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BUDGET-IN-REPLY SPEECH 2017

HOUSE OF REPRESENTATIVES, CANBERRA

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***** CHECK AGAINST DELIVERY *****

This is the Budget of a government that wants to bury its past and re-write its history.

The Liberals want Australians to forget four wasted years in which:

- Wages growth has hit record lows
- Unemployment is up
- Under-employment has hit record highs
- And living standards have stagnated

This Budget is an admission of guilt. A signed confession.

It's proof the Liberals have frozen this nation and hurt our economy.

And now they have the nerve to come in here and talk about 'fairness' and 'opportunity'.

There's nothing fair about making middle class and working class Australians pay more, while millionaires and multinationals pay less.

There's nothing fair about a \$65 billion giveaway for big business, while you're cutting \$22 billion from schools.

And there's no opportunity in the Liberals' war on young Australians: their education, their penalty rates, their chance to buy a home.

This budget fails the fairness test - and it fails the generational test.

It does nothing for families' cost of living.

And where it seeks to imitate Labor policies, it fails miserably.

There is a powerful difference between my united team and this divided government.

Our policies are the real deal because they spring from our values.

They weren't cooked-up in a panic to try and neutralise a political liability.

And the great irony of this budget is that while it doesn't measure up to our values - it doesn't keep faith with Coalition values either:

- It's a budget of big government
- Higher tax
- And more debt

In fact, it's devoid of values altogether.

Make no mistake, this is not a Labor budget .

A Labor Budget would protect penalty rates – not cut them.

A Labor Budget would fund schools properly - not rip money away.

A Labor Budget would invest in universities - not jack-up fees to discourage working class-kids.

A Labor Budget would respect pensioners - not tell brickies and nurses to work til they're 70.

A Labor Budget would level the playing field for affordable housing - not protect tax-breaks for property investors.

A Labor Budget would protect workers in labour-hire firms from exploitation - not give their companies a tax cut.

A Labor Budget would Close the Gap - not cut \$500 million from Indigenous services.

A Labor Budget would rescue TAFE - instead of cutting courses and closing campuses.

A Labor Budget would invest in renewables, deliver an Emissions Intensity Scheme and take real action on climate change - not pass the problem on to the next generation.

A Labor Budget would stand up for middle class and working class families - instead of taking their money and giving it to millionaires and multinationals.

And a Labor Budget will always protect Medicare.

Which means reversing the unfair Medicare freeze immediately

The truth of this Budget is the Medicare freeze remains in place - and won't be eradicated until 2020.

And every day between now and then Australians will be paying more for their healthcare.

In the past four years, the Liberals have:

- cut Medicare
- taxed Medicare
- and tried to privatise Medicare

And now they want to pretend it was all a misunderstanding.

Not because they've changed their minds ...or got the message.

But because they're trying to save their own skins.

That's the thing about this Prime Minister – he only discovers his heart when he feels fear in it.

He doesn't believe in what he's doing - the people behind him don't believe it either.

And Australians don't trust a word he says.

It's the most basic question in politics: who do you trust?

Who do you trust to protect Medicare?

A Labor Party that knows Medicare speaks for who we are as a country, for the idea that the health of any one of us, matters to all of us.

The Labor Party that built Medicare – and saved Medicare.

Or a Liberal Party which has spent 34 years trying to destroy it.

And as for the so-called 'Medicare guarantee'.

The only guarantee with the Liberals and Medicare is this: as soon as they get another chance, they will cut it.

Mr Speaker

Labor won't stop the Liberals' new tax on the banks.

But we are deeply sceptical of a banking culture that takes every opportunity to hit customers with higher fees and charges.

And we are worried the weakness of this government will turn a \$6 billion tax on the banks into a \$6 billion charge on every Australian with a bank account or a mortgage.

The big banks know they can run right over the top of this weak Prime Minister.

He's giving them a levy with one hand, a tax cut with the other and a free pass for bad behaviour.

I'll give them a Royal Commission.

A proper, considered examination of the results of the excessive economic power of banks and how to respond.

And let me make this clear - if the banks pass on a single dollar of this tax to Australian families - then that should be the end of this Treasurer, this Prime Minister and this government.

Mr Speaker

The government would love Australians to believe they're doing something on housing.

But they're not reforming negative gearing and capital gains - we are.

They're not undoing the tax breaks which give every investor a head-start at every auction - we are.

They're not serious about tackling the crisis in housing affordability - we are.

Let's look at the one new idea for housing in this Budget.

A poison pill for superannuation - just to make houses more expensive.

The sad lesson of first-home owner grants is that any extra cash in the pocket of people looking to buy is eaten-up by price rises.

And, when you study the detail, this program offers microscopic assistance for young people.

If you divide the cost of this program in the budget by the number of first homes sold each year.

The government is allocating \$565 for each first home.

What a joke. What an insult.

For most people, it won't even cover the costs of the removalists.

This isn't a solution - it's false hope for people who don't have rich parents.

Labor will not support this cruel hoax.

But we will deliver our plan for affordable housing:

- Driving the construction of 55,000 new homes over 3 years
- And creating 25,000 new jobs every year

We'll also commit to more public housing - including for women and children fleeing family violence.

Since Budget night, Labor has already identified \$1 billion of government measures we will not support.

- The United States has killed-off the Trans Pacific Partnership - so there's no point wasting \$162 million trying to revive the deal.
- Unlike the Liberals we won't spend \$40 million on government advertising congratulating ourselves on our own tax policy.
- We won't waste \$300 million paying the states for regulatory reform they should be doing already.

And - we will not support setting aside \$170 million for a divisive plebiscite nobody wants.

When this parliament should do its job and get on with making marriage equality, a reality.

However there are government measures we will support.

We welcome the overdue changes to the Family Court.

Because no survivor of family violence should be cross-examined by the perpetrator.

And of course we support the new initiatives helping our Veterans.

Mr Speaker

On Tuesday night, the government's massive tax giveaway for multinationals didn't even rate a mention.

Today we found out why.

Last year, the Prime Minister's ten-year hand out for the top end of town was estimated to cost \$50 billion.

On July 1 the cost will rise to \$65.4 billion.

This is a recipe for fiscal recklessness on a grand scale.

It is a threat to Australia's triple-A credit rating - and therefore a threat to every Australian mortgage holder.

And the only defence the Liberals have mounted, is that it will lead to an increase in workers' wages.

On the government's own numbers, we're talking about an extra \$2 a day in 20 years' time.

Those are the crumbs from the Prime Minister's table.

\$65 billion for big business - and ten bucks a week for workers in 2027.

There's never been a more exciting time to be a multinational corporation.

And the giveaways for the top end of town don't stop there.

This Prime Minister is so determined to deliver a tax cut for millionaires, he's declaring 'mission accomplished' on budget repair.

He's cancelling the deficit levy, to deliver a tax cut for high-income earners.

But this year's deficit is 10 times bigger than the Liberals' first budget predicted.

Labor will not support spending \$19.4 billion on the wealthiest 2 per cent of Australians.

Mr Speaker

The Liberals' new income tax increase will affect every Australian right down to an income of \$21,000.

A worker on \$55,000 will pay \$275 a year.

For someone on \$80,000 it's an extra \$400.

When wages growth is at record lows, when insecure work is on the rise.

When the cost of essentials continues to increase.

Labor cannot support making people on modest incomes give up even more of their pay packet.

Especially when this budget is going out of its way to give taxpayer money to millionaires and multinationals.

We'll back the government's 0.5 per cent increase in the Medicare Levy...but only for Australians in the top two tax brackets.

Costings from the independent Parliament Budget Office show that our plan will deliver more revenue than the government over the medium term.

Without putting the burden onto families earning modest incomes.

This is the fair and responsible way forward.

And this is the promise Labor makes to 10 million Australians tonight.

We will do our best to protect you from the Liberal party's tax increase.

And let me be clear about the National Disability Insurance Scheme.

Labor didn't just create the NDIS - we fully funded it, we budgeted for it - and Treasury confirmed it.

And - after 3 years of Liberal Cabinet leaks questioning the cost and the value of the NDIS - we will not have our commitment challenged by those opposite.

Working with Jenny Macklin, Julia Gillard, and more importantly, tens of thousands of Australians with disability and their carers, to design and deliver the NDIS is one of the greatest privileges of my life.

I will never forget the promise we made to the elderly parents of disabled children - worried who will love and care for their child when they're gone.

For our party, the National Disability Insurance Scheme is an article of faith.

Labor fully-funded it in government, we will fight for it in Opposition - and we will never see the people who rely on it, go without the money they need.

Taking money off the middle class and spending it on millionaires is not tax reform - but there are ways to make our system better.

Too many multi-billion dollar, multi-national companies who do business in Australia, avoid paying tax in Australia.

That's why Labor will close the loopholes that let big companies shuffle money around the world to hide the true state of their books.

Our plan will deliver an additional \$5.4 billion to the budget bottom line over the decade.

That's what we mean by Budget repair that's fair.

But multinational companies aren't the only ones exploiting holes in our tax net.

In 2014-15, forty-eight Australians earned more than one million dollars and paid no tax at all.

Not even the Medicare levy.

Instead, using clever tax lawyers, they deducted their income down from an average of nearly \$2.5 million...to below the tax-free threshold.

One of the biggest deductions claimed was the money they paid to their accountants - averaging over one million dollars.

These individuals are not just counting cards in the casino – they are bringing their own dealer and their own deck.

Loopholes for millionaires means middle Australia pays more.

That's why a Labor Government will cap the amount individuals can deduct for the management of their tax affairs at \$3000.

This affects fewer than 1 in 100 taxpayers and will save the budget \$1.3 billion over the medium-term.

The days of earning millions and paying nothing, are over - no matter who you are.

And the same goes for anyone minimising their tax by hiding money in offshore tax havens.

Panama, the British Virgin Islands and the Caymans have become a refuge for trillions of dollars in global wealth.

Labor will introduce a new set of laws to target those who aggressively minimise their tax – and leave the heavy lifting to middle class and working class people, who can't pick and choose their tax jurisdiction.

There's only one reason people hide their money in tax havens – to avoid paying their fair share.

So instead of beating our chests about '*welfare crackdown 9.0*' and setting robo-debt collectors loose.

Labor will get tough on people who earn -and owe - big dollars.

That's fair.

Mr Speaker

Next time the government lectures Australians about fairness - or debt and deficit - consider these decisions:

They're ignoring negative gearing and capital gains – that's \$37 billion.

They're letting multinationals and tax minimisers off the hook – that's \$6.7 billion.

They're giving the top 2 per cent of Australians a tax cut – that's \$19.4 billion.

And they're clinging on to their hand-out for big business– that's \$65.4 billion

This is \$128.5 billion the Liberals could use to pay down the debt.

\$128.5 billion without holding the NDIS hostage

Without cutting schools or jacking-up uni fees.

And without increasing taxes for middle class and working class Australians.

This Budget fails the test of fairness – it fails the future too.

Bob Hawke and Paul Keating changed Australia from an industrial museum to a modern, outward-looking, competitive economy.

But Australia can't live off their legacy forever.

We need to set a new direction.

Amid the burgeoning opportunities of Asia, Australia's future lies in human capital: in skills, education and training.

The scale of India and China is not like anything we've ever seen - to win, it's about being clever.

The alternative - the low-skill, low-wage road only leads to a low-growth economy.

Fundamentally, our future prosperity depends on investing in education and training.

Because we don't just want to compete with our neighbours, we want to create value in our relationships.

But to do that we have to bring something with us – our education, our skills, our people.

The terms of trade measure the gift of global growth - it's the luck the world gives us, when countries pay for the things we dig out of the ground.

But we cannot rely on that alone, or forever.

The luck we make ourselves is called a clever society - it's called education and training.

It's how we carve a comparative advantage for our industries.

It's how we boost productivity, create jobs and increase wages.

By putting a premium on our human capital.

Helping our people move up the production and services learning curve.

Whether that's:

- architecture and engineering
- health and aged care
- agriculture, farming and food
- or advanced manufacturing

But this opportunity won't last forever.

And unless we aim to be the best in the world – then we are selling our future short.

If Australia doesn't think big, we will end up small.

Building a rail line to move freight from Brisbane to Melbourne is a valuable idea...but educating a generation is how we prevail in our changing world.

And that's up to government and to individuals.

A government creating opportunities in schools, universities, training and apprenticeships - and individuals making the most of these opportunities.

Great education should start when you're 3 and 4 years old – and be available to you throughout your entire life.

And when every country in our region has made education their number one priority – Australia cannot afford to slow down, to compromise, to settle for second-place or second-best.

Yet at the very moment when the hallmark of the new Australia should be creativity, skills and education – the Liberals are cutting money from the lot.

- \$22 billion ripped from Australian schools
- \$3.8 billion from universities
- Making Australians pay more for a degree, much faster.
- And nothing for TAFE and apprenticeships but more cuts.

The Prime Minister used to talk a lot about 'innovation' - but we can't be an innovation nation unless we are an education nation.

This budget is worse than a handbrake on our national potential – it actually drags us back in the global pack.

And every time we settle for second best in education, it gets harder for us to catch-up.

Three years ago – having promised no cuts to schools, the Liberals ripped away \$30 billion.

And last week they told the parents and students of Australia to be grateful they're now only cutting \$22 billion.

To borrow a comparison from a former Prime Minister who's closely following this debate - it's like the arsonist turning up after the fire...and expecting a thank you.

In the Labor Party, we believe every child in every school deserves every opportunity for a world-class education.

The 2.5 million students in our great public schools.

And the 1.3 million students who go to a Catholic or Independent schools.

We understand parents who pay their taxes to Canberra have a legitimate expectation that some of that money will be re-invested in their child's education.

And we understand not every parent who sends their child to a local Catholic parish primary school is wealthy.

When you look at the mess the government has made of its policy - you have to ask: whatever happened to the Liberal Party that supported choice in education?

Of course, there is no genuine choice if our public schools are under-funded and students and teachers go without the resources they need.

I don't want Australian schools in the middle of the pack.

Labor wants Australia to have the best public education system in the world.

The best.

Our kids deserve nothing less.

That's why, tonight I can promise a Labor Government will restore every single dollar of the 22 billion the Liberals have cut from schools- down to the last cent.

We'll deliver better schools, better results and great teachers - properly paid.

And tonight, I can confirm, Labor will oppose:

- The Liberals' cuts to universities
- The increase in student fees
- And the change in the repayment threshold that hits women, Indigenous Australians and low-income earners the hardest

We will never cheat smart, hard-working young and mature-age Australians out of the chance to get a degree.

Because we believe a university education is an opportunity you earn – not a privilege you inherit

When my brother and I were growing up, Mum and Dad always told us that we could choose to learn a trade or go to uni – and they would support us either way.

That's what you get from being raised by a teacher and a fitter-and-turner.

As Prime Minister – I will give that same promise to young Australians.

Whether you choose university, TAFE or an apprenticeship – the government of Australia will give you every chance to be your best.

This begins with a new focus on training Australians, instead of importing skills.

So far, all the government has done about exploitation and rorts in the work visa system is re-name 457s, and yell at us.

Their much-hyped changes only affect 8 per cent of visa holders.

I congratulate the Prime Minister for getting tough on foreign antique dealers and goat farmers...but we need a lot more than that.

That's why Labor will train more nurses, cooks, carpenters, carers and electricians here at home - and help them fill the jobs we know our country needs.

And here's a free tip for the government - workers will believe you're fair dinkum about stopping visa rorts when you have independent labour market testing. Otherwise don't bother wasting their time.

In their past three Budgets, the Liberals cut \$2.8 billion out of training and Australia has lost over 130,000 apprentices on their watch.

On Tuesday night - they cut another \$600 million.

A Labor government will reverse the government's new cuts to TAFE and training.

And we will reverse the trend toward privatisation – because it's time to put public TAFE back at the centre of our national training system.

Tonight, I pledge that a new Labor Government will allocate 2 out of every 3 dollars raised of public vocational education funding to public TAFE.

After years of Liberal neglect, campuses in our regions and outer suburbs have fallen into disrepair, some have even closed.

This means local people can't access the courses they need, in the communities where they live.

That's why Labor will create a new \$100 million *Building TAFE for the Future* Fund.

To renovate classrooms, workshops, kitchens and ag science centres.

We'll deliver world-class facilities, for a world-class training system.

And this rebuilding work will begin where it's needed most – in areas of high youth unemployment around the country.

Rebuilding TAFE goes hand-in-hand with backing apprentices.

That's why a Labor Government will make a new rule.

For major infrastructure projects funded by the Commonwealth – one out of every ten people employed must be an Australian apprentice.

That means when we invest in public transport for our cities:

- Cross-River Rail in Brisbane
- Western Sydney Rail Link
- Melbourne Metro
- ADELINK
- Perth METRONET

When we back good local projects like a new bridge over the Shoalhaven in Nowra or better water security for Townsville...

When we make sure Victoria gets the fair share of funding it deserves...

When we modernise and build our energy network - with new pipelines and updated interconnectors...

And when we develop the North - through tourism infrastructure.

We'll also be investing in Australian jobs and apprentices.

Labor will hire Australian and we'll buy Australian too:

- maximising local content and Australian steel in our infrastructure
- and delivering Australian gas to support blue-collar jobs in manufacturing

Mr Speaker

There was a time when the public sector was one of the biggest employers of apprentices.

But contracting -out and privatisation have undermined those opportunities.

To turn this around, Labor will apply our new 1 in 10 rule to Government-Business Enterprises like:

- The National Broadband Network
- Defence Procurement
- And the Australian Rail Track Corporation

We'll also work with government departments to improve apprentice and trainee recruitment.

We'll expand pre-apprenticeship programs and boost advanced entry apprenticeships to help young and mature-age workers to learn new skills.

Labor will always back good programs that lead to good jobs.

As the Shadow Minister for Indigenous Affairs, I'm pleased to announce we will double the number of Aboriginal and Torres Strait Islander Rangers.

I've seen the pride that comes from wearing the ranger uniform, people working for this country on their country and their waters.

Combining the latest environmental science with traditional knowledge, these Rangers benefit the environment, tourism and develop new enterprises.

It is our privilege to support their work.

A Labor Government will set the example on job creation but we're going to need help from business too.

So tonight I say to the employers of Australia: take on an apprentice, step-up your commitment to training our future workforce, join us in this national effort.

Your company will benefit – and our nation will too.

Mr Speaker

The government says this is a Budget for '*better days ahead*'.

What they mean is

- Better days for millionaires and multinationals
- Better days for property investors and tax-minimisers
- Better days for the big end of town

But bad news for battlers.

The Prime Minister says this budget is about: '*helping Australians realise their dreams*'.

- Unless you're a working class kid, who dreams of going to university
- Or a small business owner, dreaming of a decent NBN
- Or a young couple who dream of owning your first home.

This Prime Minister of many words has learned a new one – fairness – and he's saying it as often as he can.

But repetition is no substitute for conviction.

Fairness is not some slogan you can borrow, it's not a domain-name you can register.

It's not a shell company where you strip out the assets and keep the brand.

This isn't a Labor budget - and it's not a fair budget.

Because we are not you - and you will never be us.

Fairness isn't measured by what you say – it's revealed by what you do.

There's only one party this parliament that believes in fairness - and delivers it:

- Fair funding for education
- Fair protection for Medicare and the safety net
- A fair deal for Australians with disability
- A fair chance at a job - and a fair wage at work, including penalty rates
- A fair start in the housing market.

And a fair deal for the generation that follows us.

- taking action on climate change
- equal pay for women
- tackling inequality
- closing the gap

Building a country as generous and courageous as Australians themselves.

And if our country is to achieve better days ahead, then Australia needs a better government.

A fairer government.

A Labor Government - for all Australians.

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