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PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

MINISTERIAL STATEMENTS

Economy and National Security

SPEECH

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Speaker Shorten, Bill, MP

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Mr SHORTEN (Maribyrnong—Leader of the Opposition) (12:47): I thank the Prime Minister for his address and I begin my response to his address on the subject of national security, because upholding the safety of Australians is the shared mission of all of us who serve in this place.

Over the weekend the world commemorated the 15th anniversary of the September 11 attacks. Australians cast their minds back to the wide-eyed horror of that fateful day: the skies and streets of New York filled with the smoke, ash and dust of the World Trade Center; the Twin Towers, which had starred in 1,000 movies, reduced to rubble; nearly 3,000 lives claimed in an act of unspeakable evil and hundreds more cut short by a cancerous cloud. Here at home, 15 years later, the face of terror showed itself again. The attack at Minto was a sudden, vicious act of violence perpetrated against a 59-year-old Australian. The whole parliament sends him and his family our prayers for a speedy recovery, and we offer our gratitude to those neighbours who saw the danger and rushed to his aid in the finest Australian tradition.

The perpetrator of Minto was an individual known for his extreme views but not flagged as a security threat. This is the reality of the world we now live in, a place where isolated youth are easy prey for the false promise of radical violence. This is the threat we must continue to meet and master through both rigorous counterextremism programs and strong law enforcement. Our security agencies and our police are amongst the very best in the world at what they do. Their determination, their professionalism and their courage keep us safe. In this parliament we are united in our support for their work and our admiration of their qualities. And the enemies of peace—the extremists who seek to spread hatred and inflict violence in some perverted, twisted concept of Islam—should know that we are united in our determination to defeat them. These lone wolves will be hunted and they will be caught. Labor will continue our record of being constructive and cooperative, working with the government to make national security legislation as strong as possible.

Those efforts at home must be matched by our greater cooperation abroad, especially with the nations in our region, especially through these multilateral forums where Australia's voice is heard and respected. I certainly find common ground with the Prime Minister on his goals for regional security. In fact, any Prime Minister who attends the G20, ASEAN and the Pacific Islands Forum goes with the goodwill of the whole nation, because the continuing success of these international bodies is vital to our national success.

We are united on the fundamentals of national security but we still see real difference in the economy and who benefits. Today, once again, the Prime Minister has preached his message of sunny, zealous economic optimism in his 20-minute report on his trip overseas last week. I share his faith in the capacity, the courage and the resilience of Australians and I agree: we need to see things as they are, not as we wish them to be. So, unlike him, I see that a lot of our fellow Australians are under pressure and not feeling this security. I recognise that Australians need more than a lecture about digital disruption and those taxpayer-funded ads for an ideas boom at our suburban bus stops. I know that for hundreds of thousands of apprentices, machine operators, carers, teachers and nurses this is far from the most exciting time to be an Australian. It is about time we had an honest conversation about jobs and growth in this country, because a headline annual growth figure of 3.3 per cent should not blind us to the soft underbelly of the domestic economy. Two-thirds of Australia's annual growth has come from the contribution of net exports propped up by mining production, but Australians employed in the mining sector represent less than two per cent of our total employment. Meanwhile, private investment is still in retreat, having just experienced its largest decline in 16 years, and, alarmingly, consumption growth halved in the June quarter. Ordinary Australians are feeling the pinch. Living standards are a full two per cent lower than when the Liberals came to office. Of the 220,000 jobs created in the past year, just 30,000 were full time. In other words, nearly nine in every 10 jobs created in the past year were part time. The proportion of women in full-time work is steadily falling. It is lower than at any time under the previous Labor government.

There is nothing wrong with flexible work if that is what you choose, but a lot of people do not get to make this choice. Underemployment is at near record levels. One million Australians would like to be working more

hours than they can currently find. The underemployment rate for women aged 35 to 44 is more than double the rate for men the same age—more than double. The proportion of working-age men who are not in the labour force, who have given up looking for work altogether, is higher than at any point during the global financial crisis. It is taking Australians longer to find their next job after becoming unemployed. The average length of unemployment has increased by eight weeks since September 2013, and over the next 12 months, as Holden, Ford and Toyota close their doors, between 28,000 and 40,000 jobs will be lost in Elizabeth, Salisbury and Smithfield, in Port Melbourne, Campbellfield, Geelong and Altona, and those losses will impact further along the supply chain too. Never forget that it was the Abbott-Turnbull government's first achievement: goading the car industry into leaving Australia's shores for good. And, at a time when we should be investing in training and creating infrastructure jobs, the number of apprentices in Australia has fallen by 128,000. These are vital economic challenges this parliament needs to acknowledge and not gloss over.

Inequality is at a 75-year high. The middle class is being squeezed. Dignity in retirement is uncertain. The gender pay gap, effectively unaltered since 1979, remains an affront to our national credo of the fair go. Our great regions are too often experiencing second-class treatment. Home ownership has fallen to its lowest ever level amongst middle- and low-income families. By next year, homeowners will be in the minority in Australia, with more than 50 per cent of people renting because they cannot afford to get into the market. Trickle-down economics is not the answer. There is nothing for Australia to gain from the idea that you can look after the very top and everything else will look after itself. The last thing our economy needs right now is a \$50 billion tax giveaway for multinational companies and the big four banks.

The Treasurer has the nerve to talk about the taxed and the taxed-nots. He had to be dragged kicking and screaming to take even modest action over multinational tax. He is presiding over a system that allows Australia's highest earners to pay no income tax at all—not even the Medicare levy. In 2014, 55 Australians earned more than \$1 million but managed to quietly write their income down to below the tax-free threshold. But 40 of those 55 paid their accountants more than \$1 million and then deducted this money from their tax the following year. None of this is illegal and this is the problem.

Our current system is biased in favour of the very fortunate few who have sufficient wealth to opt out, but the Treasurer would rather go after Australians on the pension or the DSP. The massive cash splash for big companies at the expense of strong safety nets and targeted skills education and infrastructure programs is a recipe for nothing but anaemic growth, undermined by far greater and growing inequality. What Australia needs for economic security is a plan for targeted growth—growth that boosts communities, regions, industries and the demographic groups missing out. Between 2006 and 2012, the mining investment boom delivered us eight per cent of our GDP in capital expenditure and mining, up from a long-run average of two per cent. A hundred and fifty billion dollars extra flowed into our economy. It boosted our export incomes which have buttressed us in recent times, but the billion-dollar flows have stopped.

The national ATM has witnessed a massive withdrawal of capital expenditure. Replacement income and growth is needed now. And in a low interest rate, low investment return environment, we cannot rely on monetary policy to do all the heavy lifting. We need a targeted growth agenda; a plan for education and skills for new technologies; renewable energy; promotion of our services sector; publicly funded infrastructure, including a first-class NBN; harnessing the growth of China and, more broadly, Asia; a fair dinkum march of women to equal treatment in our workplaces and in our society; and budget repair that is fair. Government has to be something better—something more than a mechanism for transferring money from the working and middle-class families and Australians of this country to vested interests.

In the Labor Party, we are determined to ensure people and industries are not left behind by economic change. On this side of the House, we understand that inclusion is a plan for prosperity, not one of the benefits. It is not an either/or calculus in the Australian economy that you either have fairness or you have growth. And, furthermore, we do not believe that the existence of the safety net of social security kills individual initiative and innovation or that the strong minimum wage and the 38-hour week and penalty rates are not causing the decline of Australia, and it is not reckless to find an extra payment of a few dollars each week to unemployed Australians on Newstart rather than reward multimillionaires getting a \$10,000-plus tax cut. Good social policy is not just about maintaining a strong safety net and it is not a matter of charity. It is about investment in people, their skills, their education, their capacities. Lifting people back into work and supporting their full participation in our economy and our society is good economics and it is good community-building.

This is the purpose of the National Disability Insurance Scheme. Ever since the government came to power, there has been a sustained campaign of leaks aimed at undermining the National Disability Insurance Scheme. They over there talk about the expense, the cost, the price tag, but never the value. PricewaterhouseCoopers has found that the cost of disability services to the taxpayer without the efficiency and consumer centred model of the NDIS would be two to three times greater—not to mention the massive economic and personal benefits of empowering 470,000 people with severe and profound disability and tens of thousands of carers to participate more fully in our economy. The Productivity Commission estimates the NDIS will add a full percentage point to our GDP by 2050. Fairness is a growth strategy.

The same is true for Medicare. Our publicly owned, universally accessible system delivers health outcomes that are twice as good as the private, profit based American model and at half of the cost. Medicare keeps sick days down at work and workplace productivity up. It alleviates the cost-of-living pressure of healthcare bills. It is the foundation of a strong Australian middle class. Yet, despite the wild-eyed rage of election night and the fake contrition of the following days, despite admitting that Australians do not trust the Liberals with Medicare, the government and the Prime Minister are continuing the freeze on bulk-billing incentives for GPs; the increase of the price of medicine by cutting the PBS; the new imposition of up-front fees on vulnerable Australians and the new charges for mammograms, blood tests, X-rays, melanoma treatments; and, of course, the Prime Minister's privatisation task force. The government is determined to hollow out Medicare and to push the price of health care back onto Australian families, undermining every Australian's standard of living and the economic security of all Australians.

Fairness is the most powerful counterargument to disempowerment and marginalisation. It says to all of the people who feel forgotten, left out and left behind that they have a stake in society: if they put in the effort they will get a reward; if they work hard they can get ahead. Fairness is therefore both an obligation and a necessity because those who would make fairness too difficult make the splintering of our society too easy. Delivering greater progress, greater security and greater opportunity for all Australians must begin by recognising that current insecurities and frustrations are not imagined or insignificant. There is a very real alienation between the boosters of change and those on the receiving end of change: cab drivers and Uber, the CUB maintenance tradesmen and contracting out, Australian printers and writers and parallel imports, dairy farmers and milk processing, Ford and Holden workers and the preachers of disruption, the victims of shonky banking practices and bank CEOs. There is a disconnect, matched by stalling wages and a growing cost of living.

Australians hear the news of a growing economy and they wonder when it will deliver for them. Private household debt is at its highest level on record. Consumer confidence is flat. Purchasing power is falling. Parents are genuinely worried about whether they will have enough to pass on a better standard of living to their kids. Few issues better illustrate this than housing affordability, yet this government is belligerently and obstinately refusing to change their negative gearing policies. They stubbornly defend a negative gearing policy that actively contributes to putting the price of houses beyond the reach of middle-class and working-class families.

When did Australia become a nation that is happy to spend more taxpayer money subsidising property speculation than we spend as a nation on child care, infrastructure or higher education? And telling a generation locked out of the housing market to get rich parents is not good enough. Dismissing legitimate frustrations with the uneven, hard-to-reach opportunities of the new economy as cynicism is the worst possible way forward. Telling the workers of the car industry, who feel insecure about their futures, to stop 'hiding under the doona' is breathtakingly out of touch. It is easy to sing the praises of free trade and condemn the evils of protectionism from the comfort of financial security.

As the party that built Australia's modern, open economy, Labor fully understands the benefits of free trade from the multilateral processes to market access agreements. But we believe that free trade should work in the interests of all, not some. We know that nothing damages the cause of free trade more than poor advocates with a flawed argument that costs local jobs or puts those jobs in jeopardy. Nothing hurts the argument for an international labour market more than a visa system where imported workers are exploited or the visa process system is corrupted and Australians miss out on the jobs that they were promised.

My party is determined to take a stand against insecure work, rampant casualisation and the race to the bottom driven by contracting out. Our whole system of enterprise bargaining is flat. It is going nowhere at the moment. Employers who bargain are undercut by employers who do not bother, and too many workplaces simply acquiescing with no bargaining is the new normal. Whole sectors of industry have opted for a wages pause and

are simply not renegotiating. Important sectors for future growth—retail, tourism and hospitality—are focused on reducing wages costs rather than boosting productivity.

Australians understand that the future of work is being defined by the limits of automation, artificial intelligence and robotics. That is why people are legitimately worried about what comes up next. That is why we need to focus on skills, on apprenticeships, on training and on TAFE. It is why we need to clean out the dodgy private providers who are ripping off Australians by not preparing our workforce for what comes next.

I notice that John Howard has made another contribution to the national debate this week by saying that the Prime Minister should start talking about industrial relations. Let us have that debate. Let us talk about sham contracting, casualisation and the exploitation of foreign workers. Let us talk about the 2½ million Australians receiving no paid entitlements and the three out of four people working today who do not meet the 10-year requirement for long service leave. Let us talk about how we can do more to reduce serious injuries and fatalities at work, including real action on industrial diseases, including asbestos and mesothelioma, which are a great cost to the economy. Let us talk about the 12 per cent of employers who do not pay any superannuation at all. And let us acknowledge that penalty rates are an essential feature of our industrial architecture and our workplace safety, particularly for workers in rural and regional Australia.

Australia's economic future demands a lot more than the threadbare slogans of those opposite. It is almost exactly a year ago—364 days ago—that the member for Wentworth said about his predecessor that 'ultimately the Prime Minister has not been capable of providing the economic leadership that our nation needs.' After a so-called year of great achievement, that statement has never been more true. Australia needs a new approach, new energy and real leadership. Government is not perfect and it is not infallible, but it is not good enough to argue that we just leave it to the market and the invisible hand. We are not afraid to challenge the existing distribution of wealth and power in this country. We do not believe that saying 'so far, so good' is an adequate response to the challenges of the moment. We know that not all change is automatically good or automatically fair; however, we do not believe that things are about as reasonably good as they are going to be for the foreseeable future.

History never stands still, and we must make our own luck. We believe that the actions of government can improve the quality of the lives, job security and economic security of the Australian people. This margin of benefit to our fellow Australians is worth the effort of this parliament. We are in this place to improve the quality of Australians' lives, to protect Australian security, to invest in their capacities and to see every citizen fulfil their potential. The people who benefit are worth the effort.