HOUSE OF REPRESENTATIVES

BILLS

Appropriation Bill (No. 1) 2016-2017

Second Reading

SPEECH

Thursday, 5 May 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Mr SHORTEN (Maribyrnong—Leader of the Opposition) (19:30): After seven months of waiting, after months of ruling in and ruling out, after all of that on and off the table, after apprehension and great expectations this budget has fallen apart in 48 hours. This budget was meant to be Malcolm Turnbull's justification for rolling Tony Abbott. After Tuesday night, Australians are left to wonder why he bothered. The same $80 billion of cuts to schools and hospitals are still in the budget. The same cuts to working and middle-class families are still in this budget. The same cuts to Medicare, child care, aged care, paid parental leave, pensioners and carers are still in this budget. The same wrong priorities for Australia. Was this really the point of the Turnbull experiment? Tax cuts for high-income earners and nothing for families—not one cent for ordinary working families and working Australians. From Tony’s tradies to Malcolm’s millionaires, this is a budget for big business over the battlers.

And this budget fails the test of fiscal responsibility, too. Having banged the drum of budget emergencies for so long, despite all their cuts and broken promises, in the past three years the Liberals have tripled the deficit. They are collecting more tax than at any time since John Howard's last year in office, and yet they have added $100 billion to Australia's national debt. And at a time of falling incomes, flat wages and declining living standards, this budget promises fewer jobs and lower growth. Now, more than ever, we must be honest about what our budget can afford. We must jealously guard the AAA credit rating that Labor worked so hard to secure.

This is why my team and I are treating the Australian people with respect. We are being straight about our plans. We are making the hard choices to fully fund investments in Australia's future to remedy these Liberal deficits and deliver budget repair that is fair—restoring the national budget without smashing the family budget, and building a stronger economy without hurting the things that help it grow. You do not hurt the jobs of the future by cutting education, by cutting infrastructure and by making broadband slower. If there is one fact that defines this budget, this Prime Minister and this government it is this: a working mum on $65,000 a year, with two children in high school, will be over $4,700 a year worse off, but someone on $1 million will be almost $17,000 better off every year. Three-quarters of Australian workers will receive no tax relief in this budget but will disproportionately bear the burden of cuts to schools, hospitals, Medicare and family payments that people rely on. On Tuesday night, the Treasurer said he did not want to talk about winners and losers. Now we know why: the more you have, the more you get; the less you earn, the more you lose.

This Prime Minister has the audacity to accuse us of waging class war. Prime Minister, class war is cutting money from families on $50,000 and $60,000 a year in order to give millionaires a tax break. Class war is cutting $80 billion from schools and hospitals but spending billions on tax cuts for big business. It is not class war for Labor to speak up on behalf of everyone that this government has forgotten and betrayed—women, young people, pensioners, carers, veterans. Labor will never apologise for standing up for Australians who go to work every day and want to come home safe, who rely on penalty rates to make ends meet, who do not want to be forced to work until they are 70.

This Prime Minister loves to talk about aspiration. But that is a part of it that he always leaves out—the aspiration to equal opportunity, to a fair start for everyone, to a fair go. That is the aspiration that Labor will always fight for. Tonight, Labor offers a more sustainable approach to growing the economy and making the budget serve the interests of all Australians. We will support the government's modest measures on bracket creep. However, in the face of continuing deficits, now is not the time to give the richest three per cent of Australians another tax cut on top of this; now is not the time to reduce the marginal rate for individuals who earn more than $180,000 a year.

According to a preliminary estimate from the independent Parliamentary Budget Office, this decision by Labor will improve the budget by $16 billion over the decade. Last year, from this dispatch box, I invited the government to cooperate on cutting the tax rate for Australian small businesses to 25 per cent. We meant it then and we stand by it now. Labor will support a tax cut for small businesses with a turnover of less than $2 million a year—because that is what a small businesses. We will deliver tax relief for small businesses representing 83 per cent of all Australian companies.
But billion-dollar businesses are not small businesses—never have been, never will be. Coles is not a small business. The Commonwealth Bank is not a small business. Goldman Sachs is not a small business. As important as they are to our economy, they do not need a taxpayer subsidy which Australia cannot afford to pay, especially when our imputation system means a cut in the corporate tax rate delivers no meaningful benefit for mum and dad investors. The only shareholders who will win out of this live overseas. Labor will support a tax cut for small business but, unlike the Prime Minister, we will not use this as a camouflage for a massive tax cut to big multinationals, and especially when the government is refusing to tell us the 10-year cost of their 10-year plan.

The Turnbull budget is built on a fraud of a grand scale. The Prime Minister knows what his big business tax cut will cost all taxpayers but he does not trust them enough to tell them. Labor will do the right thing by the budget and by families. Labor will not support Mr Turnbull’s 10-year tax cut for big businesses. Indeed, based upon a preliminary estimate from the independent Parliamentary Budget Office, this will mean a budget improvement of $49 billion over the decade: two decisions; $65 billion in budget improvement.

On Tuesday night we heard a few familiar lines. It could have been Chris Bowen making the case for tighter concessions on super, Tony Burke and Andrew Leigh pledging tougher action on multinationals, Michelle Rowland advocating a small-business tax cut, or Anthony Albanese outlining our new infrastructure approach. Never has an opposition had so many of its policies adopted by a government with so few of its own! We are flattered, but there is a difference: we have actually done the work and we have put in the time. Our policies have purpose; they are not optics we converted to five minutes before an election to bloat a savings number. Our positive plans reflect our values. Who do you trust to make multinationals pay their fair share: a Labor Party who made this our first economic priority more than 12 months ago, or a Liberal leader who only last week on radio gave his prime ministerial blessing to tax avoidance?

Labor will gladly support our own clear and costed policy to close the unsustainably generous superannuation loopholes at the very top end. We welcome the fact that, three years after they voted to abolish Labor’s low-income superannuation contribution, the Liberals have decided to keep it and simply rename it. Labor’s reforms to maintain the fairness and integrity of superannuation, however, will only ever be prospective and predictable so that people can plan for the future with security.

The coalition’s changes are chaotic and unprecedented. They were made with zero consultation. They dangerously undermine what is acknowledged as the world’s best system for securing a decent retirement for all Australians. The Treasurer claims that only a small number of superannuation account holders will be affected. That is untrue. When the system is undermined, everyone is affected; everyone is at risk. Every superannuation account holder can now only guess at what Mr Turnbull and Mr Morrison will do next. This is a matter of principle for us. Labor have very grave concerns about retrospective changes, which is precisely why our reforms to negative gearing and capital gains explicitly rule out retrospectivity.

My fellow Australians, tonight I also want to share Labor’s plans for the future: for a growing economy where opportunity belongs to everyone; our plans for securing Australian jobs today and creating jobs tomorrow; preparing for our transition to a knowledge economy by investing in education, from early childhood and schools to TAFE and university; a health system where it is your Medicare card, not your credit card, which guarantees you access to the treatment you need; for real action on climate change and the new jobs and new industries created by renewable energy; putting the great Australian dream of home ownership back in the reach of working and middle-class families, who have been priced out of the market by taxpayer funded subsidies; and championing the march of women to equality—closing the gender pay gap, properly funding child care and not cutting paid parental leave. A Labor government will ensure there are more women around the cabinet table and in the parliament than ever before.

There is much more that a new Labor government would seek to achieve that cannot be covered tonight in the detail it deserves, but we must close the justice gap. It is wrong that we live in a country which is better at sending young Aboriginal men to jail than helping them finish year 12. We must work to deliver redress for the survivors of institutional child abuse, who have shown such incredible courage. We must eliminate the scourge of family violence from our society once and for all. And Labor will ensure women are safe at home and supported in the courts by putting back the funding that this government has cut from community legal centres. If we accomplish nothing else in our time here but to ensure the equal treatment of women in our society, our nation and its daughters will have a brighter future.
Australia should never accept the false choice between growth and fairness. Each is essential to the other. There is nothing fair, though, about a 15 per cent GST on everything. We remain completely opposed to it. If Australia does not want a 15 per cent GST, the only way to guarantee that is a Labor government after 2 July.

Full employment and creating better paid and better protected jobs is Labor's economic priority. The jobs of the future will be powered by infrastructure in renewable energy. Taking real action on climate change will create new jobs. It will attract new international investment and power our industries and services. Of course, advocating climate action is hard and running a scare campaign against it is easy—you should know that, Mr Turnbull; you have done both of those things—but delaying action will be a hit on Australians' cost of living, a drag on our national economic growth and an attack on our farmers' way of life. More than this, it would be a betrayal of the duty that every generation owes to the next, to hand down an environment in a better state than the one we inherited. Refusing to act on climate change will leave Australia isolated from the biggest economic opportunity of the next few decades.

By 2030, there will be $2½ trillion of investment in renewable energy in the Asia-Pacific region alone. Australian enterprises should be collaborating with our universities and researchers to design, manufacture and export battery technology, solar panels, turbine parts. These are not niche markets or boutique industries. Embracing clean technology and renewable energy can revitalise advanced manufacturing in our country.

In just the last two years, the global economy has added two million renewable energy jobs, but Australia lost 2,600. The world is powering ahead and under the Liberal government we are going in the wrong direction. It is time to turn things around. That is why a Labor government will deliver 50 per cent renewable energy by 2030. Or, to put it bluntly: you cannot trust action on climate change to a government controlled by climate sceptics.

Instead of cutting infrastructure by a further $1 billion, as this government has done in this budget, Labor will turbocharge Infrastructure Australia with a new $10 billion funding facility, a concrete bank to get investment from the private sector, particularly big super funds, flowing into projects. Instead of taking selfies on the train, we will get new projects underway—nation-building not ego boosting. If we do not get projects up and going, by 2031 congestion on our roads will cost Australia $53 billion. This is why a Labor government will invest directly in public transport—Brisbane's Cross River Rail, the Melbourne Metro, the Western Sydney rail line, the Perth Metronet, Adelaide's Gawler line electrification and Adelaide light rail. That is just the start. This will create a stable pipeline of 26,000 jobs and boost productivity. And the most important piece of infrastructure to any 21st century economy is a first-rate fibre national broadband network. That is what Labor will deliver.

We will create jobs. We will plug us into Asia. We will link small businesses in the regions to the new markets in our region. But securing Australia's prosperity must commence with education. Over the next 10 years, Labor will invest $37 billion to guarantee every school in Australia receives fair funding on the basis of need. We will deliver on the Gonski promise and go beyond. As the son of a teacher, as a father of three, and as Prime Minister, I will ensure that every child in every school gets every opportunity for a great, world-class education.

This is not more money for more of the same. This funding guarantees that schools can teach the basics better, build a strong foundation to inspire a love of learning and impart the skills needed to thrive in this century—coding skills, computing skills, technology and science skills. Achieving this requires more individual attention for every child from better trained, better resourced teachers. This is an investment in our economy, in productivity, in growth, in a workforce ready to win the jobs of the future. But the Liberals mock the idea of spending extra resources on our kids—the same Liberals who have cut more than $30 billion from Australian schools and bemoan the cost! Why does the Turnbull government always look at funding for our schools as a cost not an investment? The Prime Minister has arrogantly dismissed our policy—the same Prime Minister who only a month ago was talking about cutting every single Commonwealth dollar from every single government school! The people of Australia who pay tax to the Commonwealth have a legitimate expectation that some of that money will be reinvested in government schools to which they send their children throughout Australia.

Now, in the shadows of this election campaign, having ripped $30 billion out of our schools, they have promised to put $1 billion back, and there they sit awaitng the thanks of a grateful nation! But Australians know they cannot trust this Prime Minister on education. And when they hear Liberals lecturing parents and teachers, saying, 'More money won't solve this problem,' Australians know that the only people who ever say this are those for whom money has never been a problem. We hear so much talk from this Prime Minister about innovation, but Australia
cannot be an innovation nation unless we are an education nation. You cannot build an ideas boom whilst you are sacking CSIRO scientists, and we will not get smarter by charging university students $100,000 for a degree.

Unlike the Liberal-Nationals, who have cut $2½ billion from vocational education, Labor will make training and skills a national priority, creating jobs in our regions, retraining adult workers, and helping modernise our industries and technologies. And tonight I declare that the pendulum has swung too far to private providers. Labor is backing public TAFE all the way. We will restore integrity to the training system by cleaning out the dodgy private colleges that have been ripping Australians off. In 2014, the 10 largest private training colleges in Australia received $900 million in government funding, yet less than five per cent of their students graduated. Tens of thousands of Australians are being loaded up with massive new debt but not the qualification they need to find their next job.

For the past three years, the Liberals’ only response has been to blame someone else. But, at last, Malcolm Turnbull has acted. He has demanded a discussion paper! The Prime Minister may not be capable of making a decision, but I am. While Mr Turnbull dithers, Labor will deliver. A Labor government will cap vocational education loans at $8,000 per student per year. We will cut this wasteful spending, saving an estimated $6 billion over the decade.

Tonight I have outlined $71 billion of additional budget improvements over the decade. These are the decisions that our nation needs. This is what a responsible budget looks like.

In Australia, the health of any one of us matters to all of us. That is why Labor created Medicare. Medicare speaks to who we are as a society, as a nation—a guarantee that you are treated according to your illness, not to your income. Medicare drives economic growth and productivity, keeping us active, healthy and productive at work. It saves employers the costs, the red tape, the hassle of organising health insurance for their workforce. It saves our nation money. It is the most efficient payment system for treatment at the most important time. And it saves families money, keeping down the cost of living.

By contrast, the two-tier privatised American system is driven by profit for health insurers, not people who need help, delivering massively worse outcomes for families, for health budgets and for economic productivity. But this is the two-tier model that the Liberals have always wanted—great for the profits of private health insurers and a disaster for ordinary Australians.

Make no mistake, 2 July will be a referendum on the future of Medicare. In the past three years, the Liberals have cut Medicare, they have taxed Medicare, and in this budget it only gets worse for Medicare and the Australians who depend upon it. This is a budget that health professionals have already condemned for undermining patient care, particularly in regional Australia. It cuts money from general practitioners, the frontline troops in our constant battle to keep Australians well. It cuts money from the bulk-billing for pathology and diagnostic imaging services for Australians fighting cancer.

But the Liberals are spending $5 million on a secret Department of Health task force to investigate the fastest way to privatisate parts of Medicare. This is just the beginning, the thin edge of the wedge. The Liberals will not rest until they have savaged bulk-billing and eliminated universal health care in this country. But Labor will always protect Medicare. Under a Labor government, Medicare will be in safe hands and in public hands. We will not support the privatisation of the Medicare system, full stop. Tonight I announce that we will legislate to protect Medicare within our first 100 days.

From infrastructure to health and education, Labor has made it clear how we will fully fund each and every one of our positive plans. We will cut wasteful spending for a stronger budget and more jobs. We will save $1.4 billion by repealing the National's new baby bonus and another $1 billion by abolishing the discredited Direct Action. Paying big polluters to keep polluting will stop under Labor.

And we will not spend $160 million of taxpayer money on a divisive plebiscite dredging up all kinds of harmful prejudice. Instead, the parliament of Australia will do its job and, within our first 100 days, vote to make marriage equality a reality.

Building a stronger budget also demands an honest look at housing affordability and tax subsidies such as negative gearing and capital gains that make the problem worse. These two tax subsidies will cost the budget...
over $10 billion this year alone—more than this government spends on higher education or child care. These are not tax breaks for battlers; half of all the benefit goes to the top 10 per cent of income earners.

Mr Turnbull has said that this is all beside the point. Actually, this is the whole point. Taxpayer dollars that ordinary Australians work hard for every day are pushing the price of housing beyond the reach of working- and middle-class families. It is those at the top end who receive the higher benefit. It is not sustainable and it is not fair. Labor's plans for a fairer system will not affect any existing investment property—no-one will be left high and dry. Instead, we will redirect investment into new housing after 1 July next year, saving the budget over $32 billion over the decade to help pay for the economic investments in education and health care that Australia needs.

Our policy will mean more new houses, a greater supply, and thousands of new jobs for carpenters, tilers, electricians and plumbers. Back in 1990, a typical home in Sydney cost five times a young person's average income. Saving for a 20 per cent deposit took about three years. Today, the same home costs 15 times a young person's average income and saving for the 20 per cent deposit takes nearly 10 years. Buying a home is only getting harder, yet the government thinks the priority is tax breaks for investors.

Yesterday on ABC radio this out-of-touch Prime Minister stunned listeners by announcing his new housing plan: get yourself some rich parents and get them to shell out! This country deserves better than that. If the Prime Minister really believed in aspiration, he would support Australians who aspire to own their own home. He would support Labor's policy. Tonight I say to all aspiring homeowners and their parents that Labor will provide a level playing field. Instead of telling you to have a go, we will give you a fair go.

My fellow Australians, in 58 days you will have your say on who governs the country for the next three years. We might be the underdogs in this election, but we never sought to be a small target. We are offering a social and economic program for the betterment of this nation. The markers we set for the future of Australia—jobs, education, Medicare, climate change, affordable housing, fair taxation, equality for women and our belief in young Australians.

By contrast, this budget punishes people who cannot afford it and rewards those who do not need it. Worse than that, it speaks for a lack of vision, a lack of understanding of what makes this country great. It shows that the Liberals have never given up on the idea that it is up to each individual to fend for themselves, and those who fall behind get left behind.

Prime Minister, Australians honestly thought that you were so much better than this, because Australians are so much better than this. Australians built superannuation and created Medicare. We are delivering the National Disability Insurance Scheme. We opened ourselves to Asia and forged a new identity as a leader in our region. We said sorry.

We are a nation the world admires as prosperous and fair; an economy where growth comes from extending opportunity to all; a country where your destiny is not predetermined by your postcode or your parents' wealth; a country where aspiration is encouraged and success is earned, not inherited; a nation of courage, community and compassion.

This is the Australia I witnessed at Beaconsfield 10 years ago, at Black Saturday and through the Brisbane floods. It is the Australia that I have had the privilege of representing my entire working life, standing up for people every day; an Australia enlarged by all who call it home, striving for the best but caring for each other; an Australia of common effort and shared reward. This is the Australia that Labor believes in. It is the nation I hope to lead.

Tonight my team and I offer ourselves as your next government. We have learned the hard lessons of the past. We put forward our positive plans. We are united. We are ready—a Labor government that will always put people first.

House adjourned at 20:02 until Monday, 9 May 2016 at 10 am, in accordance with the resolution agreed to this day.
The DEPUTY SPEAKER (Ms Landry) took the chair at 09:30.