



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

**Appropriation Bill (No. 1) 2015-2016,
Appropriation Bill (No. 2) 2015-2016,
Appropriation (Parliamentary Departments)
Bill (No. 1) 2015-2016, Appropriation Bill (No. 5)
2014-2015, Appropriation Bill (No. 6) 2014-2015**

SPEECH

Wednesday, 27 May 2015

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 27 May 2015
Page 4917
Questioner
Speaker Owens, Julie, MP

Source House
Proof No
Responder
Question No.

Ms OWENS (Parramatta) (12:27): I listened carefully to the member for Grey's speech. As he was speaking, I was thinking, yes, I would agree with that if only he was talking about the budget that was actually delivered last week. It seems so many people in this House have an imaginary budget in their minds that is nothing like the one that was actually delivered. What we are hearing about, in many ways, is spin—pre-election spin.

I could really give last year's budget speech tonight and much of it would be absolutely as relevant today as it was a year ago. This is a budget of fraud. The unfairness is still there. Families that were worse off under last year's budget will be as worse off under this one. The lack of direction and vision for the future, which was apparent in last year's budget, is here again. There is nothing in this budget that talks about where our country goes or where our prosperity will come from.

The debt, which doubled last year, has doubled again. This is not a budget which even attempts budget repair. In fact, it doubles the deficit yet again. But most of all, just as before the last election when we heard lie after lie from what was then the opposition—any lie they needed to tell to convince people to vote for them—we see that again now. This is a pre-election budget, and the lies are beginning now in preparation for the next election. You cannot believe a word of what they say about this budget. This is an election budget designed to take them to the election. They are lying about the effect the budget has on families. They are lying about the state of the economy. They are telling people what they think they want to hear. It is not a budget for the future, or for families or for jobs. In fact, the figures in the budget demonstrate that it is quite the contrary.

They say they are fixing the economy. We all remember the budget emergency, the emergency before the election, and how they were going to deliver a surplus ever year and then they were going to deliver a surplus within their first term. Now there is no surplus in sight, and yet they are still talking about budget repair—no, now they are talking about beginning the process of budget repair some time down the track, because every year this government has been in they have doubled their deficit. They have not made it less. They have not reduced it. They have not put us on a path to surplus; they have made the situation worse.

When the member for Grey and other members of parliament get up here and talk about how they inherited a terrible situation—if they believe that—they should have a look at their own budget papers and see what the situation is now, now that they have been in charge for two years. It is quadruple what it was in PEFO and double what it was in the last budget. It is twice as bad from their figures last year and four times as bad from the last time we had an independent analysis when the head of Treasury and Finance got together during the election campaign and put out the pre-election forecast. It is not a budget to repair anything except their election prospects.

Debt and spending are up again, but now it seems that debt is a good thing. They are encouraging people to go out and borrow. They are encouraging family debt. They are encouraging apprentice tradie debt. They are encouraging small business debt. They are encouraging student debt. According to this government, debt is really good for everybody else. They claim they are reducing the debt. They are not; they are quadrupling the debt based on the PEFO figures, doubling it from last year within government and encouraging extraordinary levels of debt elsewhere. If this budget is about anything, it is about protecting the electoral prospects of the government.

If you look at the figures in other areas: unemployment is up as well. Unemployment is up every year, year after year, according to their figures. Spending is up as a percentage of GDP every year, according to their own figures. Tax is up. Tax as a percentage of GDP is up. This is a big-spending, big-taxing government that pretends it is doing something for the economy. The reality—and you only have to look at the budget papers—is quite the opposite. So every time they spread that spiel, be aware: you are listening to a pre-election lie. All you have to do to catch them out is look at their very own figures.

They are the biggest-taxing government in 20 years. They are the biggest-spending government in 20 years except for the one year of the global financial crisis where the difference between the two governments was 0.5

per cent of GDP—a very small difference, I would have to say. Apart from that one year, they are the biggest-spending government in 20 years and the biggest-taxing government outright in 20 years—a government that has doubled the deficit two times in a row.

The government says this budget is about jobs. When you look at the detail, it is actually about punishing people back into work. They clearly believe that, if you take a person who is unemployed, a young person, for example, and you insist that they do not get any unemployment benefits for four weeks—in other words, they cannot afford to eat for four weeks—that that will somehow punish them into going back to work.

If they actually believe that works, then I would expect to see some movement in the unemployment figures. I would expect to see that, if they actually believe that you can punish people back into work—that you can take a family with two children on \$60,000 a year and rip \$6,000 away from them in family benefits or you can make a young person wait for four weeks to get the dole—somehow that punishes that family and incentivises them to go back do work. Yet the unemployment figures show that unemployment is rising every year. So how can these two things be true? How can you punish people back into work, if the jobs are not there and, under your government, you expect there to be more and more and more unemployed people? How can both these things be true?

This is not a budget about jobs. The unemployment rate goes up every year by their own figures so, if that is their strategy, they do not even expect it to work. They have abolished incredibly good programs for youth unemployment. In my electorate, we lost Youth Connections—an incredibly effective program that was abolished at the end of last year. They are now funding a new program. So now there are the fixes. The abolished something that worked. They made it worse and now they expect credit for putting something in its place. You see that right across this budget.

It is the same with small business. It is great to see small business get an instant tax write-off. We thought that when we were in government, which is why we introduced one—\$6 billion in tax concessions for small businesses with a turnover of less than \$2 million was in the last Labor government budget; \$6 billion in tax incentives, all abolished by this government last year when they finally got some of it through the Senate. They abolished \$6 billion in tax concessions that had been introduced by the Labor government in the last year of its term. Now they are giving back \$5.5 billion. It is a smaller package, it is reshaped, it provides a \$20,000 instant tax write-off relative to the \$6,500 that Labor proposed, so the amount is bigger—but, strangely enough, the budget is less. The government's scheme is going to cost less, even although it is a larger amount. By my calculations and the calculations of a couple of accountants, going by the budget papers they have only budgeted for 100,000 businesses taking up the instant tax write-off concession in each year. It is hard to believe that that is accurate—we can expect a large blow-out in those figures. But, again, I guess it makes their bottom line look good look good and gives them something to spin.

Families will be worse off under this budget. This is not a budget for families. This is a government that says on the one hand 'We will not improve our bottom line at the expense of families' and then continues to have a go at families in the next breath. And they are—the cuts to families are still there. The NATSEM modelling shows that a family with a single income of \$65,000 and two children will be just over \$6,000 a year worse off by 2018. A single mother with an income of \$55,000 and two children will be \$6,107 a year worse off by 2018. These are people on relatively modest incomes who will lose 10 per cent of their income within just a few years—and this is a government that claims it is for families? It is amazing. If the government gets its way, these cuts will take place now. The paid parental leave cuts that will see 80,000 women losing part of their current paid parental leave entitlements and losing substantial amounts of money begin in July 2016, but the childcare package—which this government has outlined in vague form; there is still a lot of detail to come and we know there will be winners and losers—does not cut in until July 2017. This government, that claims it is for families but is cutting in one area in order to force people back to work and pay more money for child care, is cutting now and in July 2016 and is not handing back anything for two years. Families will be worse off. Parents who get paid parental leave, for those opposite who do not know this, are not just public servants—not that there is such a thing as 'just public servants' by the way; they fulfil an extraordinary role—

A government member: Ah, that's what you said.

Ms OWENS: That is fine, I did—and now I am clarifying it: there is no such thing as 'just a public servant'. But this government seems to think that as long as they are attacking public servants they are on safe ground. They are not with me and they are not with large parts of the community. Public servants are not the only ones

who currently get paid parental leave from their employers. Bank employees get it, McDonald's employees get it, Coles employees get it. Men and women on \$40,000 a year get paid parental leave of sometimes between eight and 24 weeks a year from their employer—they will lose it.

These are not highly paid people who can afford to have a substantial part of their family income cut by this government, and yet they will—and they will have it cut a year earlier than any childcare benefits that flow through. Again, we do not know who those benefits are flowing to. We do know that they will flow to women in the early years of their child's life, from 0 to 2—unless you are one of those women who gives birth the year before, when the paid parental leave cuts out and the childcare benefits have not cut in; then you miss out in the first year of your child's life, but they are taking from families who have children six and over in order to give to that group and they are taking the money a year early. This is sleight of hand—it is quite extraordinary.

The sweeteners in this budget in most cases cut in after 2017, and most of the cuts cut in now. One could be forgiven for thinking that they are trying to push the budgetary implications off until after the next election. You could be forgiven for thinking that, but, heaven forbid, that could not be right, could it?

Two of the dreadful measures from the last budget are gone. Two—that is all. All the others are still hanging around. The two that are gone are, firstly, that dreadful plan they had to reduce the real value of pensions over time. It has disappeared for the moment. They tried many times. Clearly it is in their DNA. But that for the moment has gone. Although, the cuts to concessions that the states and councils pass on through concessions on rates and transport are still there, that is still gone. But they have moved now from attacking the lowest paid retirees to attacking the next band of retirees. They are now moving into the people who get part pensions. Again, we are still looking for the detail of that. But they are now targeting that interesting band of people, probably a lot of people who started collecting their superannuation maybe in their 40s, because they are retiring now. For people of my generation superannuation did not really start in a compulsory way until we were in our 30s. So it was very low to start with. There are a lot of people who would be approaching retirement age now or in the next 10 years whose superannuation is not actually at a completely liveable level, particularly on current interest rates. So they are attacking them. They are leaving alone people whose retirement savings are enormous. They have moved from the band of people with the least retirement savings to the people with the greatest. But they have moved away from the very end because they could not get away with it. They have moved up one step to the next vulnerable lot. It is really interesting to see where this government targets. They target the most vulnerable people they can get away with. The targeting of people on part pension is an absolute example of it.

We have seen the GP tax go—versions 1 to 6 have now gone. Version 7 could be called the stealth version. It freezes scheduled fees to GPs so that within a few years they will be forced to put up their fees in order to cover costs. So if you cannot do it through the front door in versions 1 to 6, do it through the back door with the stealth version. That is what they are doing. But, overwhelmingly, the thing for me in this budget, as it was in the last budget, is the lack of any vision for the country, for any vision of where this country gets its growth or any vision whatsoever of what Australia will be in 2050 in terms of where we work and how we generate our prosperity.