



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



# **HOUSE OF REPRESENTATIVES**

## **Federation Chamber**

### **BILLS**

**Appropriation Bill (No. 1) 2014-2015,  
Appropriation Bill (No. 2) 2014-2015,  
Appropriation (Parliamentary Departments)  
Bill (No. 1) 2014-2015, Appropriation Bill (No. 5)  
2013-2014, Appropriation Bill (No. 6) 2013-2014**

### **Second Reading**

### **SPEECH**

**Tuesday, 3 June 2014**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

---

## SPEECH

**Date** Tuesday, 3 June 2014  
**Page** 5440  
**Questioner**  
**Speaker** Andrews, Karen, MP

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

**Mrs ANDREWS** (McPherson) (19:56): I rise to support these appropriation bills and the 2014-15 federal budget. The first Abbott budget is undoubtedly a contribute-and-build budget. It is in stark contrast to the many Labor spend-and-waste budgets we have experienced. It sets us on the path for a more prosperous future. It protects the support services we value like Medicare and the age pension by ensuring that they are sustainable in the future. Yes, we are asking all Australians to make a contribution and, yes, we acknowledge that some of these measures will have an impact on household budgets. But this budget is really about taking some tough and, frankly, unpalatable decisions now in order to avoid greater pain down the track. The government has not taken these decisions lightly. We take no pleasure in having to pare back some payments and adjust the rate of increases in others, but we have been mindful of trying to address the challenges we face in a fair and balanced way.

In contrast, there has been nothing fair or responsible about Labor's budget response. Rather than setting out an alternative plan for tackling the deficit and reducing the debt burden they created, Labor has hysterically misrepresented the budget, creating fear in the community and, worst of all, they have indicated they will oppose key measures that save \$40 billion.

When those opposite stand in this place and preach about honesty, you have to wonder how honest it is to pretend that we should do nothing to fix the budget deficit. How honest is it to say that there is no budget emergency when we are borrowing \$1 billion every single month just to pay back the debt we currently have? How honest is it to say that we have no debt problem when the IMF found our debt was growing at the third-fastest rate of developed nations and, more worryingly, that our spending was growing at the fastest rate in the world? How honest is it to pretend that this growing debt and deficit path will not create a major problem in the near future?

There has been no acknowledgement from Labor about the need to make changes to the fiscal path that our nation is on, and that is either intentionally dishonest or wilfully irresponsible. The fact is that if the coalition had inherited the same economic situation that Labor did in 2007, a budget surplus of \$20 billion and \$50 billion in the bank, we would not have had to make the tough decisions we have in this budget. It is astounding that in less than six years Labor saddled us with five successive budget deficits totalling \$191 billion and racked up a further \$123 billion in deficits into the future. We are facing a debt of \$667 billion, which will mean an interest bill every year of \$32 billion. That is more than we currently spend on aged care, schools and child care combined. That money will be completely wasted—gone in interest payments.

But I am pleased to say that I have been quite heartened by the number of my own constituents who have been in contact and said, 'Yes, this budget will affect me. There are things that I don't like about it, but I recognise it is necessary.' They recognise that vital institutions like Medicare and our age pension, which we all support, require the changes the government has announced to ensure they are sustainable and affordable for future generations. They recognise that our historic nation-building infrastructure investment fund will create jobs, boost economic activity and generate lasting benefits.

They recognise that establishing the biggest medical research investment fund in the world will ultimately pay an enormous social dividend in improved health treatments and will help reduce pressure on our health system in the future. They recognise that our young people should either be earning a wage or learning new skills to facilitate them getting a job. Our youth are far too valuable to allow them to languish on unemployment benefits.

My constituents recognise that those who are studying for a diploma or a pre-bachelor course are just as deserving of Commonwealth support as someone currently studying a bachelor degree at university. This is a fundamental shift in our approach to higher education, and an equity measure that I applaud. I think it is something that we really should be congratulating the education minister and also the assistant education minister for, for the historic extension of the Commonwealth funding for TAFE diplomas and a range of pathway courses to open up educational opportunities for the many young people who we have who may not want to or who may not be able to pursue a university degree.

Similarly, Trade Support Loans will offer assistance to those who are completing an apprenticeship, and will target occupations on the National Skills List, such as plumbers, diesel mechanics, electricians and fitters. This is a fantastic step forward. Having participated in and facilitated VET forums around the country I am very pleased that training and vocational education are being given the priority that they deserve.

My constituents also recognise that everyone who qualifies should have access to higher education but that those who reap the benefits of further study also have a responsibility to shoulder a little more of the cost of their education, to be paid back only when they are earning a decent wage rather than being subsidised by the 60 per cent of taxpayers who do not have the benefit of a degree.

I want to take some time during this debate to talk specifically about the higher education reforms, which are designed to make our universities more competitive and therefore improve the quality of our higher education system. I am delighted to have in my electorate of McPherson, just around the corner from my office, Bond University, one of Australia's private universities and, I believe, the most successful.

Bond is a not-for-profit private university, which has established a stellar record over the past 25 years for excellence in education. It is, in fact, a shining example of how competition can produce much better outcomes. As a private university that sets its own course fees, Bond has had to provide an excellent product in order to compete with public universities. The 2013 *Good Universities Guide* rates Bond University five stars, the most out of any university in Australia, for educational experience. Bond rates five stars across key performance indicators, including teaching quality, generic skills, graduate satisfaction, staff-student ratios and staff qualifications. In fact, Bond has the best student-to-staff ratios in the country. Many students are attracted to its accelerated learning, with three semesters a year. This means that students can graduate and begin earning sooner.

I am pleased to report that last September Bond University launched a five-year strategic plan, 2014 to 2018, that set out a vision and strategy to position high-quality and focused research as core to university business. Bond's success over the past 25 years is a testament to what can be achieved when a university has to be responsive to student, community and industry requirements.

I am also very pleased that this budget extends Commonwealth funding to degrees at Bond and other private institutions. I am particularly pleased that our deregulation measures also provide more Commonwealth scholarships to reward excellence and assist those students from lower socioeconomic backgrounds. I am also very supportive of the budget measure to remove all loan fees for FEE-HELP and VET FEE-HELP, meaning equal access to loans for students—no matter where they study. This will ensure that students who choose Bond University, or other private providers for that matter, will not be discriminated against in accessing HELP loans. This is another important equity change.

Australian universities have to be responsive to the higher education market, both the domestic and the international market. They cannot be responsive if they are lumbered with an outdated, restrictive funding model. I note that higher education provides our fourth largest export income, but sadly under Labor that income has fallen from \$19 billion a year to \$15 billion. Clearly we need to get in front of our competitors or that income will continue to decline.

I note that the budget changes announced in relation to course fees will not apply to students currently enrolled at university. I also want to dispel the myth that our reforms to higher education represent cuts to the sector. In fact, this government will spend \$900 million more on higher education and research than would have occurred had Labor been re-elected. I also note that the education minister has indicated he will consult widely regarding the implementation of these reforms in 2016 to ensure an effective and fair transition. I have advocated that Bond University be included in that consultation process. Bond is a great example of how competition can result in high-quality outcomes and innovative approaches to service delivery. I do encourage others to look at the model of Bond. I certainly welcome and acknowledge the reforms in this budget that will provide equity for students who chose to study at Bond.

Earlier I spoke about those local residents who had contacted me to say, 'We understand you are doing the right thing,' in relation to the tough measures in the budget. It would be remiss of me not to acknowledge that there have also been many people who have contacted me with concerns about decisions that were taken in this budget. I am very, very mindful of those concerns. I understand that household budgets are very tight. My electorate of

McPherson has a high proportion of seniors, pensioners and retirees who have worked hard all their life. It is sincerely regrettable that they, like every Australian, need to be asked to make a contribution.

I want to point out that we have kept our commitment not to change the age pension during this term. The pension will not change at all during this term of parliament. In fact, the amount of the pension will continue to increase twice a year, as it always has, at the rate it currently does. In March this year the base rate of the pension increased \$14.30 a fortnight for single pensioners and \$10.80 a fortnight for each member of a couple. The amount of the pension will increase again in September and age pensioners will also benefit significantly from the carbon tax being scrapped. Australians are living longer and healthier lives so the government has a responsibility to ensure that our pension system is sustainable over the long term. That is why from 2017, after the next election, pensions will be indexed to the rate of inflation rather than wages; however, the pension will still continue to increase each and every year.

I know that Medicare changes have also been a concern, particularly for our seniors. Again, while a co-payment is necessary to reduce overservicing, we have put a ceiling on the amount concession card holders can pay in any year, and that is 10 services or \$70. That is the maximum. Doctors still have discretion to bulk-bill if they choose.

As I said earlier, other countries with universal health systems have much higher co-payments. New Zealand, for example, has a \$17 co-payment. There are other countries that have higher co-payment levels. The national audit report recommended a co-payment of \$15. So the government has been very moderate in its co-payment charge and has also ensured that it is capped for concession card holders and children. That is all concession card holders, which includes Commonwealth seniors health card holders. In fact, it includes a very large number of Australians. In our country of 23 million people we have 8.6 million concession card holders.

While I understand that there is concern in the community for those who are most in need, the Medicare co-payment, as I said before is capped at \$70 each year. That is about one-eighth of what the average household is expected to save in energy costs when the carbon tax is scrapped. I just want to put that in perspective, especially for those members opposite.

I do acknowledge that changes to eligibility for family tax benefit B will impact on some families and this will be a concern for some households. Again, we have tried to be fair. The age eligibility changes where the payment is no longer available once the youngest child turns six and starts school have been grandfathered so that those currently in receipt of this payment for children over six will continue to receive it until 30 June 2017. The reality is that we cannot afford this supplementary payment and we do need all those who can work to do so.

Our changes to the disability support pension and our earn or learn plan for young people similarly sent a clear message: if you can work, it is reasonable to expect that you do so. Again, we have put reasonable exemptions and safety nets in place so that a young person who has done the right thing and has been working gets a reduced waiting period. Those with family responsibilities, similarly, will not have to wait six months. So a young family where the breadwinner loses his job will not be subject to the six-month waiting period.

However, again as I mentioned earlier, our young people are too important to allow them to languish on the dole. They need to know that our nation expects them to earn or learn. Sometimes that may mean that they have to take a job that is not exactly one that they would want. But as we know, employment is, of itself, an important step to improving skills and finding a better job.

In its totality this budget is about responsibility. This budget is about encouraging personal responsibility, ensuring that government support is given to those most in need, but asking people to make a contribution to ensure we can keep the universal health care and our welfare safety net in place for future generations. This budget is about taking responsibility for the challenges we face—not ignoring them and racking up more debt on the national credit card, as Labor is suggesting we should do.

Sometimes it takes tough decisions and sacrifice today in order to create a better tomorrow. The idea that you can have the fastest-growing spending in the world and one of the fastest-growing debts but you should wait until it hits a certain level before you do anything about it is nonsense. The time to act is now. This budget is about securing the future. I commend the budget to the House.