

Only yesterday we had the member for Wentworth give a speech—a spectacular speech. There were 4,000 words in that speech but not one positive alternative policy or solution—not one. There were 4,000 words in that speech, but he could not come up with one positive policy alternative—and we know why: he does not have a plan to control inflation. He has not got his eye on what is going on with inflation. He has not got his eye on what is going on with productivity. He has not got his eye on anything. He has one plan. It is a plan for the Leader of the Opposition—a question of when. Put him out of his misery and take him out.

The SPEAKER—Order! The Treasurer will put down the sign he is holding up.

Economy

Mr DUTTON (2.29 pm)—My question is to the Prime Minister. Is the Prime Minister aware that consumer confidence in our economy is plummeting, with the March Westpac-Melbourne Institute survey showing the lowest level of consumer confidence since 1993 and the March Sensis consumer survey showing the biggest fall in consumer confidence in the history of the survey? Given that the government has inherited the strongest economy in a generation, does the Prime Minister really understand what he is doing to consumer confidence in our country?

Mr RUDD—As I said in response to a question in the House yesterday, the government is entirely mindful of the most recent findings in the consumer confidence index. I referred to that extensively yesterday and to the contributive factors to it, one of which of course is the rolling impact of what we have across the global economy, and Australia is not immune from that impact. The subprime crisis is unfolding in terms of consumer credit. It has had ramifications in revisions downwards in growth in the United States, in the United Kingdom, in the rest of Europe and in part in Japan, and Australia is not immune from that in terms of overall economic consequences and, flowing through that, consumer confidence as well. Of course there is a second factor driving all that as well, and that is the rolling impact of having inherited very high inflation rates vis-a-vis the last 16 years, and the second highest interest rates in the world. If consumers therefore have to pay 12 interest rate rises in a row, it has an effect on the way consumers feel. That is a consequence of previous policy settings, which this government inherited.

The question, however, is: what do we do about it? As I have said before, we need to embrace a program of action for the future which is robust in terms of the proper management of public finances, is designed to enhance private savings and is intended to invest in proper skills formation across the economy to deal with capacity constraints in the economy and to invest also in infrastructure bottlenecks—which have been

the subject of 20 separate warnings from the Reserve Bank over time, ignored by all those opposite in the period in which they occupied the Treasury benches—as well as to boost participation in the workforce. This is a framework of action, but, if you look at each subset of that as it has been applied over the last 12 years by those who preceded us, you see instead inaction and inertia on every count.

We have been in office for three months, to identify where precisely the previous government took the capital available to them from the public revenue—hundreds of billions of dollars over time—and where that money was landed. It was not landed in investment in skills. It was not landed in investment in infrastructure. It was not invested in the long-term productive capacity of the economy. Instead, that government effectively pushed it to one side into various forms of consumption. That is no evidence of any forward planning at all.

What we intend to do is to take the responsibility of national economic management seriously and realise that we simply should not reside here as beneficiaries of a terms of trade boom, coming off factors which we nationally have no control of in the future, but instead should carve out a long-term future for the Australian economy based on productivity growth, based on improving our infrastructure and based also on what we do to boost workforce participation. That is a strategy for this country's economic future, rather than standing or sitting idly by, carping from the sides and pretending that somehow, as a consequence of that, something materially changes.

I remind all those opposite that they had 12 long years to act on this—12 long years to act on these fundamental capacity constraints in the economy, 12 long years therefore to act on what turned out to be cumulative pressures on inflation, 12 long years to act on how that impacts on rates and how in turn it impacts on consumer sentiment. Instead, they sat on their hands and did nothing.

Economy

Ms BIRD (2.34 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the challenges confronting the domestic economy and what the government is doing to meet them?

Mr SWAN—I thank the member for her question, because the Rudd government has set about modernising the economy, increasing its capacity so it can meet the challenges that lie ahead, including international turbulence. Despite the welcome job figures today, the economy is shackled by very poor productivity performance. It is also shackled by high inflation. But of course all of those over there are in denial. If you cannot acknowledge the size of a problem, you cannot be part of the solution. The member for Wentworth wants to stick his head in the sand. It is a dangerous and very

risky attitude. Do you want to know why? Because it has produced eight interest rate rises in a row, and that has put Australian families under tremendous financial pressure.

We on this side of the House acknowledge the enormity of the challenge. We have put up our hand to tackle it, and we are working very hard at it. But those on the other side of the House will not acknowledge the problem. The member for Wentworth disagrees with the Australian Bureau of Statistics. He disagrees with the fact that their inflation figure is so high. He disagrees with the RBA when they have their measurements of underlying inflation. He disagrees with the Treasury when it analyses the reckless spending spree that the previous government went on. He disagrees with the Business Council of Australia when it comes to their criticisms of the previous government's failure to invest. And, of course, he disagrees with the Australian Industry Group as well. Everyone else is wrong, and the only person right about these basic economic facts is the member for Wentworth. Everybody else is wrong. His uncontrollable arrogance is a risky thing for this country—to have such an irresponsible opposition, in denial about the basic facts of economics. We on this side of the House take our responsibilities very, very seriously, and we will put in place a modern agenda to drive productivity, to bring down inflation, to create wealth and to create jobs.

DISTINGUISHED VISITORS

The SPEAKER (2.36 pm)—We have in the gallery today the Tasmanian Treasurer, Michael Aird. I am sure that the House would wish to give him a warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Counselling Services

Dr NELSON (2.36 pm)—My question is to the Prime Minister. I refer the Prime Minister to his decision, on the one hand, to spend \$2½ million on the unions' Tree of Knowledge at Barcaldine but, on the other, to refuse \$800,000 to the Bonnie Babes counselling service for women who have suffered a miscarriage or had a stillborn baby. I ask the Prime Minister: does he really understand the impact that this decision will have on the 12,000 grieving women who use this counselling service every year, and does he really care?

Mr RUDD—In response to the honourable member's question: we on this side of the House understand the real challenge of grief counselling for those who have, tragically, lost a baby. In the period 2003-05, there were 6,281 perinatal deaths. In 2005 alone, there were 2,213 perinatal deaths. The government currently provides Lifeline with \$38.5 million, over the 2004-11 period, for national telephone counselling services which offer counselling for people in distress. The

government is also providing \$48,000 to the Australia and New Zealand Stillbirth Alliance in the 2007-08 period for raising awareness and resource development for this sector.

We are also currently undertaking a broader review of maternity services to ensure national coordination of antenatal and perinatal services. Funding for grief counselling would be considered within this context. I note also that, prior to the election, the then government was approached for funding support by Bonnie Babes but also by a number of different organisations, including the Stillbirth and Neonatal Death Support organisation, or SANDS. Support for these other organisations was not provided by the previous government. When this review of antenatal and perinatal services is conducted and concluded, proper funding for a range of counselling services across the spectrum, including all non-government organisations, will be properly considered and determined.

Dr Nelson—Mr Speaker, I rise on a point of order on relevance. This bureaucratic response does not go to the question about \$2½ million for a union tree but not \$800,000 for women who have lost their babies.

The SPEAKER—Order! The Leader of the Opposition will resume his seat.

Mr Craig Thomson interjecting—

The SPEAKER—The member for Dobell should be careful about bad habits.

Economy

Mr RIPOLL (2.39 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Would the minister advise the House about Australia's infrastructure bottlenecks and their impact on inflation? What is the Rudd government doing to fix these problems?

Mr ALBANESE—I thank the member for Oxley for his question, because it is widely recognised by economists that capacity constraints in our economy do contribute to inflation and do slow growth. I note, however, that in a speech yesterday the shadow Treasurer told CEDA that infrastructure bottlenecks 'have little to do with inflation'. Why would the shadow Treasurer say that? So desperate is the shadow Treasurer to distance himself from the inflation legacy that the Howard government left—the highest level in 16 years, caused by inaction on productivity issues such as infrastructure and skills—that he is prepared to argue that this is not an issue with regard to inflation at all. We have a shadow Treasurer who is simply in denial, and this shows just how out of touch the opposition is, because, whether it be a need for dedicated freight lines or tackling urban congestion or delays at ports, all of these do have an impact on economic—

Mr Hockey—Mr Speaker, I rise on a point of order. The minister was asked a question about infrastructure;