

Budget Reply

Bill Shorten MP delivered his Budget Reply speech on 15 May 2014.

Madam Speaker

Tonight I rise to speak on behalf of millions of Australians who feel shocked and angry.

Shocked by the brutality of this Government's attack on their way of life.

Angry at a Prime Minister who pretended to be on their side.

This Budget divides our Parliament.

More importantly, it will divide our nation.

The Government says this Budget is just the beginning.

And it is.

The beginning of extreme policies with an extreme impact on the Australian people.

This is just the beginning, turning Australia into a place most of us won't recognise – a colder, meaner, narrower place.

Losing our sense of fairness and our sense of community.

I believe in a different Australia.

An Australia where your destiny is not pre-determined by your parents' wealth or your postcode.

A fair and prosperous nation populated by a creative and productive people.

But this is not the Australia we saw reflected in the Budget on Tuesday night.

On Tuesday night we saw the outlines of Tony Abbott's Australia – an Australia divided into two societies.

This was a 'tax it or cut it' Budget.

Millions of Australians now know what Abbott's Australia will look like:

If you need to see a doctor, you will pay more.

If you need to buy medicine, you will pay more.

If you go to work and earn a good wage, you will pay more.

If you have a family, your support will be cut.

If you lose your job, your support will be cut.

If you are a young person, you will be left behind.

If you rely on a pension, you will be punished.

And if you drive a car, even for that, you will have to pay more.

And if you relied on the Prime Minister's promises— then you were betrayed.

This is a Budget of broken promises built on lies.

And not just lies; systemic and wilful ones.

A Budget that goes out of its way to create an underclass.

A Budget with the wrong priorities for Australia.

A Budget that confirms the worst fears Australians always had about this Prime Minister.

Madam Speaker

This is a Budget based on a myth.

And now on the basis of this myth, a manufactured crisis, the Australian people have been ambushed with unconscionable changes.

Where is the decency? Where is the honesty? Where is the humanity in this Government?

For a Prime Minister who campaigned to restore trust in our public life, he has let the country down – and badly.

The Budget papers reveal the economic truth.

Australia is fundamentally strong, and so is the legacy Labor left behind.

Low inflation

Low interest rates

Net debt peaking at just one seventh of the level of the major advanced economies.

A triple-A credit rating with a stable outlook from all three international ratings agencies – one of only eight countries in the world.

Superannuation savings larger than the size of our whole economy

And around a million new jobs created

That's what we left.

Let's call the Liberal Budget 'emergency' what it is:

An attempt to justify the Abbott Government's blueprint for a radically different, less fair Australia.

From a Government that see the Australian people not as workers, parents, carers, patients or commuters but as economic units unentitled to respect.

BROKEN PROMISES

Madam Speaker

The Australian people have now witnessed this Prime Minister repeatedly promising one thing before an election while doing something completely different after.

Say what you like Prime Minister.

Spin as hard as you can.

Australians know a lie when they hear one.

They can spot a phony when they see one.

And they know when they've been deceived.

This Budget underestimates the Australian people.

Australians are up for hard decisions.

But pay them respect, sit down, talk to them, and listen.

No dancing past the hard questions.

No lectures.

No surprises.

No excuses.

What the Australian public expect are consistent structural changes aimed at the medium and long term.

A Budget that invests in the future.

That is, a Budget which points the way to an achievable destination but by a process, anchored in reasonableness.

COST OF LIVING

A nation's economic confidence begins with the family Budget.

And this is a budget that shows no understanding or respect for around 9 million family budgets.

This is a Budget that will push up the cost of living for every Australian family.

A Budget drawn up by people who have never lived from paycheque to paycheque.

Never sat at the kitchen table with a stack of bills to work out which ones they can put off and which ones have to be paid to avoid being cut off.

People who don't understand that increasing petrol tax will make the school run, the commute and driving the kids to weekend sport more expensive.

So I say to the Prime Minister, don't lecture Australian families about hard choices.

Do something to help them make ends meet.

This morning I met with a young family from Queanbeyan.

Karim and Radmilla have two daughters, Isabella aged 4 and Mary Therese aged 8 – and another baby due next week.

Karim is a high school teacher.

Like most Australians, Radmilla and Karim aren't wealthy – they work hard to make ends meet.

They balance their family budget, but some fortnights are harder than others.

They worry about their washing machine breaking down out of warranty – or paying for new tyres on the family car.

No matter how hard they try, the weekly shop never seems to cost less.

It always seems like less than a month has passed since the last bill landed in the letter box.

And if the Prime Minister gets his way – Radmilla, Karim and hundreds of thousands of Australians like them will be worse off every year.

Madam Speaker

The Government's GP tax, the Hospital tax and the increased cost of medicines will cost this family more than \$450 per year.

Whenever they fill up their car – they will be slugged at the bowser.

And when Term 3 starts, there will be no more SchoolKids Bonus to help with the costs of new books and new uniforms and shoes for their growing kids.

This Prime Minister's Budget will smash family budgets across the nation.

NATSEM modelling shows that a couple with a single income of \$65,000 and two kids in school will have over \$1700 cut from their family budget.

Add in health costs, and the Prime Minister is cutting nearly \$40 from their weekly budget, every week.

And under this Budget, the cuts will get deeper and deeper.

More than tripling to almost \$120 a week by the time of the next election.

In 2016 this family will suffer cuts of over \$6,000 per year.

That's around one in every ten dollars of the family budget gone.

This is not a Budget shaped by the everyday life of real people.

MEDICARE

Madam Speaker

Medicare –universal access to healthcare – is fundamental to our Australian way of life.

Labor created Medicare because we believe that the health of any one of us is important to all of us.

We are all members of the Australian family and Medicare is, at its core, a family measure.

And with it, we created a new community standard one that is now 40 years old.

We reject a US-style, two-tiered system where your wealth determines your health.

The Prime Minister once claimed he was the best friend that Medicare ever had but this Budget proves he is ideologically opposed to Medicare and its central principle of universality.

The government proposes to establish a \$7 GP Tax for visits to a general practitioner.

The justification is that the Medicare system is too expensive and requires greater patient contribution.

Yet the Budget reveals that not one dollar of the GP Tax will be returned to recurrent health spending.

Not one dollar.

The GP tax is being applied simply to break the universality of Medicare.

The kind of thing you would expect from American Tea Party Republicans – not from a Liberal Party formerly committed to Medicare.

And no hypothecation to a future fund – whether medical or otherwise – justifies the measure or the wilful breach of promise it entails.

Taxing the sick won't heal them.

Making medicine more expensive won't make us healthier.

Yes, investing in medical research is crucial. All research is crucial.

But you don't fund the search for the cures of tomorrow by imposing a tax on the patients of today.

Australians are smarter and more generous than this.

But the GP tax does another thing.

It seeks to turn Australian GPs into tax collectors.

To dragoon them into the service of a completely ideological quest – to distract their time and attention from the immediate task of diagnosing and treating their patients.

The Government has forgotten that general practitioners are the front line troops in our constant battle to keep Australians healthy.

Only the government's general contempt and disregard of them could lead it to impose such a burden on them.

This Parliament has a choice – it is either for or against Medicare.

I give you this commitment Madam Speaker.

Labor will never, never give up on Medicare.

We will fight this wicked and punitive measure to its ultimate end.

\$80 BILLION

Madam Speaker

In some ways, the worst thing the Treasurer said on Tuesday night didn't actually come from his speech.

It was concealed in the Budget papers.

Hidden in the papers was a capricious, unconscionable attack upon health and education services.

The Budget papers reveal an \$80 billion cut to schools and hospitals – a cut for which there had been no discussion, no forewarning, not a shred of consultation.

And let me repeat, Madam Speaker, the sum, – in case people might have missed the scale of it.

Eighty thousand million, Madam Speaker – or in today's parlance \$80 billion.

\$50 billion dollars from hospitals.

\$30 billion dollars from schools.

An attack on this scale is unprecedented.

The Treasurer promised to bring forth massive savings, fairly applied.

Instead, in an incompetent and cowardly way, he has outsourced the main burden of his savings task to the States.

How could a collection of States with limited revenue possibly cope with these cuts?

The Treasurer and the Prime Minister have hinted at the answer: a broader and heavier GST.

The Prime Minister and the Treasurer are blackmailing the States with unconscionable cuts to turn them into the Commonwealth's cat's paw –

A Trojan Horse to a bigger GST but absolving the Abbott Government of fingerprints or blame.

This is how low this Budget's formulations have taken us.

Even John Howard was prepared to take his GST to the people and proselytise on it.

But not Tony Abbott or big brave Joe Hockey.

Never before has the scale of such an attack ever been mounted upon the States and never before so underhandedly.

I make clear, Madam Speaker, that we on this side of the House will have no truck with these brutal and cruel cuts to hospitals and schools.

EDUCATION

Madam Speaker

Labor is the party of education.

We are the party that brought the dream of a university degree within reach of all Australians.

We are the party that implemented the Gonski reforms for schools funding based on need.

A \$14.7 billion additional investment in Australian schools.

But after this Budget, the Gonski reforms are dead, buried and cremated.

But Labor is committed to making every Australian school a great school.

It was my mother taught me the power of education.

The pathway that it can provide.

My mum was a teacher, winning a teaching scholarship in the early 1950s.

She taught in city and country government schools. She travelled the world, she raised a family.

And then studied again later in life.

Mum never stopped being a teacher.

She taught my twin brother and I everything.

She taught me the value of education.

Like all parents, what Chloe and I want for our children is a quality education.

What separates Labor from the Liberals is: we want a quality education for all Australians.

Because it is Australia's productivity that will determine how we fare in the 21st Century.

When I was at school there were 7.5 taxpayers to support each Australian aged 65 years or older.

When our daughter was born in 2009, that ratio was five to one.

By 2050 it will be only 2.7 to one.

Labor knows the only answer to this challenge is to make the right investments in skills and productivity.

Only through education will Australia fully develop our economic potential, our scientific potential, our artistic potential – our people’s potential.

That is why the Prime Minister’s \$5 billion cuts to Higher education are so destructive.

Cuts that mark the end of Australia’s fair and equitable higher education system.

Cuts that bring down the curtain on the Whitlam university legacy.

The legacy that gave Australians like Dr Cathy Foley, Astronomer Bryan Gaensler and author Tim Winton the chance to go to University.

The legacy that gave Tony Abbott – and at least 12 members of his Cabinet the same opportunity.

An opportunity that they now seek to deny the next generation of young Australians.

This Prime Minister’s cuts to higher education sell-out Australian genius and reject Australian potential.

Labor will vote against these cuts to university funding and student support.

Labor will not support a system of higher fees, bigger student debt, reduced access and greater inequality.

We will never tell Australians that the quality of their education depends on their capacity to pay.

PENSIONS AND SUPERANNUATION

Just as we will never tell pensioners to tighten their belts, again and again.

This Prime Minister sees pensioners as a burden to the Budget.

Labor rejects this.

Labor believes that Australians who have worked hard all their lives, who have paid taxes all their lives – and if lucky, have a humble family home – have earned a dignified and secure retirement.

Pensioners should not have to worry about whether or not they can afford to put on their heating, visit their doctor or buy a treat for their grandkids.

Let’s be clear: the aged pension is not a king’s ransom.

It is a modest sum.

\$20,000 a year.

The reforms introduced by Labor guarantee the pension keeps pace with the cost of living.

If the Prime Minister's pension cuts had been in place for the last four years – today pensioners would be at least \$1700 worse off.

The Prime Minister's breach of trust with pensioners isn't just breaking a promise he made before the last election.

He is breaking a promise Australia made with our fellow citizens forty and fifty years ago.

At the start of their working life.

A promise that if they worked hard and made a contribution, the nation would look after them in their old age.

This Prime Minister's cuts trespass against the nation's covenant with pensioners.

This Prime Minister's lies and broken promises hurt every generation of Australians.

Pensioners, and their sons and daughters, who are worried about the quality of life for their ageing parents.

I make this solemn pledge to Australia's pensioners.

Labor will not surrender the security of your retirement.

We will fight for a fair pension.

And Labor will prevail.

This Government's failure to plan for the needs of older Australians is not just a problem for those currently on the aged pension.

The Prime Minister and the Treasurer should not harangue Australians about working til they're 70.

If their only plan is for Australians to work longer and harder and retire later, with less.

I have spent my adult life representing the people who do the real heavy lifting: tradespeople, labourers, cleaners, nurses and other Australians who make a living with skilled hands and strong backs.

Many of them started work at 15 – don't force them to work til they're 70.

Rather, empower Australian workers to save for retirement is so important.

Labor wants Australia to have the world's best retirement savings system.

This Prime Minister wants Australia to have the world's oldest retirement age.

And in this Budget the Government continues to target the retirement savings of all Australians.

The Abbott Government has cut superannuation— another broken promise.

It means more Australians will be reliant on a pension in the future.

As Minister, I moved legislation in this parliament to raise super from 9 to 12 per cent.

And reduced taxation on the modest superannuation contributions of Australians who earn \$37,000 or less in a year.

Yet one of the first acts of this Government was to abolish Labor's Low Income Super Contribution.

This was a cowardly raid on the retirement savings of 3.6 million low-income earners.

Two thirds of those hurt by this change were women – who had moved in and out of the workforce to start and raise a family.

How can this Prime Minister think it's OK to pay multi-millionaires \$50,000 that they don't need.

And yet rob the retirement savings of over two million women who earn less than that in a whole year?

Prime Minister –how can you not see how unfair this is?

JOBS

Labor believes every Australian should be able to find good and fulfilling jobs with decent pay and conditions in productive and profitable enterprises.

But for Australians under 30 who are looking for work, this Budget offers no hope.

It offers despair.

It offers poverty.

It offers no plan for jobs.

Prime Minister – where is your plan for jobs?

The changes to Newstart are perhaps the single most heartless measure in this brutal Budget.

Sentencing young people to a potentially endless cycle of poverty when they should be getting a hand to find a job.

Is just a blame-shifting, cost-shifting measure that will put the price of unemployment on to Australian families.

Prime Minister, how are people under 30 looking for work supposed to survive for six months on nothing?

These are purely ideological changes that go to the very core of the Prime Minister's character.

They contradict every piece of expert advice.

This Prime Minister's vicious, victim-blaming policy will create a forgotten generation of Australians – shut out of the workforce.

Labor will have no part of this.

LABOR BELIEVES

Madam Speaker

Australia does not have a budget emergency, as the Government claims, but it has a budget task.

And that task, in the face of declining terms of trade and lower nominal income, is to change and reconfigure the Budget's trajectory.

To, over time, make certain that the combination and influences of Commonwealth spending and Commonwealth revenue come together to reduce the Government's call on national savings.

In short, Madam Speaker, to make our national budget sustainable.

But make it sustainable in a fair and reasonable way.

And why is this so important?

Because the Budget supports and needs to support large numbers of dependent people, as it does families on modest incomes, and as it must, on schools and health.

The Budget always needs a balance in its imposition on incomes, the contribution of companies, the incidence of its excises and those expenditures which underpin us as a civil society.

Indeed, I believe, as a great social democracy.

Labor has always held to these precepts.

This is the kind of thoughtful responsibility I subscribe to.

Recognising what needs to be done and going about the job of doing it.

But this is not the framework this government has adopted.

It is walking away from this kind of balance.

This Budget is designed to change the essential compact of Australian society.

It is conservatism taking it up to consensus – tugging away at the very struts that have held us together as a good and prosperous nation.

This Opposition will support reasonable and balanced remedial budgetary measures but it will not support the conscious development of an underclass.

This is a Budget that would seek to demolish the pillars of Australian society: universal Medicare, education for all, a fair pension, full employment.

The very things this Prime Minister promised not to touch, are the first casualties of his fabrications.

Including new and higher taxes.

This is the Budget of a Prime Minister and a Government who want to tear down everything Australians have built together.

By contrast, Labor invests in our people to make our country stronger.

Labor educates.

Labor cares for all.

Labor believes in an Australia writ large.

We believe that economic growth comes from extending opportunity.

We believe in a prosperous Australia: prosperity for everyone who works and prosperity which works for everyone.

An Australia where your Medicare card – not your credit card – guarantees you access to quality healthcare.

An Australia where the National Disability Insurance Scheme is a reality for people with disability, their carers and the people who love them – not a scapegoat for complaints about spending.

Labor believes that a teenager in a regional town should be studying in a great school – and have the choice of a university education, learning a trade or taking up a rewarding job.

We believe that science and innovation should be at the heart of national policy – because they are central to our prosperity.

We believe in an Australia where small business can grow and thrive.

An Australia that still makes things.

An Australia with quality infrastructure – including digital infrastructure.

An Australia where women are equal – and pays them equally.

An Australia that is closing the gap and extending opportunities for the first Australians.

Labor believes in an Australia that cares for its environment – and takes the science of climate change seriously.

An Australia where multiculturalism is celebrated as a social and economic asset – not treated as sport for bigots and ideologues.

An Australia that is a good global citizen, confident and engaged with the opportunities of the Asian Century.

An Australia ready for the future, optimistic about the future and investing in the future.

This Prime Minister and this Treasurer, talk a lot about the freedom of the market, deregulating and liberating.

Of course, you can get rid of fairness and leave people to fend for themselves.

That is a kind of freedom.

Tonight I say to Australians there is another freedom.

There is the freedom of integrity and the freedom of respect.

The freedom that gives every person dignity and the right to be treated equally.

There is a freedom of compassion and respect that gives individuals the opportunity to fulfil their potential.

That is the freedom I believe in.

This Budget undermines that freedom.

This Budget weakens it.

This Budget tears at the living standards of our people.

And in doing so, this Budget tears at the fabric of our country.

Madam Speaker

On Tuesday, the Treasurer quoted from Robert Menzies' 'Forgotten People'.

But the Government forgot a lot of people on Budget night.

They are the Australians I speak on behalf of tonight, the Australians I am speaking to.

The Government forgot you in its Budget – and it forgot what makes our country great.

It forgot opportunity.

It forgot reward for effort.

It forgot the fair go.

Well, Labor hasn't forgotten.

We still believe in fairness.

We still believe in an Australia that includes everyone, that helps everyone, that lets everyone be their best, that leaves no-one behind.

This is the Australia that the Prime Minister has forgotten.

And it is the Australia that Labor will always fight for.

If you want an election, try us.

If you think we are too weak – bring it on.

But remember – it is not about you or I Prime Minister.

It is about the future of our nation and the wellbeing of our people.