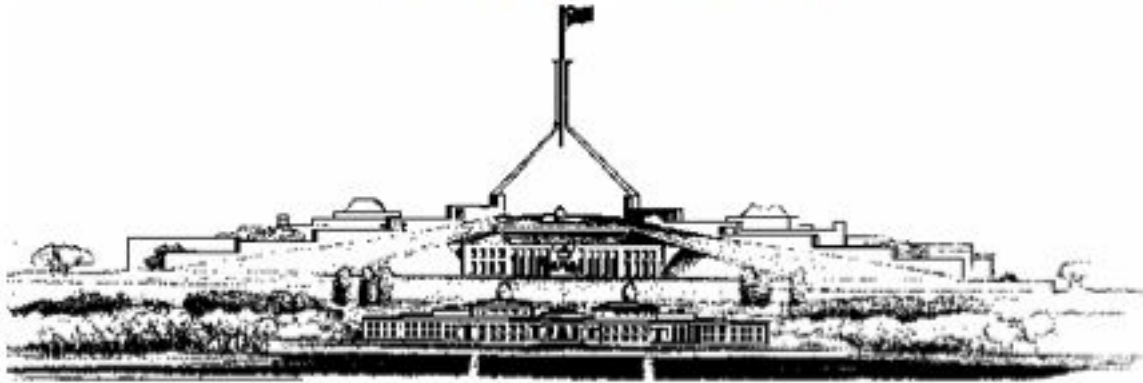




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**SOCIAL SECURITY AND OTHER  
LEGISLATION AMENDMENT (ECONOMIC  
SECURITY STRATEGY) BILL 2008**

**APPROPRIATION (ECONOMIC SECURITY  
STRATEGY) BILL (NO. 1) 2008-2009**

**APPROPRIATION (ECONOMIC SECURITY  
STRATEGY) BILL (NO. 2) 2008-2009**

**Second Reading**

**SPEECH**

**Thursday, 13 November 2008**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

**Date** Thursday, 13 November 2008  
**Page** 10872  
**Questioner**  
**Speaker** Truss, Warren, MP

**Source** House  
**Proof** No  
**Responder**  
**Question No.**

**Mr TRUSS** (Wide Bay—Leader of the Nationals) (11.16 am)—The Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008, the Appropriation (Economic Security Strategy) Bill (No. 1) 2008-2009 and the Appropriation (Economic Security Strategy) Bill (No. 2) 2008-2009 introduce and authorise the government's response to the economic crisis. I noted the comments of the previous speaker, the member for Franklin, calling for bipartisanship. The opposition has offered bipartisanship and it has been spurned time and time again by the government. It is hypocritical for the honourable member to just parrot the Prime Minister's lines as though somehow or other the government is standing on honourable ground in relation to these issues. The reality is that the government has rejected bipartisanship. It has refused to take advice when it has been given. It has usually been humiliated into taking it a few weeks later, but the reality is that the offer of bipartisanship has never been taken up in spirit by the government. How can it therefore now be critical of the opposition?

The reality is that there would not be a stimulus package today had we had a Labor government over the last 10 years. The money would not have been there to provide this kind of support. It was only the coalition government's careful management of the Australian economy that has enabled the money to be put aside that is being deployed in this legislation to help keep our economy strong. Never in Australian history has a government inherited such substantial financial reserves as were left by the former coalition government after the last election. The \$20 billion surplus and the \$60 billion in reserves have provided the Labor government with an unprecedented opportunity to be able to stimulate the Australian economy. Our economy was the envy of the world just 11 months ago. There were surpluses there; now they have all disappeared. Labor would not have had this money if it had behaved as Labor is behaving in all of the Australian states. Even in good times, Labor is not able to put money aside for difficult times.

In reality, the pensioners of Australia and others receiving payments as a result of this package are reaping the rewards and gaining some benefit for the years of careful management by the previous government. The payments of \$1,400 to single pensioners and \$2,100 to pensioner couples and the grants to first home buyers will be very welcome. They will no doubt provide some comfort and assurance to those who are receiving the grants. However, the hypocrisy of the Labor government in dealing with pensioners has never been more evident than through the process of this economic package. The National and Liberal parties have been working to highlight the needs of pensioners and those on low incomes struggling from the failure of Labor to address issues like the rising costs of petrol, groceries and housing.

Only three weeks before this package was announced, Labor used its numbers in the House of Representatives to vote down legislation that would have increased the single age pension by \$30 a week. It has done nothing about permanently resolving the problems of pensioners, carers and others who clearly need a permanent improvement in their payments. Labor is hiding behind endless reviews, waiting for another inquiry—inquiry after inquiry—before it does anything about it. This package proves that Labor could have fixed the problem for pensioners and could have fixed it permanently months ago. But it preferred to see pensioners suffer. It was prepared to see them go without. It offered them no support whatsoever when prices were going up and, in reality, told them they would have to wait well into next year.

Now this economic crisis has come Labor is offering them a sorry payment, sorry money—a payment of \$1,400 or \$2,100. Those pensioners are going to greatly appreciate those payments, but it is only short-term relief. Pensioners and families will need more than a big Christmas party. Indeed, I urge pensioners and others who are receiving these payments to consider very carefully how they spend the money. The reality is that next March the pension will still be too low, the carers payment will be inadequate and the services provided by this government will still be inadequate. They will need to have as much money as they can to help them through these difficult times, so they must use the payment carefully.

Can I also refer to another monumental turnaround by the Labor government. We have got used to those; we are getting them almost every day. Labor was a constant critic of bonuses to mothers, pensioners and carers

when it was in opposition. When we provided cash bonuses, we were told it was a waste of money and that the money would not be used properly. Labor is now going to provide six million of these one-off payments in the one week, but when it was in opposition these payments were somehow an ‘inappropriate use of money’. This policy makes a mockery of the government’s claim that it could not have done something to help pensioners in the past. The release of \$10.4 billion demonstrates that the government had the capacity to act if it had wanted to do so. It cannot wait any longer to provide meaningful relief to Australian pensioners.

The problem is that Labor have now used all the money. They have spent the surplus. They admit that the country is now getting close to being in deficit. So what money is going to be available to provide lasting and permanent benefit to pensioners next year after their review is completed? Are they going to plunge the country deep into deficit after their very first year of government? It usually takes Labor governments a few years to bankrupt a country; this government is going to try and do it in record time. The fact is that the Prime Minister, the Treasurer and the Deputy Prime Minister have all done their level best to talk down the achievements of the coalition in building the Australian economy. The fact that they are now relying on the surplus built up by the former, coalition government to shield Australia from this storm demonstrates how economically incompetent they really are.

Whilst pensioners and others welcome the fact that they will receive these payments in the run-up to Christmas, this does not represent a change in the attitude of the government. It is still mean in the way in which it deals with pensioners and the poorer people in our community. A classic example of this occurred again last week when the government announced changes to the deeming rates. With much fanfare and patting itself on the back, the government announced that the deeming rate would be reduced by one per cent. That will mean that many part-pensioners will get an increased pension and some who are not eligible for a pension at all will become eligible. That, as far as it goes, is welcome. But this was only a one per cent drop in the deeming rate. Since the deeming rates were last altered, interest rates have dropped by two per cent; but Labor has only passed half of that on to pensioners.

So we have the Prime Minister and other ministers tramping around the countryside demanding that the banks pass on the full amount of the interest rate cuts to their borrowers—saying that homeowners and small business should get the benefit of the full two per cent interest rate cut—but the government itself only gave pensioners one per cent. This is a mean government. It expects the banks to pass on the benefit but where it had the capacity to set an example it has not done so. It is a mean and tricky government that is only interested in short-term gain—a headline—when in fact pensioners are the ones who will be hurt. I appeal to the government. What is its justification for having kept in its own coffers one per cent of the two per cent reduction in interest rates that has occurred since the last deeming change? This is clearly a government that does not care about pensioners and does not care about people who have special needs; it just hopes that it will be forgiven for all of these actions by simply giving them a one-off payment.

I have another example. During the last budget there were many big announcements, but one thing the government did not announce publicly was that it had cut \$180 million from Medicare pathology rebates. There were no public announcements about that—in fact patients had to find out when they were told by their pathologist and they got a big bill. I have received, at my electorate office alone, 500 letters from local pathology patients who are just furious about this action. The government did not have the courage to announce it on budget night. There were no press releases about it. The government just secretly slashed the pathology rebates. This is an example of the government ripping up the agreement that it had with the pathology service providers, which was not due to be considered again until July 2009. The pathology providers had made a number of concessions and in return the government had made an agreement with them which was not due to expire until 2009—and which the Labor Party in opposition had supported; but when they got into government they ripped up the agreement and slashed the rebates to pathology services.

When I wrote to the minister, I got back a letter saying, ‘We would like the pathology services to bulk-bill, and they can afford to cover this extra cost.’ We are talking about asking the pathology service providers to pay \$180 million. The reality is that they have done the only thing they could do—they have passed these extra costs on to people who can ill afford it. Once again the federal government is hurting the poor and the sick in our community. The government gave no warning about these changes. It has no concern for those who are most hurt by these sorts of issues.

I am concerned also about the approach the government has taken in relation to the seniors card and making it more difficult for people to get the seniors card. These are not the actions of a government that cares about

the people in our community who are disadvantaged. There are a host of other areas where the government has increased costs for those who can least afford it. That is why these grants that are going to be given to pensioners, carers and others are so superficial. They clearly do not represent a change of heart by this government; the government is just as mean towards pensioners as it has been ever since it was elected. It is just as uncaring. If it were not for the fact that there was a coalition government to give them the budget surpluses that have enabled this, it would have had no capacity to respond at all. So we welcome the payments, but I urge pensioners to remember: this government has not repented. You are still going to have the same troubles next year and the problems have not been solved.