAY ON INFRASTRUCTURE

After nearly five years of a government that has wildly over-promised and massively under-delivered, Australians are looking for reassurance that our infrastructure needs will be planned for and met. The Coalition will task Infrastructure Australia with preparing a rolling 15-year national infrastructure plan with designated priorities based on published cost-benefit analyses. There will be a published cost-benefit analysis for any infrastructure project to which a Coalition government commits \$100 million or more.

The Coalition will task Infrastructure Australia with preparing a rolling 15-year national infrastructure plan with designated priorities based on published cost-benefit analyses.

As well, the Coalition will have the Productivity Commission examine possible means to get more private funding into high priority infrastructure projects. While the need to repay Labor's debt will limit the immediate scope for more Commonwealth infrastructure spending, the Coalition will ensure that existing funding is

better directed and helps to leverage other funding into the projects that Australia most urgently needs. Also, the Coalition's recent commitment to a one-stop-shop environmental planning approval process should make it easier to maintain standards while more quickly approving new infrastructure projects.

Australia's largest construction company, Leightons, recently published a position paper: "Australia's Top 12 Infrastructure

Priorities". These are the projects that, on Leightons' assessment, would add most to overall economic development and to Australia's liveability and productivity. Leightons' list is: Sydney's M5 East duplication, the second airport, the missing link from the M2 to the expressway at Hornsby, and the north west rail link; Melbourne's second CBD bypass, the Port of Hastings, the metro rail link and a third airport; Queensland's Bruce Highway duplication and the copper string power line between Townsville and Mt Isa; South Australia's northern connector; and the Perth Airport freight access project. According to Leighton's CEO, Australia is a country that once complained about the tyranny of distance but is now unready to take full advantage of being at the centre of world growth.

Every Sydney-sider understands the need to link the Anzac Bridge to the expressway at Strathfield. This vital missing road tunnel had become a manifestation of the syndrome to which state Labor governments were increasingly prone: BANANA or build absolutely nothing anywhere near anyone.

There is no doubt that Sydney, Melbourne, Brisbane and Perth each need an integrated motorway network and improved urban rail systems under comprehensive metropolitan transport plans. The Pacific Highway in Northern New South Wales urgently needs to be duplicated. Eventually, a dual carriage way between Melbourne and Adelaide would be the last link in a vital chain: the four-lane highway that should finally join our big eastern cities. Nor is there doubt that rail freight bottlenecks need to be eliminated and port infrastructure upgraded especially for coal and iron exports. The Bruce Highway along the Queensland coast needs major upgrades to service big increases in population and the resources boom as does the highway linking Perth to the Pilbara. The highway between Hobart and Launceston needs upgrading to four lanes. Within a decade, inland rail will be needed from Melbourne to Brisbane.

The Coalition's broadband will be national, not nationalised. It will be available sooner and at much less expense to taxpayers.

Australia does need faster broadband so that telecommuting is an alternative to commuting. As Telstra has just confirmed, this doesn't require fibre to the home and is more likely to be provided by a competitive market than a government infrastructure

monopoly. The Coalition's broadband will be national, not nationalised. It will be available sooner and at much less expense to taxpayers.

Under the Coalition, Infrastructure Australia would assess all these projects, publish cost-benefit analyses for them, and provide a recommended order of priority for Commonwealth funding. If the government varied Infrastructure Australia's priorities it would need

The Coalition is determined to explore responsible mechanisms for getting more private investment into infrastructure projects so that they can go ahead more quickly.

to argue a national interest case for doing so against the yardstick of what makes the most economic sense. Within 12 months of taking office, a Coalition government would declare what its priorities would be and, in consultation with the states, announce construction timetables. Where the states' own infrastructure priorities adhere to

the Commonwealth's, a Coalition government would work constructively with them to fund projects as quickly as possible.

I want to see cranes in the sky and bulldozers on the ground because that means economic growth. While the current government prefers to fund its infrastructure priorities off-budget even though they're

Commonwealth-owned, the Coalition is determined to explore responsible mechanisms for getting more private investment into infrastructure projects so that they can go ahead more quickly.

At the last election, the Coalition promised to have the Office of Financial Management consider the provision of infrastructure bonds to unlock up to \$20 billion for private infrastructure investment with wider public benefit. These tax concessions have been used in the past to help fund privately owned infrastructure such as Sydney's Eastern Distributor. Especially in the wake of commercially unsuccessful projects such as the Cross City Tunnel, what's needed is the best contemporary way to renew private sector investment in vital projects at the lowest cost to taxpayers. Without a new means to encourage private investment, there could be a very long wait even for infrastructure that could be expected to contribute strongly to economic growth. The Productivity Commission would be the best source of policy advice on this, as it has been on reforms to disability services and aged care.

Economic growth enabled the Howard government simultaneously to reduce taxes, to improve services and to deliver budget surpluses.

The best way to reduce cost of living pressures, while maintaining and improving the services that Australians want, is to return as swiftly as possible to strong economic growth. Under the current government, GDP growth has been due to higher population,

not higher productivity. Headline GDP growth has masked stagnant GDP per person. Since 2007, this has increased by under one half a per cent a year, compared with two and a quarter per cent a year increases over the life of the Howard government. Hence the longer the Gillard government lasts, the more the Howard era looks like a golden age of prosperity, that has now been lost. Economic growth

enabled the Howard government simultaneously to reduce taxes, to improve services and to deliver budget surpluses. Economic growth is the foundation of prosperity and productivity improvements are the foundation of economic growth. That is why better infrastructure is so important and why the Coalition has a plan to bring it about, even in these much tougher times.

There is nothing wrong with our country that a change of government wouldn't improve. We are a great country and a great people let down by a government that is going from bad to worse. We know that we are capable of more because that is what we've achieved in the recent past. My vision is for the 21st century infrastructure that we need to restore the hope, reward and opportunity that should be Australians' birth right.



Tony Abbott, Julie Bishop and Warren Truss

RESTORING HOPE, REWARD AND OPPORTUNITY

*Budget-in-Reply, House of Representatives,
10 May 2012*

THE job of every member of this parliament is to help shape a better Australia. It is to listen carefully to the Australian people, respect the hard-won dollars they pay in tax, do our honest best to make people's lives easier, not harder, and honour the commitments we make to those who vote for us. If that is how we discharge our duties as members of parliament, the public can respect their MPs and MPs can respect each other even when we disagree.

My values are the product of an Australian life – a real life much like yours – with Margie, raising three daughters in suburban Sydney, paying a mortgage, worrying about bills, trying to be a good neighbour and a good citizen, appreciating that no-one has a monopoly on virtue or wisdom, and grateful that our country has normally been free from the class struggle that has raged elsewhere, to other countries' terrible cost.

In a healthy democracy, people need not agree with everything a government does but they should be able to appreciate its purpose and why it could be for the long-term good of the nation as whole.

Government should be at least as interested in the creation of wealth as in its redistribution.

The fundamental problem with this budget is that it deliberately, coldly, calculatedly plays the class-war card. It cancels previous commitments to company tax cuts and replaces them with means tested payments because a drowning government has decided to portray the political contest in this country as billionaires versus battlers. It is an ignoble piece of work from an unworthy Prime Minister that will offend the intelligence of the Australian people.

Australia needs more successful people and more opportunities for people to succeed, yet this government's message is: 'The harder you try, the harder we'll make it for you.'

So, on behalf of the Liberal National Coalition, I assert these fundamental truths: government should be at least as interested in the creation of wealth as in its redistribution; government should protect the vulnerable, not to create more clients of the state but to foster more self-reliant citizens; the small business people who put

their houses on the line to create jobs deserve support from government, not broken promises; people who work hard and put money aside so they will not be a burden on others should be encouraged, not hit with higher taxes; and people earning \$83,000 a year and families on \$150,000 a year are not rich, especially if they are paying mortgages in our big cities.

Australia needs more successful people and more opportunities for people to succeed, yet this government's message is: 'The harder you try, the harder we'll make it for you.'



LABOR – NO PLAN FOR ECONOMIC GROWTH

From an economic perspective, the worst aspect of this year's budget is that there is no plan for economic growth – nothing whatsoever to promote investment or employment. Without a growing economy, everything a government does is basically robbing Peter to pay Paul. With a growing economy, it is possible to have lower taxes, better services and a stronger budget bottom line – as Australians discovered during the Howard era. That now seems like a lost golden age of prosperity. As this budget shows, to every issue this government's knee-jerk response is more tax, more regulation and more vitriol.

Let us be clear about this:
no genuine Labor
government would be
hitting the families and
businesses of Australia
with the world's biggest
carbon tax at the worst
possible time.

The Treasurer referred just once in his budget speech to what he coyly called the 'carbon price' before rushing to assure people that it would not affect them. If the carbon tax will not hurt anyone why is the government topping up compensation in this budget? If the carbon tax will not hurt anyone, why did the Prime

Minister say, six days before the last election, that there would be no carbon tax under the government she led? If the carbon tax will not hurt anyone, why are Labor members of parliament now frightened to go door knocking, even in their heartland?

Let us be clear about this: no genuine Labor government would be hitting the families and businesses of Australia with the world's

biggest carbon tax at the worst possible time. No genuine Labor government would be hitting our economy with what amounts to a reverse tariff, making Australian businesses less competitive and Australian jobs less secure compared to our overseas rivals who face no such tax. It does not matter how many times the Treasurer refers to a Labor government with Labor values; the real Labor people with whom I mix beyond the Parliamentary Triangle despair of the politicians who have sold their party's soul to the Greens.

I applaud the Treasurer's eagerness to deliver a surplus – but, if a forecast \$1.5 billion surplus is enough to encourage the Reserve Bank to reduce interest rates, what has been the impact on interest rates of his \$174 billion in delivered deficits over the past four years?

I know what it is like to deliver sustained surpluses because I was part of a government that did; indeed, 16 members of my frontbench were ministers in the government that delivered the four biggest surpluses in Australian history.

How can the Treasurer be so confident of next year's skinny surplus when this year's deficit, forecast to be \$23 billion in last year's budget, has now grown to \$44 billion? How can he be confident that next year's surplus will not evaporate completely, given that it has already shrunk from \$3.5 billion in last year's budget, and the cumulative budget bottom line has

deteriorated by \$26 billion in just 12 months?

The forecast surplus relies on the continuation of record terms of trade even though growth in China is moderating and Europe is still in deep trouble. Yet on Treasury's own estimates, a decline in the terms of trade of just four per cent would turn the surplus into a \$1.9 billion deficit next year and a \$5.1 billion deficit the year after.

As everyone who has managed a household budget knows, shuffling costs from one year to another, as the Treasurer has, does not make them go away; and a tiny surplus in one year does not outweigh huge deficits in other years. Even if the Treasurer is right, it will take 100 years of Swan surpluses to repay just four years of Swan deficits.

I know what it is like to deliver sustained surpluses because I was part of a government that did; indeed, 16 members of my frontbench were ministers in the government that delivered the four biggest surpluses in Australian history. By contrast, no-one will know whether the Treasurer has actually delivered his micro-surplus until late next year; is it any wonder that he seems to be suffering from a bad case of surplus envy?

If the budget really was coming into surplus it stands to reason that the government would have no further need to borrow. If the government really thinks that a surplus can be delivered, as opposed to being merely forecast, why is it proposing to add a further \$50 billion to the Commonwealth's debt ceiling? I challenge the government to stop hiding this massive lift in Australia's credit card limit in the appropriation bills and to present it honestly, openly to the parliament as a separate measure where it will have to be debated and justified on its merits.

Just last March, the Prime Minister said, "If you are against cutting company tax you are against economic growth. If you are against economic growth, then you are against jobs." In dumping her commitment to company tax cuts, the Prime Minister has reinforced her trust problem: why should this year's budget commitments be any more reliable than previous ones, especially when so much is such obvious spin?

The Treasurer boasted about his aged care changes but failed to mention that everyone who is not a full pensioner faces up to \$10,000 a year more for in-home aged care and up to \$25,000

a year more for residential care. He hailed the delivery of the National Disability Insurance Scheme but neglected to mention that it was short-changed \$2.9 billion from the Productivity Commission's version. He trumpeted more money for the states' dental schemes but not his plans to abolish the Medicare dental scheme. He highlighted more spending on the Pacific Highway but not the get-out clause that it has to be matched 50-50 by New South Wales, not 80-20 as agreed with the previous New South Wales Labor government. The Treasurer insisted that military spending could be cut – breaking more commitments in the process – without harming our defence capability even though defence spending, as a percentage of GDP, will soon be at the lowest level since 1938.



THE COALITION'S PLAN FOR ECONOMIC GROWTH

The Australian people deserve better than this and they are looking to the Coalition for reassurance that there is a better way. The Coalition has a plan for economic growth; it starts with abolishing the carbon tax and abolishing the mining tax. Abolishing the mining tax will make Australia a better place to invest and let the world know that we do not punish success. Abolishing the carbon tax would be the swiftest contribution government could make to relieve cost-of-living pressures; it would take the pressure off power prices, gas prices and rates; it would prevent more pressure on transport prices. Abolishing the carbon tax would make every job in our economy more secure. It would help to ensure that we keep strong manufacturing and vibrant agriculture, and grow knowledge-based industries and a resilient services sector as well as a mining industry, in a vigorous five-pillar economy.

Under the Coalition,
there will be tax cuts
without a carbon tax
because we will find the
savings to pay for them.

Australians understand that a tax reduction to compensate for a tax increase is not a real cut; they know that the only sustainable tax cuts are based on a permanent decrease in the size of government or a permanent increase in the

wealth of our nation. Under the Coalition, there will be tax cuts without a carbon tax because we will find the savings to pay for them. After all, the Howard government turned a \$10 billion budget black hole into consistent surpluses averaging almost one per cent of GDP; it turned \$96 billion in net Commonwealth debt into \$70 billion in net assets. The Coalition identified \$50 billion in savings before the last election and will do at least as much again before the next one. It is not as if savings are impossible to find. Why should the government commit nearly \$6 billion to power stations that the carbon tax would otherwise send bankrupt rather than just drop the carbon tax? Why spend billions of dollars to put people out of work rather than into it? Why does the Defence Materiel Organisation need 7,000 bureaucrats, especially when major equipment purchases are being put off? Why does Australia need to spend millions to join the African Development Bank?

Why spend \$50 billion on a national broadband network just so customers can subsequently spend almost three times their current monthly fee on speeds they might not need? Why dig up every street when fibred to the node could more swiftly and more affordably deliver 21st century broadband? Why put so much into the NBN when the same investment could more than duplicate the Pacific Highway, Sydney's M5 and the road between Hobart and Launceston; build Sydney's M4 East, the Melbourne Metro, and Brisbane's cross-city rail; and upgrade Perth Airport and still leave about \$10 billion

for faster broadband? Why spend another \$1.7 billion on border protection cost blowouts because the government is too proud to admit that John Howard's policies worked?

The Treasurer boasts that our economy will be 16 per cent bigger by mid-2014 than it was in mid-2008, before the global financial crisis. What he does not mention is that, over the previous six years, growth was 22 per cent and that over the six years before that – spanning the Asian financial crisis, the tech wreck and September 11 – the Howard government achieved growth of 26 per cent while implementing far-reaching economic reforms such as the GST.

Strong economic growth will be the overriding aim of the next Coalition government. We have done it before; we will do it again.

Strong economic growth will be the overriding aim of the next Coalition government. We have done it before; we will do it again. We will cut business red-tape costs by at least \$1 billion a year by requiring each government agency to quantify the costs of

its reporting and compliance rules and delivering an annual savings target. Public service bonuses will not be paid unless these targets are met. There will be a once-in-a-generation commission of audit to review all the arms and agencies of government to ensure that taxpayers are getting good value for money.

We will respond carefully but decisively to the problems that the community has identified in the Fair Work Act so that small businesses and their staff can get a fair go and our productivity can increase. We will restore the Australian Building and Construction Commission – the successor of the Cole royal commission, which I established – as a strong cop on the beat and the guarantor of \$6 billion a year in productivity improvements in a vital industry. Where union

officials and business people commit the same offence, they should face the same penalty; but, unlike the government, we did not need the Fair Work report into the Member for Dobell to realise that some unions are corrupt boys' clubs.

We will work with the states to put local people in charge of public schools and public hospitals because they should be as responsive to their patients and to their parents as businesses are to their customers. Our objective is to bring to the running of public schools and hospitals the same have-a-go mindset that the move to the Job Network, which I oversaw, brought to employment services under the former government.

The Coalition wants more Australians to be economic as well as cultural contributors. That is why Work for the Dole or some other serious undertaking should be mandatory for long-term unemployed people under 50. Welfare quarantining for long-term unemployed people should be extended from the Northern Territory to the rest of the country. Where unskilled work is readily available, unemployment benefits should be suspended for fit people under 30, as recommended by Warren Mundine, a former Labor Party national president.

Yes, there will finally be a fair dinkum paid parental leave scheme, giving mothers six months at full pay with their babies and bringing Australia into the 21st century to join the 35 other countries whose parental leave schemes are based on people's pay. Because parental leave is a workplace entitlement, not a welfare benefit, it should be paid at people's real wage as sick leave and holiday pay are. There will also be a Productivity Commission inquiry to consider how child care can be made more flexible and more effective, including through in-home care, so that more women can participate in a growing economy if that is their choice.

I will continue to work with Noel Pearson to help shift the welfare culture that has sapped Aboriginal self-respect, and with Twiggy

Forrest to get more Aboriginal people into the workforce. I will keep spending a week every year volunteering in Aboriginal communities, and I hope that a tribe of public servants will soon have to come with me to gain more actual experience of the places we are all trying to improve. That is what good social policy does – it empowers people to make the most of their lives and to prove to themselves what they can do rather than what they cannot. That way, it reinforces good economic policy.

The Coalition will reward conservation minded businesses with incentives to be more efficient users of energy and lower carbon emitters.

In a productive and competitive economy it should be easier to get things built, provided they meet the best environmental standards. So the Coalition will allow the states to be a one-stop-shop for environmental approvals. The Coalition will reward

conservation minded businesses with incentives to be more efficient users of energy and lower carbon emitters. Our policy means better soils, more trees and smarter technology – unlike the carbon tax, which is socialism masquerading as environmentalism. There will be a Green Army, an expanded version of the Green Corps that I put in place in government, to tackle our landcare problems so that beaches and waterways can be cleaner and land more productive.

The next Coalition government will fund infrastructure in accordance with a rational national plan based on published cost-benefit analyses. We will find the most responsible ways to get more private investment into priority projects so that the new roads, public transport systems and water storages that we need are not so dependent on the taxpayer. Too often, government's focus is on the urgent rather than the important; on what drives tomorrow's headline rather than on what changes our country for the better.

We are supposed to be adapting to the Asian century, yet Australians' study of foreign languages, especially Asian languages, is in precipitous decline. The proportion of year 12 students studying a foreign language has dropped from about 40 per cent in the 1960s to about 12 per cent now. There are now only about 300 year 12 Mandarin students who are not of Chinese heritage. Since 2001, there has been a 21 per cent decline in the numbers studying Japanese and a 40 per cent decline in the numbers studying Indonesian.

My commitment is to work urgently with the states to ensure that at least 40 per cent of year 12 students are once more taking a language other than English within a decade.

If Australians are to make their way in the world, we cannot rely on other people speaking our language. Starting in preschool every student should have an exposure to foreign languages. This will be a generational shift, because foreign language speakers will have to be mobilised and because

teachers take time to be trained. Still, the next Coalition government will make a strong start. My commitment is to work urgently with the states to ensure that at least 40 per cent of year 12 students are once more taking a language other than English within a decade.

The Coalition can find responsible savings to cover tax cuts without a carbon tax and emissions cuts without a carbon tax because, at least until the budget has returned to strong surplus, our plan for a stronger economy and a fairer society involves more efficiency rather than more spending.

There is little wrong with our country that a change of government would not improve. On day one, a new government would order the carbon tax repealed and accept Nauru's standing offer to reopen

the detention centre. Within a week, the Navy would have new orders to turn around illegal boats. Within a month, the commission of audit would be making government more efficient. Within three months the parliament would be dealing with carbon tax, mining tax and border protection legislation. Within a year, national infrastructure priorities would be agreed and there would be more cranes over our cities. Every day, with every fibre of my being, I would be striving to help Australians be their best selves.

As someone whose grandparents were proud to be working class, I can feel the embarrassment of decent Labor people at the failures of this government. As Ben Chifley famously said, the goal of public life, our 'light on the hill', should not be making someone Prime Minister or putting an extra sixpence in people's pockets but rather 'working for the benefit of mankind, not just here but wherever we can lend a helping hand'.

I regret to say that the deeper message of this week's budget is that the Labor Party now stands only for staying in office. Everyone knows that this Prime Minister is a clever politician, but who really trusts her to keep any commitments? She said she would never challenge the former Prime Minister but did. She said there would never be a carbon tax but has imposed one because, she claimed, the Greens made her do it. The Prime Minister told the member for Denison, 'There will be mandatory pre-commitment under the government I lead,' but she now tells clubs and pubs, 'There will be no mandatory pre-commitment under the government I lead.'

The Prime Minister and the Treasurer have constantly invoked Labor values. Were they Labor values the Prime Minister showed in carpet bombing Kevin Rudd's reputation or in turfing Harry Jenkins as speaker for Peter Slipper or in protecting Craig Thomson, the Member for Dobell, to this very day, despite Fair Work Australia's findings? By a government's actions will its values be judged. Budget

week has not just been about the budget. Under these circumstances, how could it be? It has been about the Prime Minister's integrity and judgment. As long as Labor keeps voting in this parliament to protect the Member for Dobell and keeps paying his legal fees, his suspension from the caucus will not end the sleaze factor paralysing this government.

Decent Labor people should not be bluffed by the deal with independents to keep a leader who is trashing a once-honourable political party. This government should find a leader who is not fatally compromised by the need to defend the indefensible. Then this parliament can once more be a proper contest of ideas between those who see bigger government and those who see empowered citizens as the best guarantee of our nation's future.

As budget week has demonstrated, minority governments are too busy managing the parliament to manage the economy properly. While they are surviving, not governing, our country is drifting, not flourishing. With each broken promise, with each peremptory change, with each tawdry revelation, with each embarrassing explanation, the credibility of this government and the standing of this parliament is diminished. But a shrunken government diminishes us all; that is why our country needs a change.

I want to assure the people of Australia that it does not have to be like this; we are a great people let down by a bad government, which will pass. There is a better way. The Coalition stands ready to restore hope, reward and opportunity so that, once more, all Australians can face a bright future with confidence.



"With a softer Chinese economy, America stagnant and Europe mired in recession, more than ever, Australia needs to get its own economic house in order."

THE COALITION'S PLAN TO BUILD A MORE PRODUCTIVE AUSTRALIA

*Address to the Melbourne Institute/The Australian
Economic and Social Outlook Conference,
Melbourne, 2 November 2012*

AUSTRALIANS are not necessarily concerned about who is or who isn't winning the short term political battle but they do want to know who has a plan for the long term future of our country. My read of the public's mood is that they are sick of the spin that is coming out of Canberra. As MPs, we cannot opt out of this government's political diversions but the Coalition's focus will always be on what matters for the forgotten families and the vulnerable small businesses of Australia. That is why good policy should prevail over clever politics, reform over rancour and substance over spin. Get the policy right, Paul Keating used to say, and the politics will look after themselves. I am not sure how the former prime minister would have handled today's 24/7 news cycle but long term policy considerations must always be factored into short term political management if our country is to be well governed.

Over the past two years, the Coalition has consulted widely across all parts of Australia to develop comprehensive policies to improve our nation. Over the course of this year, I developed our plans for

I am confident that the next Coalition government can build on the strengths of its predecessor which, after all, delivered more than 2 million new jobs, a 20 per cent plus increase in real wages and a doubling of Australians' net wealth per person.

a stronger economy, stronger communities, a cleaner environment, stronger borders and modern infrastructure. I thank all my senior colleagues for their contribution to this work, especially the Coalition's senior economic team, Joe Hockey and Andrew Robb. Due to their hard work, the Coalition has an overall plan for a strong and prosperous economy and a safe and secure Australia. As I have learned from my nine years as a

Howard government minister and from my six years as Leader of the House of Representatives, good government can foster change for the better. I am confident that the next Coalition government can build on the strengths of its predecessor which, after all, delivered more than 2 million new jobs, a 20 per cent plus increase in real wages and a doubling of Australians' net wealth per person. Our country is crying out for leadership. Our best days are ahead of us. The backflips and betrayals of minority government are an aberration rather than the new normal of public life.



SOUND ECONOMIC MANAGEMENT

At the very heart of good government, is sound economic management. Policy should be directed towards lower and simpler

tax, fairer and more effective administration, better and more efficient services and, above all else, towards a stronger and more prosperous economy. With a strong economy, the country can be defended, the vulnerable can be protected, and the environment can be improved. A strong economy provides the conditions where Australians can run their own lives and plan their future with

A strong economy provides the conditions where Australians can run their own lives and plan their future with confidence.

confidence. The stronger the economy, the fewer the invidious choices that governments have to make.

Credible government must have a sound economic strategy. It need not embody a consensus but it must have a

strong rationale, consistently pursued. Sound budget management means a sustainable surplus over the medium term because governments have to live within their means. Sound economic policy needs a productivity focus because that is the only sustainable way to lift Australians' standard of living. The current government, I regret to say, has no credible plan to return to surplus. Deep down, it thinks that the state isn't subject to the same budgetary constraints that apply to businesses and households. Governments can defy economic gravity in a way that families and businesses can't – but not forever. As the Eurozone is discovering the hard way, there are limits even to sovereign governments' ability to live beyond their means.

Four days before the last election, the Prime Minister was asked whether she would resign if she failed to get the budget back to surplus, as promised, in the current financial year. "The budget is coming back to surplus" she declared. "No 'ifs', no 'buts', it will happen". A day later, the Treasurer declared that the budget would be in surplus by 2012-13 "come hell or high water". In fact,

Treasurer Swan has declared that the government will deliver a surplus this financial year on at least 150 separate occasions since May 2010. On the return to surplus, Prime Minister Gillard told a community forum just before polling day that “failure is not an option” because, as she has variously said, a surplus is “the right thing to do for Australian families”, “it’s the right strategy for jobs and growth”, and “the best way we can lock in confidence about the future and send a message to the world”.

This government has a political strategy – to proclaim a surplus; but not an economic strategy – actually to deliver one.

In fact, the message from the MYEFO mini-budget is that this government will never deliver an honest surplus. The great disappearing surplus rests on \$5 billion of National Broadband Network spending being kept off-budget and

\$10 billion of accounting fiddles and money shuffles – such as spending just \$1 million from the Energy Security Fund this year but \$1 billion in both the year before and the year after! Even with these tricks, the \$1.1 billion surplus depends on \$2 billion in mining tax revenue. It is lucky that the government chose to deliver its mini-budget on a Monday because on the Wednesday it was revealed that the mining tax had raised no revenue whatsoever in its first quarter. Even from a government that had previously built school halls for no pupils, it takes a special genius to create a tax with no revenue. What’s more, next year’s supposed \$2.3 billion surplus rests on \$5.5 billion of brought forward company tax. This paperwork-creating fiddle is the best the government can manage to turn an election year deficit into another bodgied-up surplus. This government has a political strategy – to proclaim a surplus; but not an economic strategy – actually to deliver one.

Then there are its unfunded future commitments: a further

\$10.5 billion a year for the National Disability Insurance Scheme, up to \$6.5 billion a year for the Gonski education changes, and another \$1.7 billion for Murray-Darling Basin infrastructure from a government that is much better at spending money than getting results. Many of these are worthy projects but they should only be promised when they can be paid for. By mortgaging the future, the Prime Minister and the Treasurer are acting like bad tenants, trashing the house before they're evicted.

A sustainable economic strategy cannot be based on constantly rising terms of trade. A lazy government has been relying on luck that cannot last.

With a softer Chinese economy, America stagnant and Europe mired in recession, more than ever, Australia needs to get its own economic house in order. Businesses and individuals borrowing too much and living beyond their means were the root cause of the Global Financial Crisis. In

trying to deal with its aftermath, governments do not seem to have grasped that you cannot solve a problem caused by too much debt and deficit with yet more debt and deficit. To the extent that they have any validity, the current government's boasts about how well we are doing owe almost everything to the lucky break of the biggest commodity price boom since the gold rush of the 1850s. Yet in 2004-5, with unemployment at about 5 per cent, the Howard government delivered a 1.5 per cent of GDP surplus – despite terms of trade 40 per cent lower than last year when the current government delivered a deficit of 3 per cent of GDP. That is an instructive comparison. Today's success, such as it is, has been made in China, not here. A sustainable economic strategy cannot be based on constantly rising terms of trade. A lazy government has been relying on luck that cannot last.

People know that these are uncertain times at best and sense that they should save because their government refuses to.

Despite the best terms of trade ever, it has turned consistent 1 per cent of GDP surpluses into the four biggest deficits in our history. It's turned \$70 billion of net Commonwealth assets into almost \$150 billion of net debt (or nearly \$7,000 for every

man, woman and child) and it is now spending about \$20 million a day just to pay the interest on what it has already borrowed. Under the current government, the participation rate has dropped, the pace of jobs growth has been 30 per cent slower, and less than half of the new jobs have been market sector jobs compared with 70 per cent under the Howard government. Under Labor, GDP per head has grown by just over one half of one per cent per year compared to well over two per cent a year under its predecessor. Calendar 2011 was the first year in two decades with no increase in the number of jobs. Although the public may be only dimly aware of these details, the massive rise in the savings rate, to levels not seen for 20 years, in part, is their implicit vote of no confidence in the current government. People know that these are uncertain times at best and sense that they should save because their government refuses to.

The carbon tax – which the government is desperate to have the Coalition stop talking about – is not just a hit on families' cost of living. It is actually emblematic of this government's failure to understand what makes an economy work: it is a great big new tax, great big new bureaucracies, a great big new slush fund, and great big new handouts to politically-favoured constituencies. The carbon tax is not "reform" in the tradition of cutting tariffs and floating the dollar because, as Professor Richard Blandy recently noted, "these reforms allowed the Australian economy to restructure towards areas of comparative advantage". By contrast, the carbon

tax denies our economy the comparative advantage of access to abundant fossil fuel. On the government's own modelling, abolishing the carbon tax alone will add nearly \$5,000 to annual gross national income per head by 2050. Abolishing the carbon tax alone will add a trillion dollars extra, or nearly a full year's output, to our cumulative GDP by 2050. So, the first big economic reform of the next Coalition government will be to abolish unnecessary taxes. The carbon tax will go because it damages the economy without helping the environment and the mining tax will go because it's damaged confidence and investment without actually raising any revenue.



THE COALITION'S DEREGULATION REFORM AGENDA

Our next reform will be restoring prudent budget management. That is why

I have warned shadow ministers that some of our own initiatives might have to be phased in, or commence later than if the current structural budget position were not so poor.

Our next reform will be restoring prudent budget management. We will get spending down by reducing the size of government through natural attrition, rationalising the overlap between different levels of government, and establishing a once-in-a-generation commission of audit to make government more efficient.

The abolition of two taxes

slated to raise more than \$40 billion over the forward estimates makes serious savings mandatory, even though the Coalition will not go ahead with all the associated spending. That is why I have

warned shadow ministers that some of our own initiatives might have to be phased in, or commence later than if the current structural budget position were not so poor. In many portfolio areas, the policy the Coalition takes to the next election will not involve any new spending at all but will focus on administrative changes to make people's lives easier.

The main elements of the Coalition's economic plan are lower taxes, lower spending, closer engagement with Asia and, crucially, higher productivity because, as Reserve Bank Governor Glenn Stevens has said: "everything comes back to productivity. It always does".

The main elements of the Coalition's economic plan are lower taxes, lower spending, closer engagement with Asia and, crucially, higher productivity because, as Reserve Bank Governor Glenn Stevens has said: "everything comes back to productivity. It always does". For the Coalition, a more productive economy is a less-regulated one. For Labor, by contrast, a more productive economy is one with more government

spending even though it's much easier to spend the money than to get a result.

In releasing the Coalition's deregulation discussion paper arising from the red tape review that Senator Arthur Sinodinos chaired with the help of Kelly O'Dwyer and Senator David Bushby, it is abundantly clear from their consultations that over-regulation is an incentive-destroying, job-jeopardising, family budget-consuming burden on our economy and on everyone employed in it. According to the Australian Chamber of Commerce and Industry, 73 per cent of businesses believe that the overall regulatory compliance burden has increased in the past two years and 60 per cent of businesses

spend more than \$5,000 a year just meeting regulatory requirements. Red tape is feeding into poor multi-factor productivity which the ABS says fell 4.2 per cent in the four years to June last year. In August, The Economist Intelligence Unit ranked Australia as the second worst of 51 countries for productivity growth ahead only of Botswana. For instance, the now-suspended Olympic Dam project required an environmental impact statement running to 29 chapters and 51 appendices that took three years to prepare. Applicants for the government's paid parental leave scheme have to read 30 pages of instruction and complete a 48 page form like a tax return only without the benefit of a group certificate. This is typical of the extent to which people's business and personal lives now involve ticking boxes rather than doing things.

Under the Coalition, every significant government agency and department will be required to quantify the costs that their reporting and compliance regimes impose.

Under the Coalition, every significant government agency and department will be required to quantify the costs that their reporting and compliance regimes impose. Every agency and department will be given an annual target for red tape cost reductions – cumulatively at least \$1 billion a year – that will have to be

met if senior public service bonuses are to be paid.

Under a Coalition government, every cabinet submission will once more contain a regulation impact statement that quantifies the compliance costs imposed and contains matching compliance cost cuts. Every year, there will be a Deregulation Report tabled in the parliament and two sitting days will be dedicated to the repeal of redundant legislation and review of regulations. To ensure that deregulation is taken seriously, I will take responsibility for

deregulation out of the Department of Finance and into the

If the people running businesses have more time for innovation because they spend less time on paper work, productivity will go up.

Department of Prime Minister and Cabinet so that it will be a whole-of-government focus. If the people running businesses have more time for innovation because they spend less time on paper work, productivity will go up. That is why these deregulation measures are such an important productivity boost.



POLICIES FOR A MORE PRODUCTIVE ECONOMY

If workers spend less time in traffic jams they will have more time at work and more time with their families. That is why our commitments to get WestConnex built in Sydney, the East West link in Melbourne and the Gateway extension in Brisbane as well as to duplicate the Pacific Highway well within this decade, and to fund infrastructure on the basis of published cost-benefit analyses, are further important boosts to productivity.

If businesses large and small are competing on a genuinely level playing field where the most cost-effective products dominate markets regardless of who supplies them, our productivity will go up. That is why our root and branch review of competition laws is an important productivity initiative.

If the public schools and public hospitals that comprise more than 5 per cent of our total economy are more responsive and efficient, productivity will improve. That is why community controlled public hospitals and independent public schools, where individuals have a stake in the institution and a say at the board table, are also a productivity measure.

If more women are in the workforce our economy will be more productive. This means addressing the impediments to greater employment for women with families. We need a better childcare system that is less geared to 8-to-6 institutional care and we need a fair dinkum paid parental leave scheme that gives women a better chance to combine families and careers. Australia is one of only two countries where parental leave is not based on people's actual wage. If people receive their actual wage while sick or on holiday, they should also receive their actual wage while on parental leave. Parental leave, after all, is supposed to be a workplace entitlement, not a welfare one.

Strategies to improve participation must also include people currently on welfare. The best form of welfare is work. That is why more work for the dole for unemployed people and more rigorous analysis of disability pension claims to try to keep people attached to the workforce are also good for productivity.

If there are fewer strikes and if unions are better governed, our economy will be more productive. That is why restoring the Australian Building and Construction Commission; ensuring that union officials and company officials face similar duties, accountabilities and penalties; and addressing the militancy, flexibility and productivity problems arising from the Fair Work Act are also part of a productivity agenda.

From day one, the next Coalition government will be as concerned to create wealth as to redistribute it. To restore confidence, people

will need to know from day one that Australia is under new management. That is why we are establishing a Productivity Priorities Working Group, to be chaired by Steve Ciobo, with Josh Frydenberg and Dan Tehan as deputies, to consult with business and community stakeholders on the implementation of our productivity agenda so that it can effectively be implemented from day one.



GOVERNING IN THE NATIONAL INTEREST

The next Coalition government will govern in the national interest, not in the interests of any particular section of the community.

Because no one owns the Liberal or the National parties, the next Coalition government will govern in the national interest, not in the interests of any particular section of the community. We understand, though, in a way that the current government

palpably does not, that you cannot have strong communities without strong economies to sustain them and you cannot have strong economies without profitable private businesses. I will end the bad blood between government and business that is damaging investment and employment and that is sapping the confidence that's so important for every Australian's prosperity. We will do government differently. We will talk to people before we make decisions rather than just recriminate about them afterwards.

If elected, the Coalition will establish a new Prime Minister's business advisory council to meet three times a year.

If elected, the Coalition will establish a new Prime Minister's business advisory council to meet three times a year. It will be chaired by Maurice Newman, the former head of the Australian Stock Exchange and Deutsche Bank

and will include representatives from the manufacturing, agricultural, services and knowledge sectors as well as from the resources sector because we will need a strong five pillar economy when the mining boom is over. Not everything that's good for business is good for Australia but what's bad for business is very rarely good for our country. That's why this council is important and will have its first meeting within six weeks of the swearing in of a new government.

My colleagues and I understand that governing this country is an honour that political parties and politicians have to earn. That is why we are presenting a real economic strategy with a real understanding of business and a real commitment to helping every Australian worker to be as productive as possible in addition to doing the standard opposition job of holding the current government to account.

Australia is blessed with a benign climate, an abundance of natural resources, and people who respect each other and want to work together productively to make our country strong. We are a great people who know that we could make more of ourselves under a better government. My colleagues and I are waiting for our chance to make a difference. We hope that comes soon enough because our country is crying out for change.



Tony Abbott addressing the Liberal Party Federal Council in Melbourne, 2012

BUILDING ON THE STRENGTHS OF MODERN AUSTRALIA

*Address to the 56th Federal Council of the Liberal Party of Australia,
Melbourne, 30 June 2012*

THE next election is about giving a great people the better government they deserve. Our party is bigger than any of us because it represents the dream of freedom and the love of country that runs like a golden thread through the history of our nation and of our civilisation. On behalf of the Liberal National Coalition, I assert these fundamental truths:

Government should be at least as interested in the creation of wealth as in its re-distribution.

Government should protect the vulnerable – not to create more clients of the state – but to foster more self-reliant citizens.

The small business people who put their houses on the line to create jobs deserve support from government, not broken promises.

And people who work hard and put money aside so they will not be a burden on others should be encouraged, not hit with higher taxes.

My pledge to the young people of Australia is that the next Liberal National government will not swallow up your future by consigning our country to a generation of debt.

My pledge to the forgotten families of Australia is that we will never make your lives harder by imposing needless new taxes.

they earn is Sir Robert Menzies' declaration that the class war is always a false war.

The best thing anyone can do right now for the working families of Australia is take the pressure off their cost of living and keep their jobs competitive.

My pledge to the forgotten families of Australia is that we will never make your lives harder by imposing needless new taxes. My pledge to everyone dismayed by attempts to set Australian against Australian on the basis of where they live or how much

To the farmers of Australia, my pledge is that the next Liberal National government will recognise you as our first and best conservationists. To the members of our armed forces, on the seas to our north, in Afghanistan and elsewhere, my pledge is that a Liberal National government will not send you into harm's

way without our love, our prayers and the best support a grateful nation can give. My pledge to the workers of Australia is that your pay will be protected and that the businesses that employ you will have more chance to invest and expand.

The best thing anyone can do right now for the working families of Australia is take the pressure off their cost of living and keep their

jobs competitive. From the first of July this year, every problem we face will have become worse under the carbon tax that is designed to go up and up and up. It will raise every family's cost of living. It will make every job less secure. But it will not help the environment because Australia's domestic emissions will be eight per cent higher – yes higher – by 2020 despite a carbon tax of \$37 a tonne. Soon enough, the Australian people will pass judgement on this bad tax based on a lie. The next election will be a referendum on the carbon tax and on prime ministers who tell lies; and when I say, during that campaign, “there will be no carbon tax under a government I lead” Australians can be 100 per cent certain that I am telling the truth.

My vision for Australia doesn't involve the national government telling everyone what they should do and who they should be. It is giving individuals and communities a better chance to realise their own visions, which will be as diverse as the Australian people.

I am confident that the parties I lead can best represent Australians' true interests and lasting values because we aren't owned by anyone, do not recruit our MPs from a narrow political caste of former union officials and political operators, and haven't sold our soul to the Greens in order to cling to office. From Menzies and Fadden, to Howard and Fischer, people could trust their futures to Liberal National governments. This is

our tradition, a tradition that has consistently delivered the hope, reward and opportunity that Australians instinctively aspire to.

As liberals, we support smaller government, lower taxes and greater freedom; as conservatives, we support the family, and values and institutions that have stood the test of time; as patriots we support

policies that have been proven to work and that clearly make our country stronger – a country where citizens count for more and officials count for less: that is my vision for Australia.

My vision for Australia doesn't involve the national government telling everyone what they should do and who they should be. It is giving individuals and communities a better chance to realise their own visions, which will be as diverse as the Australian people. Australians do not need an official vision that they're all expected to share. We need to know that all of us can have a go, and be ourselves, and still be accepted. This is what gladdens the heart of every Australian and makes us proud of who we are and what we've achieved. Australians know that this is a great country – let down by a bad government - but with its best years ahead provided more of us can come closer to being our best selves.

My hope is to lead a government that appeals to our values as well as to our interests and that helps people to feel more pride in our country.

My hope is to lead a government that appeals to our values as well as to our interests and that helps people to feel more pride in our country. My hope is that all my fellow Australians will feel safe in their homes, accepted in their communities and secure in

their jobs. My hope is that more Australians will feel that their lives are worthwhile and that their plans are being realised. My hope is that Australia will shine brighter as a beacon of freedom and fairness in a turbulent world where people from anywhere, provided they are ready to join our team and accept our rules, can build a life for themselves and for their children. My hope is that the indigenous people of this country will have more self-respect because they are less dependent on government.

My hope is that our country will count for more in the wider world with a stronger alliance with America, greater and more diversified trade with our partners in Asia, and a growing relationship with countries such as India making more of our shared attachments to democracy and the rule of law. My hope is that Australians will come to think of starting a business as readily as they think of taking a job; and of buying shares as readily as they contemplate buying a new kitchen appliance; and that more of us will come to appreciate that economics is not a zero sum game where higher profits must mean lower wages and vice versa.

But it is not enough to hope. Change for the better requires policies that are affordable, achievable and believable. People need to know how they can be funded, how they can be implemented, and how they fit with their own values and those of the government that is delivering them. As a political movement that doesn't say one thing and do another, the policies that the Liberal and National parties took to the last election will be the foundation of the policies we take to the next one.

We will ensure that government lives within its means and will reduce the Commonwealth payroll, through natural attrition, closer to its size at the close of the Howard government. We will eliminate the carbon tax and the mining tax. There will be personal income tax cuts without a carbon tax and company tax cuts without a mining tax because we'll find the spending reductions to make them sustainable. We will reduce emissions through more trees, better soils and smarter technology, not a great big new tax on everything.

There will be national broadband that is delivered more affordably and rolled out more quickly without a government monopoly and without relying on one delivery mechanism. There will be a fair dinkum paid parental leave scheme so that mothers will have a more realistic choice to combine work with family; and we will seek

a childcare system that is more flexible, affordable and accessible.

We will co-operate with the states to deliver more independent public schools and community-controlled public hospitals. There will be incentives for employers to take young people and seniors off welfare and into work. We will protect our borders by restoring the policies that succeeded under the Howard government.

Before the last election, we said that we'd end the waste, pay back the debt, stop the big new taxes and stop the boats. As things go from bad to worse, that is even more necessary now than it was then.

The Coalition has a four point economic plan to fix the budget, lower taxes, boost productivity and integrate more closely with the economies of Asia. The Coalition has a six point plan to boost productivity and competitiveness: increasing workforce participation; boosting the efficiency of public institutions; establishing a level playing field for competition between big business and small; cutting red tape costs by \$1 billion a year; boosting economic infrastructure; and restoring the balance in workplace relations.

These policies should result in a strong five pillar economy: with a growing services sector, a vibrant knowledge economy, and re-invigorated manufacturing industry as well as our traditional strengths in agriculture and mining. More recently, as part of the Coalition's plans for a stronger economy for a stronger Australia, I've made important additional commitments: there will be a once-in-a-generation commission of audit to consider every aspect of government's effectiveness and value for money.

The states will have the chance to become one-stop-shops for environmental approvals. Within a decade, working with the states, 40 per cent of school leavers will study at least one foreign language. Our immigration programme will focus on people who can make a contribution from day one in a job; and we will find ways of getting

more private sector investment into infrastructure because people shouldn't have to fight to get to and from work.

One of the problems of modern government is analysis paralysis. Projects are announced and never delivered because everyone has a right of veto rather than just a right to be listened to. The next Liberal National government will not shirk the decisions necessary to deliver lower taxes, better services, stronger borders and modern infrastructure.

On day one of a new government, the carbon tax repeal process will begin.

On day one of a new government, the carbon tax repeal process will begin. On day one of a new parliament, the carbon tax repeal legislation will be introduced. On day

one of a new government, the navy will receive new orders to protect our borders and promote safety at sea.

Within 12 months of a Liberal National government taking office in Canberra, big new infrastructure projects should be under way in our largest cities. After discussions with Infrastructure Australia and state governments, I can announce that the Coalition will commit \$1.5 billion to the East-West Link road tunnel in Melbourne, \$1.5 billion to the M4 East in Sydney, and \$1 billion to the Gateway Motorway upgrade in Brisbane. Commonwealth funding at this level should enable these projects swiftly to proceed in conjunction with state and private funding. These commitments will largely be met from within the Nation Building programme and supplemented by responsible savings. We will work with the states and the private sector to ensure that these projects have started to go ahead within 12 months of the next federal election because the Australian people need to know that our great cities are not at risk of gridlock.

Our big cities are no less vital to our economy than our vast resource

developments and can properly be considered part of our national economic infrastructure. Almost nothing builds confidence more than seeing cranes over our cities and almost nothing signifies progress more than new roads. These three commitments complement those the Coalition has previously supported and today reaffirms: the Toowoomba range crossing, the Perth Gateway project, and the Midlands Highway in Tasmania. Soon, there will be further commitments in Adelaide and to the Bruce and Pacific highways.

Within two years, under a Liberal and National government, there will be a new Colombo Plan

Sensible people learn from the past but are not trapped in it. One of the big achievements of the Menzies government was the Colombo Plan, which brought to Australia for study some of the potential leaders

of our region. The vice-president of Indonesia and the national development minister of Singapore, for instance, are recipients of Colombo Plan scholarships. Sixty-one years after it began, this remains Australia's classic soft-power initiative in our region. Within two years, under a Liberal and National government, there will be a new Colombo Plan that doesn't just bring the best and the brightest from our region to Australia but that takes Australia's best and brightest to our region.

We should better appreciate not just how much Australia can give our neighbours but how much they can give us, in cultural insights as well as in trade benefits. That is hard when there are, for instance, 17,000 Indonesians studying here but only some 200 Australians studying there. A modern version of the Colombo Plan, operating as a two way rather than as a one way street, and funded from existing resources, should reinforce our own and overseas future leaders' understanding of the things we have in common.

Back in 2007, the Australian people decided that they wanted to make a fresh start with a new government and I respected that choice even though I profoundly disagreed with it. In 2010, people were torn between disappointment at Labor's failures and their willingness to give a new government a fair go.

My challenge, our challenge, every day between now and the next election is to reassure people that there is nothing wrong with our country that wouldn't be improved by a change of government. It is to demonstrate how people could have greater confidence in our government and therefore more confidence in our country.

My challenge, our challenge, every day between now and the next election is to reassure people that there is nothing wrong with our country that wouldn't be improved by a change of government. It is to demonstrate how people could have greater confidence in our government and therefore more confidence in our country. I know what a good government is like because I was part of one.

As a minister in the Howard government I established the Green Corps, which deployed thousands of young Australians on practical conservation

projects. I massively expanded Work for the Dole because unemployed people should have the chance to demonstrate what they could do, not what they couldn't. I got the Job Network working by teaching public servants to cooperate with community groups, not order them around. I set up the Cole Royal Commission to bring the rule of law and higher productivity to the commercial construction industry. I created the Medicare safety net and extended Medicare to psychology and to dentistry because I believed that Medicare should treat the

whole person, not everything except the mouth and the mind.

Every single one of these initiatives reflected the enduring values of our party and, I believe, the best instincts of our people: appreciation of the natural world and a determination to leave it to our children in better shape than we found it; belief in the importance of work and of people having the chance to make a contribution to our community; respect for people's fundamental right to go about their ordinary business free from fear and the prospect of coercion; and a conviction that people deserve the best services that a humane and decent society can reasonably provide for them.

Famously, the Howard government found \$96 billion in Commonwealth debt and turned it into \$70 billion in Commonwealth assets. It inherited a \$10 billion budget black hole and turned it into surpluses averaging almost 1 per cent of GDP between 1996 and 2007.

Those surpluses weren't just John Howard's and Peter Costello's. They were Abbott surpluses and Hockey surpluses and Bishop surpluses and Turnbull surpluses and Robb surpluses because we were all senior members of the team that delivered them and have the same commitment to prudent, orthodox, administration that has always been the hallmark of Liberal and National party government.

I am not asking the Australian people to take me on trust but on the record of a lifetime and an instinct to serve ingrained long before I became opposition leader: as a student president, trainee priest, Rhodes Scholar, surf life saver, and volunteer fire fighter, as well as a member of parliament and as a minister in a government. I understand that the prime ministership should not be just the realisation of personal ambition or the vindication of years of plotting but the most effective way to bring about a better Australia.

I have always tried to be ambitious for the higher things not, for the higher office, and did not enter politics to become prime minister but to serve my country.

Through all the partisan contention of the past two years over the carbon tax, border protection, the speakership and the health services union debacle, the Coalition's objective has been to promote more effective policy and greater integrity in public life. At a low ebb in his

prime ministership John Howard declared that politics was a hard and unforgiving business but it was also the highest and noblest form of public service. I have always tried to be ambitious for the higher things not, for the higher office, and did not enter politics to become prime minister but to serve my country.

Every member of my team understands that politics is a calling not a job. The hours are long, the responsibilities vast, the pressure unrelenting, the gratitude uncertain but the reward is the privilege and honour of representing tens of thousands of our fellow Australians and making a difference to their lives. The people running for us are a snapshot of contemporary society. They're community leaders who reflect the dreams and the diversity of modern Australia.

Sarah Henderson, for instance, was a progressive journalist and is running for Corangamite because a Coalition government will give women a better chance to combine work and family.

John Nguyen is a partner in an accounting firm, originally a refugee who came to Australia the right way, not the wrong way, running for Chisholm because a Coalition government will give every Australian the best chance to get ahead.

Angus Taylor is a Rhodes Scholar, company director and adviser to

governments, running for Hume because he thinks the best way for him to serve our country is in the parliament.

Christian Porter is a minister in a successful state government running for pre-selection in Pearce because he's confident that the best way to shape our nation's future is to be part of the national government.

Andrew Nikolic has worn our uniform in Iraq and Afghanistan and is running for Bass because that is the best way that he can fight for our future.

There is even an independent member of the NSW parliament, now running for New England, because he now knows that the best way to help regional Australia is to be a member of the federal Coalition. Should the Liberal and National parties form a government, our objective will be to build on the strengths of modern Australia because all of us are the products of an Australian life.

Work, family, community; doing things for love, not just money; acting out of ideals, not just interests; these are the mainstays of most Australians' lives.

With Margie, I have done my best to give our three girls a good start, paying a mortgage, wrestling with school fees, juggling bills. Work, family, community; doing things for love, not just money; acting out of ideals, not just interests; these are the mainstays of

most Australians' lives. These provide the strands of meaning and purpose, which criss-cross and interconnect millions of times to form the fabric of a strong and cohesive society.

This is the country that I cherish: where "hope, reward and opportunity" is more than a phrase. It is our future. The bigger the challenge our country faces, the greater the honour in being charged

to meet it. We are ready for the next election that can now be little more than a year away. Whenever it comes, I am confident that the Coalition has earned the chance to govern our country.

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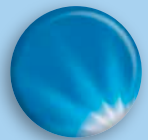
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