



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES
FAMILY AND COMMUNITY SERVICES
LEGISLATION (SIMPLIFICATION
AND OTHER MEASURES) BILL 2001

Second Reading

SPEECH

Tuesday, 19 June 2001

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Morris, Allan, MP

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Mr ALLAN MORRIS (Newcastle) (4.55 pm)—In the debate on the amendments in the Family and Community Services Legislation (Simplification and Other Measures) Bill 2001 last night I was preceded by the member for Menzies, and he commented on two areas I want to touch. The first was his implausible explanation as to why the government should spend such horrendous amounts of money to promote its own political agenda. The second was when he referred to what he termed—in very quaint terminology and euphemistically—‘practical welfare’, and ‘Who could be against that?’ he suggested.

Firstly, on the current government spending program, we have seen a government that has actually taken from the poor and given to the rich through tax cuts. One just has to go back and remember those massive cuts that took place—and one of those cuts was from this program raised in this legislation: the cuts to the aged dental health program, which our community is now feeling so badly; the cuts to the aged care sector, the half a billion dollars over four years from nursing homes; the \$80 million over four years out of the HACC program; and of course the conversion of the preclusion period for social security beneficiaries who have received a lump sum from being assessed, as they used to be, on average weekly earnings. On 29 March 1997 this was converted to single pension, which was a drop of almost 50 per cent. All of those savings, we recall, were firstly given away in tax cuts, half of which went to the top 20 per cent of income earners. Many of us have been complaining about that since it was first announced, and we are still complaining about it. The surplus the government has is not its money. It did not come out of the sky; it came from somebody else. It came from people who largely had very little to start with but were giving up part of what they had.

The second gift now from this government to some of its wealthy friends is to the television channels—the massive windfall they are receiving. Election years are good for TV and for media. They get some fairly large advertising campaigns. But this is the daddy of them all. In this six months there is going to be the most massive splurge on advertising we have ever seen by far.

So the government, in a sense, is buying favours for itself, and one can almost see that happening now. One can almost see now how the media are actually warming to this massive amount of money being thrown at them, and their comments about it are therefore very muted. We are not hearing the sense of outrage from the media that we were so often used to hearing in their examination of government spending. This part of the government's spending is getting very little attention. Why not? Who is benefiting from it? The same people.

The money is being paid and the advertising bills are being run up with the TV channels, with the newspapers and the magazines. So for the member for Menzies to last night attempt to justify this expenditure is absolutely ridiculous. So many of the government members who used to put themselves forward as models of soberness, carefulness and caution are now amongst the most profligate parliamentarians we have ever seen, because they are defending the most excessive and most unjustified spending certainly in my 18 to 19 years of experience. But, of course, the hard part of all of this is that the people the money came from are still out there suffering.

These amendments are actually to simplify the payment processes for social security recipients who also have compensation in some form. Just to indicate the simplification process, I quote from the Parliamentary Library's *Bills Digest* on this bill. On page 5 it states:

The SSA currently prescribes two ‘preclusion periods’. The ‘old preclusion period’—for payments made before 20 March 1997—is determined by the ‘compensation part’ of the lump sum payment (the part attributable to lost earnings or lost capacity to earn) divided by average weekly earnings. In effect the period was the number of weeks which the compensation part of the lump sum payment could have been distributed as average weekly earnings. The ‘new preclusion period’—for payments made after 20 March 1997—is determined by the compensation part divided by an ‘income cut-out amount’. This amount is based on the maximum basic (single) rate and the pharmaceutical allowance, plus the income free area for a single person. Given the disparity between average weekly earnings and pension rates, this will always be less than average weekly earnings. Thus, a ‘new preclusion period’ would always be longer than an ‘old preclusion period’.

Items 5 and 15 seek to replace these periods with a single preclusion period, based on the ‘new preclusion period’ but with a more generous ‘income cut-out amount’.

I am reading this because it is so important. This is simplification. If these amendments simplify and this is simplification, one wonders what would happen if it tried to make it complicated. The government has divided this whole system into small pockets all over the place. Where we used to move towards uniformity of systems, where across systems payments were the same and criteria were the same, we are now getting obfuscation to hide what it is doing. This is a pretence. It will call these things 'reforms'—everything it does it calls a 'reform'. Taking money off pensioners is a 'reform' and ripping off people who have a lifelong injury and cannot work any more is a 'reform'. This is what this government has been about. It is running TV commercials now about its 'reforms'. The misuse of words and the dishonesty of what the government has done in these five years has not escaped the Australian public and is why it is in such bad odour.

Simplification for this procedure is overdue, but what is more overdue is a bit of fairness and a bit of justice for people who have lost their capacity to work for the rest of their lives. We are talking about the most disadvantaged people in our society who can no longer work. People who we used to see as being equal are now being told that they will live as paupers, that they will live below the poverty level, for the rest of their lives. That is a very hard pill to swallow, particularly because it was actually retrospective. The amounts paid were often four and five years after the person had lost their job and they were living on borrowings and handouts and charity in the intervening period.

The other point that the member for Menzies made was about this 'practical welfare'. I keep referring to the member for Menzies because he is the only government member speaking, who actually stood up to explain this stuff, but his explanation was more to do with justification for other matters in the very few minutes that he spoke. We in this country have heard this terminology of 'practical reconciliation', which means that the government says, 'If we build a school, the Aboriginals haven't got a problem; therefore we have actually got rid of the problem that they might have had.' We know, the government know and the indigenous community know that that is not the way it works. That is not what was being talked about. The member for Menzies has used this new terminology of 'practical welfare' and that is what we are supposed to be dealing with here. This is 'practical welfare'.

The difficulty that so many of us have is that we thought the welfare system was there to be understanding, supportive and to take into account individual circumstances as best it could. When we have government members sprouting a new philosophy and a new terminology in their so-called reforms which, in the process, in many cases make it harder for people to access and make it more complicated and more demanding, then it is a bit difficult to know where we are heading. The political bipartisanship that used to exist in this country for so much of our welfare system has long gone. It was destroyed, particularly in 1996, but again in 1997 with the changes that were brought in. We are seeing the same single-minded meanness, stubbornness and trickiness. This government are so fascinating: you have to read the fine print on every single thing that they do. For every single thing you have to check the fine print first. Do not accept the headlines, do not accept the broad message, but check the details, because as sure as eggs the sting in the tail is always going to be there.

That is the case today. We are watching the government now on a new diversionary tactic. It has nothing else to do, so it is attacking the unions. It is also attacking the electoral system and blackguarding innocent bystanders. What has happened in the last two days has been the most substantial and unjustified attack upon the Australian Electoral Commission that we have ever seen. This is the biggest attack we have seen on a statutory body. It went to a committee, put forward its views and had them totally rejected. The government is saying today that the Electoral Commission cannot run the roll properly, and that because the commission says the roll is okay, which it believes it is not, the commission therefore is a liar. That is what is happening across every sector. This legislation related to family and community services is no different.

We are now probably in a new dark age in terms of openness and transparency in government and accountability of ministers and departments in this country. We as parliamentarians know that when we approach a department now we will be told that they cannot talk to us. We are seeing departments being disbanded. We are seeing the best informed of our public servants disappearing—leaving because they cannot hack it anymore. It is because of these constant changes and constant complications. In this case, my concern is more to deal with the initial changes to this system related to people who have lost their capacity to earn a living by their own labours. This government has totally marginalised these people.

It is fascinating to see in this budget the reversal of part of the government's policy on accessing where they force people to access their long-term savings, their superannuation and their rollovers before being able to access income support—in other words, before people get to a pensionable age they have all their super wiped out. In

this budget we have seen the government again doing a backflip and realising their mistake, but the damage that they have done in the meantime has been horrendous. In every electorate across the country there are dozens and dozens of people who will never recover from the kind of bludgeoning that they have received.

Look at the money going on those tax cuts, which are so biased, that came in on 1 July last year and of course this advertising campaign that we are watching now, which is such a massive waste of resources. We are so short of money in most of our programs that to watch it being squandered like we are watching happen tonight and every night is sickening—it is just sickening to watch the money pouring out. I have a case right now of a woman who the government has taken to the AAT because she won an appeal at the Social Security Appeals Tribunal. The department has taken her to the AAT—it is even funding her legal costs—for an \$800 payment, when the SSAT actually awarded her the full \$1,000.

Ms Hall—How much will that cost?

Mr ALLAN MORRIS—It is going to cost taxpayers many thousands of dollars to beat this woman from Newcastle for \$800. It is the same department, the same government, out there putting out ads about benefits for pensioners. It is so contradictory, so mean and so devious, and it means that people have to check every single thing. So my advice now to constituents when they see something in the paper about what is available is to first check it out.

I watched this situation this week with Telstra. We have been told for years that to vary the zoning cost will cost billions, but we are now being told that it is going to cost only \$46 million. That means they cannot be doing what they say they are doing. My advice to all my constituents looking at trunk calls in those northern areas of Newcastle is to wait and check the bills first. Do not jump in, because there is a fair chance you will find that the fine print will mean that the benefit is not what it appears to be. That has been the same with every single thing this government has done. It is a government of smoke and mirrors and a government of deception but, most of all, it is a government that is mean and tricky. When the President of the Liberal Party called it that, he knew what he was talking about. I can assure you, from the people of Newcastle, there is a heartfelt, 'Hear, hear!' to Shane Stone's description of this government and this Prime Minister and Treasurer as 'mean and tricky'.