



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Budget Savings (Omnibus) Bill 2016**

**Second Reading**

**SPEECH**

**Wednesday, 14 September 2016**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Wednesday, 14 September 2016	<b>Source</b> House
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<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Albanese, Anthony, MP	<b>Question No.</b>

**Mr ALBANESE** (Grayndler) (10:11): I rise to support the amended Budget Savings (Omnibus) Bill 2016. There is no doubt that the issue of budget repair needs to be dealt with. The government has tripled the deficit since it came into office. The fact is that the debt has increased since this government came into office, at a time when spending has not increased in terms of productivity-boosting expenditure such as investment in infrastructure. If, to boost future economic growth, that had occurred, then there might be some justification; but we know that in the first two years of this government public sector investment in infrastructure fell by some 20 per cent. We know that during the recent election campaign the government refused to commit to important congestion-busting investments like the Cross River Rail project in Brisbane, Metronet in Perth, the AdeLINK light rail project or Western Sydney rail.

The fact is that issues around recurrent expenditure do have to be dealt with. They require tough decisions. I have been saying for some time that those tough decisions and Labor's position on them need to be determined on the basis of Labor values, on the basis of how these changes meet the fairness test. It is very clear that the government's earlier proposal to abolish the energy supplement for pensioners, people with disabilities, carers, recipients of Newstart and single parents was unfair. It was unfair on a range of measures. A range of compensation measures were put in place when the carbon price was implemented by the former Labor government.

We dealt with the issue of the impact on the working poor by tripling the income-tax-free threshold. Middle-class people received income tax cuts. Companies received direct support for the transition to a carbon-constrained economy. As proposed by this government, all of those measures would stay in place. All of the middle-income and high-income earners would keep the tax cuts that were part of the compensation measures. The only people who would be hit by the wind-back of those compensation measures were the poorest people in the community. What made it even worse was the fact that, as a result of the then Labor government not wanting double compensation, we discounted the next normal CPI increase for recipients of income security payments by the next CPI increase, which, of course, would have been impacted by the flow-on from the carbon price. So, in fact, these low-income earners would have been worse off in real terms than had the carbon price not been implemented, and that is why it was unfair to cut these payments by between \$4 and \$8 a week.

That is bad macro-economic policy because, at a time where the Reserve Bank has cut interest rates in order to stimulate demand and to use monetary policy as a stimulus, it makes no sense for fiscal policy to work in the opposite direction. That is precisely what a cut to real incomes for the poorest people in our society would have done because these people spend all of their income, every dollar, on getting by from week to week. We know that Newstart is already too low. It is not just that people in this parliament suggest that; even the Business Council of Australia suggests that. That is why this clawback of compensation was unfair, and Chris Bowen, the Shadow Treasurer, and others—Jenny Macklin in particular, who always has looking after the most vulnerable in our community at the forefront of everything that she does—deserve credit for negotiating a proposition that can now receive the support of both sides of the parliament. To give the government due credit, the fact that they were prepared to be flexible deserves acknowledgement as well.

We need to give people appropriate respect and not just regard people who are on low incomes and who are vulnerable as people who are expendable. If we do not give them a voice who will? It is the Labor Party that historically has stood up for those people and stood up for Labor values—and, once again, we have done this with this package today.

I will also mention briefly the change to ARENA funding. As a result of the measures negotiated, ARENA will have an \$800 million budget over the next five years to continue its important work. This is critical work. The promotion of renewables is consistent with Labor's position of 50 per cent renewables by 2030. We do not think this goes far enough, and it is important that there will be negotiations between the shadow minister and the

Minister for the Environment and Energy in order to see if we can get further agreement in the shift away from fossil fuels and towards renewables that is so necessary. It is important to acknowledge that climate change is real. It is happening. The quicker we transition to a clean energy economy the cheaper that transition will be. Importantly, this will also support jobs, and the renewable energy sector has seen jobs triple in recent years. The work of ARENA is aimed particularly at early stage developments, and it is important that, as a result of this negotiated outcome, support for clean energy and the renewable sector has been ensured.