



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

BILLS

**Social Services and Other Legislation
Amendment (Seniors Supplement Cessation)
Bill 2014, Social Services and Other Legislation
Amendment (2014 Budget Measures No. 4) Bill
2014, Social Services and Other Legislation
Amendment (Student Measures) Bill 2014**

Second Reading

SPEECH

Wednesday, 22 October 2014

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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Questioner
Speaker Neumann, Shayne, MP

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Mr NEUMANN (Blair) (18:54): On 13 May this year, about five months ago, the Treasurer, the member for North Sydney, handed down the worst budget in living memory. It went down very badly indeed. It was a budget based on a confected budget emergency, and there is a booklet that seems to have gone missing—a blue booklet called 'Real solutions'. I never see any members of the government come into the chamber with that, yet I recall numerous occasions in the last parliament when they put it under their arm like a bible. It was the manual. It would get the country back on deck. But so much of what we have seen in the legislation and the budget which this government announced in May cannot possibly and is not found in the missing blue book. You know: the book the then Leader of the Opposition used to hug so close to his chest. He put it in front of him like he had steak knives as well!—'Buy this and vote for me.' It has gone missing entirely.

I am always amused by those opposite, including the member for Herbert, who criticise us on our side as if none of us have business experience at all. I ran a business for more than 20 years. It grew from the time I was about 26 years of age into a medium-size firm in the Brisbane CBD. I grew that business, so don't come in here and say none of us have any idea, as if somehow those in the government alone know what it is like to be in business. Many of us on this side of the chamber know because we ran businesses ourselves.

A budget that clearly the government thinks is about lifters or leaners is a budget of broken promises and really cruel cuts: \$50 billion in health and hospitals, \$30 billion in schools. It is a budget that abandoned needs based funding and Americanised our universities. They are on about liberating our students with debt and \$100,000 university degrees. It is a budget that fundamentally attacked the universality of Medicare. That is what it is about. There were massive cuts to family support and pensions, slashing \$534 million in PM&C's Indigenous portfolio alone, on top of that cutting legal aid funding for Indigenous people, Indigenous language programs and on and on. There were \$653 million in cuts to the aged-care sector. On top of that we have the cuts to the dementia and severe behaviour supplement—a one-two punch to the head of the aged-care sector.

So we have here legislation before the chamber which we will oppose and which again is about cuts, so many of which were never mentioned in that famous—or infamous—blue book they carried around everywhere. We will stand up on this side of the chamber for families, for fairness, for veterans, for older Australians, for those in the country in the cities and for those people from all over the country, from the Torres Strait to Tasmania. We will stand up for Labor values. We will. We would support sensible budget saves and we have done so. In fact, in the last few weeks we have demonstrated that. But we will not support savage cuts to family income.

Those cuts impact on electorates around the country, many held by Labor. Independent modelling produced by the University of Canberra's National Centre for Social and Economic Modelling revealed that families and residents in my electorate of Blair are worse off by about \$406 per year as a consequence of the budget. I admit that Blair sits in about the middle of the electorate table, but the NATSEM modelling reveals that 15 of the 16 hardest hit electorates in Australia are held by the Australian Labor Party, those on this side of the chamber.

We fought the measures in the bills we are debating today when this stuff came before the house in a couple of omnibus bills. We fought these measures in the public, we fought in the Senate and we won. We won the argument with the public and saw the government backflip on this issue. We saw the government split bills, introducing four new bills to the House, and we supported responsible saves of about \$2.7 billion which we told the government we would support back in May after the budget. But, in their arrogance—indeed, in their ignorance—they did not have the grace and humility to negotiate and talk to the opposition about this issue.

Mr Ewen Jones: You don't listen.

Mr NEUMANN: Not listening is exactly what this government is about—not listening to the public and eventually compelled to undertake what I said back in early October. But we will not support cuts of the order of about \$8 billion to \$10 billion which this government is proposing in the splitting of various bills, because what

they are about here is pension indexation changes, kicking families off family tax benefit B when their youngest child turns six, freezing family tax benefit payments, and forcing job seekers to live without any income support income for up to six months. Imagine a 28-year-old carpenter in Raceview in Blair living with his partner and they have two kids. He loses his job and she is a stay-at-home mum. They are in a position where he loses his job and he is off without any income. What is he going to do? Where is he going to go? It goes to show how callous and harsh this government is.

Australians must really wonder what this government is all about when they look at what it has done. I heard the member for Herbert talk about the budget. He went on and on about the budget. The pre-election fiscal outlook demonstrated the figures, not that trumped up MYEFO we saw at the end of last year, and then the budget reveals where things were up to. What this government did when they got in was they virtually doubled the deficit. What they did was change the economic assumptions; gave \$9 billion to the Reserve Bank; forewent all those revenue measures that we put in, which they had opposed; and got rid of the carbon pricing mechanism, which was bringing in billions of dollars as well. So what they have done is then decide they going to spend across the forward estimates about \$22 billion in a Paid Parental Leave scheme to actually pay millionaires up to \$50,000 to have children. This is what they are doing. Claiming there is a budget crisis is not consistent with the actions of this government. It is not. We had a AAA credit rating and we had low interest rates. This country was not in a budget crisis when the coalition came to power. That is the reality. What this government is doing is taking people off that income support that they really and truly need.

A recent Melbourne Institute report found that while 23 per cent of working age people received welfare payments in 2001, this had dropped to 18.5 per cent by 2011. But if you listened to the member for Herbert you would think there was a massive explosion of people on welfare in the country compared to what it was a decade or so ago. It is not true. It does not work out that way at all. The reality is very different. The government cannot find economists anywhere to support their hysterical claims about a budget emergency and out-of-control welfare spending. AMP Capital Chief Economist Shane Oliver said this:

Australia is not facing a budget or public debt crisis right now. Our budget deficit and net public debt are low by OECD standards. Our bond yields are low and foreign investors are happily buying our bonds.

That was from *The Sydney Morning Herald*, 1 July 2014. Saul Eslake, chief economist at Bank of America Merrill Lynch, compared Australia's budgetary position with that of the UK in 2010, which he had described as 'a crisis'. He said that to apply similar terms to Australia:

... was to abuse the English language.

So we had some Orwellian language from those opposite in relation to this issue. Even when members opposite come to visit my electorate of Blair they cannot get the record straight. We had Senator Barry O'Sullivan debating me before the Ipswich Chamber of Commerce forgetting his talking points and admitting there was no budget crisis, which was reported very well and accurately, I might add, by *The Queensland Times*, who had pictures of him looking in despair about the whole issue. It did not go down very well with the business community in Ipswich, can I tell you. He clearly lost the argument in relation to that.

The government should be forced to abandon the legislation that is before the chamber, but they will not. They are not deterred by their commitment to cut pensions and slash support for low-income families. They are simply not. But I think, as I mentioned before, the situation in relation to young people being forced to go without any financial support for six months if they were young job seekers is one of the cruellest things I have ever seen. The Prime Minister has now reintroduced these cruel cuts which we defeated previously.

What they are trying to do as well in the legislation before the chamber is end the seniors supplement from 20 September 2014. This is a \$999.4 million cut in support of 300,000 older Australians. These are people who currently get the seniors supplement available to Commonwealth seniors health card and DVA gold card holders. It is paid annually currently at a single rate of \$886.60 for singles and \$668.20 for each member of a couple. In my electorate the latest figures I can discover is that there are 953 Commonwealth seniors health card holders. That is nearly 1,000 people in my electorate alone. That is replicated everywhere. I would love those people opposite to go and do their listening posts in street stalls and see the old people as they going to their shopping centres—going into Woolworths and Coles and IgA et cetera—and say to them: 'Look, I am just reducing your capacity to buy that bread, butter and cheese. I am taking away your income.' Those types of supplements, as many older people in my electorate have told me, help them to meet their rates bills, electricity bills and other

necessities. Some people have told me that that is the money they use for a bit of recreation as well. These are people who have worked hard all their lives and those opposite are supposed to be on the side of those who put away and save and who want to do the best in terms of financial dignity and respect in retirement.

But as people walked into those polling booths on 7 September 2013 they had not an inkling, those nearly 1000 voters in Blair, that my LNP opponent was going to, if she won, sit opposite and get rid of their seniors supplement. They had not an inkling because my opponent in that election did not tell them. They did not tell I guarantee that none of the people over there told any of the electors who were going into vote on election day that that was going to happen. There was not a peep from the then Leader of the Opposition nor the shadow Treasurer, the member for North Sydney, that they would do it.

In fact, I had a look at this. I do not even remember any election ads from the coalition about this. In fact, there was something in the coalition's election policy. I had a bit of a look. It is mentioned It is listed as a benefit in the coalition's election policy in relation to this issue—the holding of a Commonwealth seniors health card. The policy document of the coalition simply states that holders receive payment of the senior supplement. Unfortunately, these holders did not learn anything about this until after the election. It was missing; there was not anything in the coalition's policies about the supplement not being available in the event of an Abbott government—not mentioned at all. We oppose this. We do not believe the Prime Minister should punish those Australians who have worked hard all of their lives to prepare their retirements.

And with the Social Services and Other Legislation Amendment (Student Measures) Bill 2014, I cannot see any empirical evidence as to why students should suffer in the way they are doing. We are seeing the application of interest rates on certain debts in relation to student assistance payments, interest being charged at 90-day bank accepted bill rates plus seven per cent interest. I cannot understand why they are doing this. There is no evidence that this needs to be done. There is the replacement of the existing Start-up Student Scholarship with new income contingent student loans; there is no evidence that this will work. There has been no review that I can see, and no real legitimate policy reason given for that. In the circumstances, we oppose this. (*Time expired*)