



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

BILLS

**Appropriation Bill (No. 1) 2012-2013,
Appropriation Bill (No. 2) 2012-2013,
Appropriation (Parliamentary Departments)
Bill (No. 1) 2012-2013, Appropriation Bill (No. 5)
2011-2012, Appropriation Bill (No. 6) 2011-2012**

Second Reading

SPEECH

Tuesday, 29 May 2012

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Ley, Sussan, MP

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Ms LEY (Farrer) (16:57): I am pleased to speak to the Appropriation Bill (No.1) 2012-13 and related bills in the Federation Chamber today from my perspective as local member for the electorate of Farrer—some 30 per cent of western New South Wales, ranging from Albury along the Murray River, up the South Australian border to Broken Hill, taking in a large part of the Darling River and finishing at the junction of Queensland, New South Wales and South Australia. I also want to talk about the budget from the perspective of my role as the opposition spokesperson on employment participation and child care. From that perspective, the budget has been a real disappointment.

We have seen \$200 million ripped from Job Services Australia and, in the same budget, the forecast of an increase in unemployment to 5.5 per cent. Youth unemployment is currently more than three times the national average, with the unemployment rate for 15- to 19-year-olds averaging 15.7 per cent. But in certain parts of Australia—the Northern Suburbs of Melbourne, the Western Suburbs of Sydney and some of the west of New South Wales—youth unemployment is between 25 and 40 per cent. Labor has entirely given up on this sector of our community and I do not believe it has any real understanding of what is needed to assist people into a job.

Currently, 8,085 stream 1 job seekers are classified as very long term unemployed. Stream 1 means that job service agencies receive a little funding support to help them into work, and that they are, if you like, the least worst category of job seekers. This category has been languishing on welfare for more than two years, yet the government has heartlessly taken away \$162.6 million from these stream 1 services. It is clearly failing to assist job seekers when they fall out of work and, often, fall off a cliff. That is the time to intervene early to get them back into a job.

In addition, the government is saving \$44 million over four years from changes to the funding for the providers of those job services. The reason I raise this is that this measure supposedly came about to address some compliance issues with providers claiming a higher fee than they were entitled to. We on the side of the House do not condone this. However, the government would have you believe that this was not about saving money, but a \$44 million saving does seem to be a rather convenient outcome.

I would like to use this opportunity to remind the government of a commitment made by the Treasurer in last year's budget. Last year the Treasurer waxed lyrical about how his budget was going to create 500,000 jobs. That figure has well and truly fallen by the wayside, and the government looks set to preside over an increase of well less than half that figure. So far it has achieved just 60,600 jobs, with a decrease in the participation rate since May 2011 of 0.4 per cent to 65.2 per cent. Quite frankly, I can understand job seekers becoming demoralised in this environment with government showing no real commitment to getting them into jobs.

Changes to apprenticeship incentives will see employers only receiving the assistance they used to receive after having employed an apprentice for six months. This government has failed to recognise the financial strain that employers are under—looming is the world's biggest carbon tax, further exacerbating cost-of-living pressures. I talk about apprenticeships because all of us in this place love talking about apprentices: we love visiting apprentices and seeing the environment where apprentices are getting into work, kids are leaving school, finding the right pathways and so on. But the government has not got it right.

In 2007, then Prime Minister Kevin Rudd talked up skills, training and apprentices. He would have had us believe that things were going to change dramatically for the better. How many apprentices could have been trained in the trades since 2007? Clearly not enough, given the agreements now being struck to bring in workers on 457 visas. I am not saying that fundamentally that is a bad thing. I am saying it is an admission of failure by the government, because the training that could and should have happened since Kevin Rudd made these grand announcements obviously has not happened.

Child care has been a huge loser in this budget. We have a government, right here right now, that has ripped money from parents by decreasing the childcare rebate from \$8,179—that is what it should be this year—to \$7,500 capped at that level, and the only assistance being offered is not to the parents struggling to find care that fits in with their working hours, but just free child care for the unemployed. Again, this is an admission of failure. Yes, struggling families looking for work in difficult circumstances need childcare support. But to allocate the places just to those who may not use them in the best possible way is another admission of failure. Whilst we agree that those who are searching for work or in study need childcare assistance, so too do families. Trade training cadetships have been placed on hold, something that this government previously was proud of and talked up everywhere members went. This has fallen flat, and nothing is being said.

We know the government snuck through some bills straight after the budget announcement that increased the debt ceiling to \$300 billion, another admission of failure. 'Oops, if we don't realise our \$1.5 billion surplus we're going to need this as a safety net.' It is a bit like saying, 'I'm investing \$350 and I expect to make a profit at the end of \$1.50.' No-one takes that seriously; no-one takes this government's forecast budget surplus seriously. Net government debt has increased almost \$40 billion since the last budget, and by 2015-16 the government will be spending around \$22 million a day, or over \$8 billion a year, on interest payments alone.

I now turn to circumstances affecting my electorate of Farrer. I last briefly spoke about the budget on 9 May, but I did not have time to elaborate on the disappointing news for my electorate in relation to government spending on the Murray-Darling Basin Plan. In the words of the Murray Group of Concerned Communities, a local community focussed group of businesses and individuals in the New South Wales Murray region that has worked incredibly hard to get its message across: 'The budget raises questions about the delivery and implementation of the basin plan and leaves you wondering if the government knows something that we don't. Department funding to support reform in the Murray-Darling Basin will be reduced in the two years 2015-16 and 2016-17, just as the Murray-Darling Basin Authority is due to be conducting a review into the implementation of the Murray-Darling Basin Plan.' It is almost as if the government knows that less money will be needed. In fact, it has allocated less money to the very important works and measures that we need to enable farmers to survive a future with less water. No-one is arguing that there will be a future with less water, but today in question time, instead of telling us how he proposed to deal with a very complex set of issues and competing requirements by state governments, all the minister for the environment did was point to those of us in the opposition and say, 'Oh, you haven't asked me anything about this.' But as a minister of the Crown, as a minister in the executive of the current government charged with responsibility for the Basin Plan, it was a childish and disappointing intervention by him. It was a breathtakingly disappointing intervention by him to not even give us one, tiny indication of the direction in which he is heading.

But he has acknowledged that the authority have not got it right. Well, they have pretty much thrown their hands up in the air. All of the state governments have different views—as of course they would and as of course they should, because they are all interested in protecting the citizens of their state, just as all local members have a view. No-one ever suggested that this would be easy.

I will refer to the work done by the Windsor committee, chaired by the member for New England. This cross-party committee did in fact come up with some recommendations that everyone on the committee could live with. It is disappointing that the minister completely ignored those as well.

I want to touch on defence budget cuts. Close to my electorate is the Bandiana Army base in Wodonga, in the electorate of Indi. I also have an important facility in Mulwala, managed previously by ADI but now managed by Thales. We have concerns that, with the biggest cuts in military spending since the Vietnam War, the 'she'll be right' attitude for the next four years probably is not the best one from this government. I remind members that the immediate concern locally is the ongoing production of the Commonwealth's propellant manufacturing at the Thales Mulwala facility. Local jobs are currently 300 as we lead up to commissioning the new factory. If less propellant is to be manufactured, that puts our capability at risk, it puts the jobs at risk and it puts at risk the really good work that was done by the then parliamentary secretary, Brendan Nelson, when he committed and convinced the Howard government cabinet to maintain a domestic propellant manufacturing facility in Australia. I shall be watching that very closely.

On Anzac Day, both I and the member for Riverina noted that there was a new, unwritten rule that the ADF could not send out members to officially represent the force, because of a cost-cutting measure. It is disappointing

when you see the effort that small communities go to put on local Anzac Day services, only to be told that the resources are not there to send the catafalque party.

The issue of free flights has been in the news recently. About 22,000 unmarried military personnel over 21 years of age will lose their annual free flight home due to budget cuts aimed at boosting the government's surplus. How disappointing is that!

I will just go back to the issue of local government—an issue so close to the people in rural Australia—and talk about Albury City Council. Last night, the world's biggest carbon tax hit Albury ratepayers with a triple whammy, starting with an increase to general rates by half a per cent more than necessary. This was on top of the annual charge for domestic waste increasing by 10 per cent, or \$18 per household, and entry charges at the landfill leaping from 35 per cent to 82 per cent. What that means is that an average load of rubbish, loaded up on the back of my six-by-four trailer, instead of costing me \$18 a load will now cost me \$27.50. Yes, I can afford it, Deputy Speaker, but I know a lot of my constituents cannot. From day one, year one, they will be hit—and that is before they even leave their houses.

And, when we do leave our houses, we cannot even fly here to Canberra to watch the government at work. I will quote from an email from the chief operating officer of Brindabella Airlines:

The imposition of the carbon tax from 1st July 2012 was a major factor and the final nail in the coffin for us in the decision making process. The removal of the en route rebate scheme, the addition of the carbon tax, and the introduction of increased passenger screening charges, all to take effect on 1st July 2012, have created the perfect storm for regional aviation.

To see the Leader of the House jumping and jiving in question time to try to avoid this fact was quite extraordinary. Of course we are not suggesting that the single, sole factor is the carbon tax.

Mr Perrett interjecting—

Ms LEY: I just did read an excerpt from the email. We all know that, when it comes to a business under pressure, the pressures build up and you can pick on any of those final pressures as being the straw that breaks the camel's back. But the chief operating officer of Brindabella certainly did name the carbon tax. Yes, there are other factors putting the business under stress. I know Brindabella very well. They have tried very hard to provide a really good service. They have tried in an environment where, let's face it, the route probably was not making any money. They have done their best but they finally had to acknowledge that the carbon tax is just a bridge too far.

This is the closest that the NBN will get to my electorate of Farrer. I am not sure what portion of the \$50 billion allocation was to provide these little trucks—

The DEPUTY SPEAKER (Ms Grierson): I remind the member for Farrer that props are not allowed.

Ms LEY: Madam Deputy Speaker, I could not resist the prop! I know that there are rules, and I apologise. Broken Hill, a community of 20,000 people in the far west of New South Wales, was told by the NBN that, because of the location of the points of interconnect—of which there are some 125 across Australia, the nearest one being Dubbo—the fibre backhaul goes straight past Broken Hill and straight back to points east. Actually, it is one of the few things the government has done in telecommunications that I think is pretty good. There was a long and complicated explanation about why Broken Hill could not hook onto it. Mr Quigley said it is a bit like having a fast freeway going past your house: you cannot get an off-ramp just where you want it. Well, it is not quite like that. The facility is there, the point of interconnect is there. All it takes is a decision by NBN Co. that the community of Broken Hill be serviced.

The answers that we got on notice as members of the NBN joint committee were not convincing at all. I do not usually raise the charge of political interference in this place. I only do so in this case because I believe there cannot be any other reason why we are simply being put on the backburner so badly. But the NBN truck is coming to Broken Hill and the ads are in the Broken Hill paper! A senator for New South Wales talked about the NBN in Albury to the people of Broken Hill, perhaps thinking that they may be only an hour apart. Obviously this senator for New South Wales is not travelling out of Sydney and seeing the vast distances that we have to deal with. I look forward to the day when we are in government and we can prioritise fast broadband for the regions I represent so that they can get the communications that they absolutely deserve.

The DEPUTY SPEAKER: I thank the member for Farrer. I remind members that this is a wide-ranging debate and members should be heard in silence. I call the member for Dunkley.