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MATTERS OF PUBLIC IMPORTANCE

Pensions and Benefits

SPEECH

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Questioner
Speaker Morrison, Scott, MP

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Mr MORRISON (Cook—Minister for Social Services) (15:29): I thank those opposite for the opportunity to participate in this debate, and to point out very clearly the untruths that the member's statements are based on, in representing to this House that somehow pensions have been cut in this country. We know that pensions have not been cut. Pensions have continued to increase every six months. And we know that since this government was elected the increase in the pension has been over six per cent. It has gone up \$78 for couple pensioners since we were elected 18 months ago, and it has gone up \$51.80 for single pensioners. That is an increase of over six per cent in those fortnightly payments. That is what has happened to the pension for the 2½ million people who are on the age pension in this country.

The commitment that was given by the Prime Minister before the election was that there would be no changes to pensions during this term of parliament. And that is exactly what has occurred. There have been no changes to pensions at all in relation to this term of parliament. Instead, we have done a number of things. We have increased the pension. That has certainly happened. It has gone up by the amounts that I have said—over six per cent—under this government. Not only that; pensions have increased faster than wages.

I know those opposite are very enamoured of the male total average weekly earnings. If the pension had only gone up by male total average weekly earnings then today pensioners on a single pension would be \$22.40 worse off, and couples would be \$33.60 worse off. I am simply saying that the pension has risen faster than wages under this government. For those opposite to suggest that the pension has fallen—that the pension has been cut—is just an out and out untruth; it is a complete untruth.

As I said in question time, pensioners are better off today than they would have been if those opposite had remained in government. There is a very simple reason for that: there has been a greater than six per cent increase in the pension under this government, and we got rid of the carbon tax. But we did not just get rid of the carbon tax; we kept the carbon tax compensation.

If you want to know what the impact would have been on pensioners had the carbon tax continued, then you only need to look at the carbon tax compensation which those opposite said pensioners would need to deal with the carbon tax falling upon our pensioners. And what is the value of that? For a single pensioner it is \$14.10 per fortnight. So, had we not got rid of the carbon tax then they would have been \$14.10 worse off. If those opposite had stayed in government and they had not got rid of the carbon tax, then single pensioners today would be \$14.10 worse off per fortnight, and couple pensioners would be \$21.20 worse off per fortnight.

So we have kept the pension going up, we have got rid of the carbon tax and we have kept the carbon tax compensation. But more recently we have had changes to deeming rates which delivered, in addition to what I have talked about, \$200 million for those on part pensions. That means \$83.20 extra a year for those on part pensions. So it is not just those on full pensions who have received an increase from this government, it is those on part pensions as well. Those opposite have gone around the country and they have only one policy when it comes to the pension, and that is just to scare vulnerable pensioners—to tell them things that are not true and to tell them that their pension is being cut when in fact their pension has been increased.

It was under the previous opposition that a measure was put forward into this place to increase the pension by some \$30, and it was actually opposed by the government at the time. This is what the member opposite who put this forward, the member for Jagajaga, said about putting forward a motion to increase the pension, and it was opposed by the government:

Playing politics with pensioners is really about as low as you can go.

The member for Jagajaga knows that the pension has been going up, together with the Leader of the Opposition, who says, 'It does not matter which road you take; any road will get you there.' It is quite that clear that on pensions

those opposite are taking the low road, and they are prepared to scare pensioners and tell them things that are not true, at a time in pensioners lives when there should be some stability, some certainty and some reassurance.

Those opposite are running around frightening pensioners, and they are doing it before the New South Wales state election too. They are doing it in their last ditch effort in New South Wales. They are running around in New South Wales saying, 'New South Wales is not for sale'. No-one told Eddie Obeid that. He thought it was his for sale, to be able to share it with his mates. No-one told Ian Macdonald that.

But coming back to the issue of pensions, what we are seeking to do is ensure that we can have a sustainable and adequate pension for the future and that we are engaged in a conversation about a policy future. I have said on I do not know how many occasions—a conversation that the member for Jagajaga does not want to be part of—that I am open to all sorts of options about how we can ensure that the pension is sustainable, because the intergenerational report says that if we go down the path that Labor is suggesting, which is do nothing and ride the pension off the edge of a cliff, then it will reach 3.6 per cent of GDP. If you go down the path currently modelled in the intergenerational report, which would see it move to average weekly earnings over that period of time, it would be 2.7 per cent of GDP.

Ms Macklin: It is not your policy.

Mr MORRISON: It is our policy—I note the interjection from the member for Jagajaga—because it is an official government document. You only have to look it up. It is right there in the intergenerational report.

The question for those opposite is this: how are you going to fund your policy to stay on a pension trajectory that will in the long run ensure that the pension runs off the edge of a cliff? What we have from those opposite is complete unfunded empathy. They will go around and they will scare pensioners and will empathise with every single problem in the country and not put forward one solution as to how you address them. That is a cruel thing to do, particularly to pensioners. It is a cruel thing to say that their pensions are going down when they are actually going up. It is a cruel thing to do to future generations who rely on the pension to say, 'You can just keep going on your merry way, you do not have to make any changes and the pension will be there for those in the future.' Well it will not be. If you do not embrace sustainable policies for the pension and for other measures then you will find yourself in a very difficult situation.

In government they understood that, perhaps. I am referring to comments by Senator Evans, the former Leader of the Government in the Senate. He did not make much sense when he was talking about immigration, but perhaps he was making a bit more sense when he was talking about the pension, when there was a proposal from those on this side, when we were in opposition, to increase the pension, which I note and acknowledge that the government ultimately took up when they increased the pension. They ultimately caught up and got there. But this is what they said about the proposal at the time:

I know that this proposition is disarmingly attractive—

that is to increase the pension—

... it is very easy for minors and Independents to argue. They do not have to balance the budget.

He said:

It is a really easy headline.

Today it is a four-word slogan that they have turned into a website—and they talk about four-word slogans. This government has three word achievements: we did stop the boats, we did abolish the carbon tax, we did get rid of the mining tax and we have been dealing with Labor's deficit and debt disaster, which was left by the fiscal arsonists opposite. He also said:

It is really easy to get a clap at a pensioner meeting, but that is no substitute for the serious work of this parliament and the serious work of government in public policy.

So what we see now is an opposition that when in government was prepared to make an argument like that. When invited, in opposition, to a serious discussion about how we make sure that the safety net that generations of Australians have received from those who went before us, that those who sit in this parliament now, at least

on the government benches, want to make sure is there in the future, they do not want to be part of the debate. They simply want to allow our safety net to wither while they go around in a populist dance with pensioners all around the country, seeking to frighten them. Scaring the pensioners is not a policy; it is just populist nonsense from an opposition that has completely lost its way.

This government will continue to increase pensions and will do the right thing by pensioners, today and tomorrow.