



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**BILLS**

**Minerals Resource Rent Tax Repeal  
and Other Measures Bill 2013**

**Second Reading**

**SPEECH**

**Tuesday, 19 November 2013**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Macklin, Jenny, MP

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**Ms MACKLIN** (Jagajaga) (20:09): I am very pleased to be able to contribute to the debate on what is called the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013. That phrase 'and other measures' conceals many savage cuts that will have a devastating impact on Australian families. This legislation is about much more than the repeal of the minerals resource rent tax. It contains cuts that Australian families are going to feel as a result of this new government's actions. Labor will oppose these cuts. Let us wait and see how each of the members here tonight goes out and says to the families in their electorates: 'I'm going to take this money out of your pockets. I'm going to make sure that you don't have the money that you need to make it a bit easier for you to pay for the things that your children need at school.'

This legislation in fact scraps two Labor payments that made life easier for Australians: the schoolkids bonus and the income support bonus. It also contains a hit to superannuation for low-income earners with the abolition of the low-income superannuation contribution. If this legislation is passed, and I hope it will not be, Australian families will begin to feel the real impact of this government's cuts: 1.3 million families will be worse off, in Bass, in Hughes, in Cook—all of the families that live in your electorates that rely on the schoolkids bonus are going to lose money because of this government's legislation. We look forward to seeing whether or not members opposite have got the courage to go up to families in their electorates and tell them how much money they are going to take out of parents' pockets—2.2 million school-aged children are going to be worse off. What sort of government does that: 2.2 million schoolchildren are going to be worse off. Over the school lives of children in an average family, families will be \$15,000 worse off. That is what this legislation does to families—\$15,000 will come out of the pockets of ordinary families, low- and middle- income families, because this government is putting this legislation into the parliament.

As Labor people we are very proud that we provided this additional support to Australian families to help with the costs of their children's education. We actually care about these families. We do not just talk about it, we do not get up in the parliament and gives speeches about the needs of low- and middle- income families, we actually deliver for them. What we are seeing from this government, though—the new member for Bass is having a bit of a smile about it. I will tell him what it means to the families in his electorate of Bass. I know very well that there are many low- and middle- income families in Launceston. What he is about to vote for is going to take \$409 a year each year away from each family in his electorate with a primary school-aged child. If you have got two primary school-aged children it is double that. For secondary school-aged children the member for Bass is going to take \$820 a year, each year—not just once but each year a child is in secondary school; for most of them it is six years—from ordinary families in his electorate. So he needs to go out and tell all of the families in Bass that he is taking all of that money out of their pockets, and that it is a decision that he personally is making. And the same applies to all of the members in the Liberal and National parties who are going to vote to cut this money out of the budgets of families.

This is money for families who are struggling to make ends meet, struggling to make sure that they have the money to pay for their children's education—money that they depend on, whether it is for school uniforms, school shoes, textbooks, camps, excursions, sports fees, sports equipment and so the list goes on. I am sure that many members know how expensive school uniforms are. Average school uniforms are around \$430, and we know particularly how quickly children in those middle years grow. Average annual costs for books, stationery and other equipment is around \$250 for primary school children and \$400 for high school students, and then of course there are the extra fees that parents might have for music or sport: families need this money.

What we are giving them, of course, is just a contribution to the costs that families pay for their children's education. But today in this legislation—not that they have the courage to own up to it in even the name of the bill that is before the parliament; they do not even have the courage to do that—this bill takes this money from Australian families. This Prime Minister is going to make life harder for Australian families as a result of this legislation.

I know one family in Brisbane: mum and dad, four kids aged four to 11. Three of the children are in primary school, the mother is at home and the father earns around \$50,000 a year. With three of their children in primary school they are due to receive an extra \$1,227 to help them make sure that their kids have every opportunity at school. What will happen to that family if this legislation gets through? If this Prime Minister and all the people who sit over there have their way? That family and 1.3 million families just like them will lose that money. So for this family, it is more than \$1,200 each year—each year that family will lose that.

That is exactly what this legislation is going to do. And, of course, to add insult to injury the government is not telling the truth to the Australian people about why they are taking this money away. The Treasurer has long claimed that the schoolkids bonus is attached to revenue received from the mining tax. But as I was the minister responsible for this payment, I can assure the House that it was not. When Labor introduced the schoolkids bonus it was done by replacing the education tax refund. We introduced the education tax refund in 2008-09 and then we recognised that we needed to make some improvements. Many people were not getting the benefit of the refund so we redesigned the payment into a direct payment for families.

Of course, my colleagues will remember that at the time the Liberal-National parties opposed this measure vehemently. Extraordinary! They say they are there to support families, but they came in here and fought this measure tooth and nail to try to prevent families getting this benefit. We did get the measure through the parliament, and families have been receiving the benefit because the Labor government understood how important it was to help.

And now, in what I can only describe as a cynical effort to con Australian families, we have the Treasurer including the schoolkids bonus in this legislation, trying to fool Australian families that somehow it has nothing to do with the legislation that is before us. Well, we will oppose it and we will oppose it because we actually think we are here and elected to support low- and middle-income families, and especially those who want to help their children get the best education. That is why we introduced the schoolkids bonus—no other reason. We want to help families make sure that their children get a good education. And now the coalition government is going to take that support away.

Of course, it is not only this government that has behaved in this way. We have seen the Liberal government in Victoria do the same. They ripped away the School Start Bonus, which was actually just for very low-income families, and now we see them doing it here by abolishing the schoolkids bonus.

This legislation also seeks to abolish another one of Labor's payments, this time to the very vulnerable. The income support bonus is a tax-free, indexed, non-means tested payment paid twice a year to some of our poorest and most vulnerable citizens: people on Austudy, Newstart, ABSTUDY, youth allowance and a range of other social security payments. The purpose of the previous Labor government putting the income support bonus in place was to make sure there was additional support for these very vulnerable citizens to help them manage what are sometimes very difficult and unanticipated costs, whether those are medical bills or urgent car repairs. These are very hard to plan for when you do not have very much money. It was much needed support, especially for people who are unemployed.

This extra cash has been paid now to more than one million—one million—low-income Australians. That is how many people have had that extra support—very vulnerable Australians. Once again, this government wants to take it away—not take it away from wealthy people; take it away from the poorest people in our country. What sort of values does a government have that wants to take a small amount of money away from the most vulnerable people in the country? That is what it is doing. Meanwhile, we see this government—not in this legislation but in other legislation—increasing opportunities for those with high-income super. And we know what the government wants to do for the very, very highest income earners with its Paid Parental Leave Scheme, but let's leave that for another day.

This legislation also plans to scrap the Labor government's low income superannuation contribution—another change to some of the poorest people in the country. This was a government contribution of up to \$500 a year—not a huge amount of money—to help those earning \$37,000 or less, so very low-income people, to save for their retirement. At the same time that this government seeks to rip this money out of the retirement savings of low-income earners, they have abandoned a proposal to tax high-income earners' super contributions. This really sums up the values of those opposite: take from the lowest income earners in this country and reward the high-income earners. This is fast becoming a characteristic of this government.

We know that this legislation contains cuts that will hit 1.3 million families, 2.2 million children and a million very vulnerable citizens through the income support bonus. This will just be the first hit to families by this government—I am sure it will not be the last. Meanwhile, Labor will of course continue to stand up for the interests of hardworking families, for the interests of those who need our support the most. That is what governments are supposed to be there for: to help those who need assistance, not to come around the back door and sneakily put in legislation that will see very, very significant cuts to millions and millions of Australians. We will oppose this legislation.