



Senator  
**Steve Fielding**  
Leader of Family First



## **Senator Steve Fielding Family First Leader**

### **Speech**

# **Budget**

**14 May 2009**

On Tuesday night, the Treasurer delivered to an anxiously waiting Australian public a budget that was in deficit in more than just numbers.

This is a budget that punishes incentive. This is a budget that withholds hope. This is a budget of broken dreams.

For weeks now the government, through its carefully orchestrated leaks, has been sending the Australian public the message that this would be a different kind of budget to that which we are used to. Unlike previous budgets, the days of generous spending across the board were coming to an end.

This came as no surprise to anyone.

Family First understood that Australia was in the midst of a global financial crisis. We understood that tax revenues had plunged dramatically and left a gaping hole in the government's budget, while the unemployment rate had skyrocketed. We understood this very well because we have spent countless hours talking to those Australians who have been affected by the global financial crisis. We also understood that a government that was raiding the taxpayers' kitty as if it were a bottomless pit was one day going to wake up and realise that, if it did not change its spending habits quickly, the money was eventually going to run out. We understood that we were going to have to tighten our belts and do our part for the economy.

But what we also wanted to hear from the Treasurer was how our individual sacrifices would eventually lead us out of this hole. We looked to this government to show leadership and bring forward a budget that was not only honest for these times but also gave us hope for the future, hope for better times.

Instead of hope, Australians were left with a budget that took their simple dreams of a home, a family and a decent retirement and broke those dreams. Australians were left with a loud and clear message from the government that they were better off not having a dream for themselves or their families. Australians were handed a budget that

punishes those who want to improve their lot in life—a budget that punishes incentive. It is a budget that takes the opposite view of the Australian ethos that if you work hard to build a good life for yourself and your family, you will reap your rewards.

On Tuesday night the government broke one of the most important dreams: the expectation of honest government.

Australians, perhaps naively, had hoped that this time their government would be true to their election promises and that the election promise not to touch the private health insurance rebate would be honoured. But it was not. They tried to say it was a ‘change in policy’ and not a broken election promise, but who are they kidding? The cuts to the private health insurance rebate have left many Australians disillusioned not only because it exposes the Rudd government’s dishonesty but also because means testing the health rebate is exactly that: mean.

It is an unfair system because it looks only at the household or individual income and does not take into account how many children there are in the household. As any Australian parent knows, the cost to families can increase significantly depending on the number of children to be cared for. Under the government’s proposal, a couple on \$149,000 a year with no children will be eligible for the full rebate while a family of five with a household income of \$150,000 would have their rebate reduced. That makes no sense and undermines the family.

However, it is not only the government’s cut to health care which will have a serious impact on families. The decision of the Rudd government to cap the Medicare safety net for fees relating to pregnancy and IVF treatment has broken the most basic dream of all Australians—the dream of having a family. The government reforms will now see the costs involved in having children increase enormously, in some cases by thousands of dollars, for many people.

This is hardly consistent with the commitment of the Rudd government to help working families. If the government has resorted to taxing mums then it has clearly lost touch with ordinary Australians. Over 11,000 babies are born to Australian families through assisted reproductive treatments each year. The government’s budget proposal would jeopardise those Australians who rely on this treatment to have children; this treatment is their only hope.

Having children is the greatest blessing in life. It should not be reserved for the rich. Birthrates are still below replacement levels, and families who have children are actually helping Australia. We have an ageing population, and this means the number of full-time workers we have to support our pensioners is decreasing.

The government, however, has taken a short-term approach, making it less affordable to have children without a thought to the consequences that this may have in the future. It has shattered the dream of a family for so many Australians and failed to see the future consequences for our nation.

Family First is also concerned that the drastic rise in out-of-pocket obstetric expenses will force many Australians out of the private system and into the public hospitals. We

believe this move is short-sighted and will end up costing Australians money rather than saving money. This will place an even greater strain on our overstretched public hospitals because many people just will not have the money to afford these price increases. That means longer waiting times and even greater shortages of hospital beds for those who need them.

Family First welcomes the government's announcement that it will be introducing paid parental leave. It would be an understatement of gross proportions to say that this decision is long overdue. Gone are the days when a family could easily be supported by one working parent. The rising costs of living have, sadly, made this a luxury most Australians simply cannot afford. As a result, many Australians have been forced to delay having families; for those who have not, the financial strain can often be incredibly demanding.

This scheme will provide much-needed financial support to families wishing to have children but who have struggled to stay afloat on only one income. Most importantly, it recognises the inherent social value of raising children in the community. It recognises that it is not just those people who hold a full-time job who are productive members of our society.

The biggest winner of all, however, will be our nation's children, who will benefit from having the care of their mother on a full-time basis, not only in the scarce few hours juggled between work and sleep.

Family First is disappointed that the government has decided to delay implementing this vital scheme until 2011. Australia is already lagging behind 157 other countries which have paid maternity schemes, including places such as Chad, Mongolia and Rwanda, and we believe this issue is too important to wait.

Given the numerous government backflips and broken promises which we saw in Tuesday's budget, how can we be sure that the government will be true to its word on paid parental leave when the time comes? How can we be sure that this is not just some ploy to mask the bitter budget pill that all Australians were forced to swallow this week? If the government were serious about helping working Australian families, surely this would be the first item on its list of reforms.

The government cries poor and says it just does not have the money to fund the scheme now, but it has no problem splashing out \$1.7 billion of taxpayers' money to fund costly overseas military operations.

We find the government's priorities surprising. Family First is also disappointed that this scheme will leave stay-at-home mothers out in the cold. Those women who have made the choice to become full-time mothers will be penalised by the government and will not be eligible under the proposed scheme. Whilst they will still be entitled to receive the baby bonus, in some cases this will result in stay-at-home mothers receiving almost 50 per cent less than women who have recently exited the workforce.

This sends the message to mothers that the Rudd government only cares about people who can pay tax and fill its coffers. This is not good enough. The Rudd government is

telling those mothers who stay at home to raise their children that their contribution to Australia is not valued.

Family First believes we should not punish parents because they choose to stay at home to take care of their children and our future.

This budget also puts at risk the dream of a safe and secure retirement. This will now need to be delayed by another two years for many Australians. These are the same Australians who have worked hard all their life, putting money away for retirement only to see the retirement nest egg fall sharply in the last 12 months. They are now being told by this government that all the hard work is not enough and that they need to work for another two years. Many hardworking Australians will be forced to forgo a decent retirement, as they will have to work till age 67.

Whilst the budget does go some way towards fulfilling a promise to Australia's long-suffering pensioners that their dire position will improve, it is only single pensioners who are the real beneficiaries.

A year ago, I stood shoulder to shoulder with hundreds of pensioners at a protest rally in Melbourne in solidarity with their plight and called for an increase for all pensioners. It was this pensioner rally that was the turning point in forcing the government to increase the pension. However, in this budget, married pensioners have been given the scraps and hush money, a token increase of only \$5.07 each a week. That will barely get them a loaf of bread and a litre of milk.

There seems to be a misconception by this government that, because married pensioners share a home, living must be cheaper for them. The Rudd government is sending pensioners a clear message here, and it is a disgraceful message: you are better off getting divorced and becoming a single pensioner if you want to survive in this budget.

Family First is also disappointed with the government's decision to draw back on its first home owners grant. It has broken the simple dream of all Australians to one day own their home. We find it puzzling that the government would set up the Ruddbank and dole out up to \$28 billion of taxpayers' money to prop up the commercial property industry but cut back support to the residential sector for getting a home. It is a statement that the government is happy to help big business hold on to their assets but not to help young Australians get a start in life and aspire to the dream to buy their own home.

This is a budget of broken dreams. It is a budget that lacks courage and lacks foresight.

Significantly, there is nothing in the budget to address the real issues of alcohol abuse and binge drinking which have plagued Australia.

For too long, Australians have been held to ransom by a society ripped apart by alcohol fuelled violence and despair. Thanks to the inaction and lack of courage from the Rudd government, Australia's binge-drinking culture continues unabated. The

Rudd government has once again failed to invest sufficient money in critical areas such as alcohol prevention and education programs for our youth.

Most importantly, it has again failed to break the link between alcohol and sport by de-hooking alcohol advertising and sport. I believe the government will look back in regret at this failed opportunity to tackle the blight of binge drinking in our community.

If the government could look beyond the short term, it would see that binge drinking and alcohol abuse are costing us \$15 billion each year. What better way for the government to reduce the budget deficit than by investing in our future to dramatically slash this \$15 billion alcohol toll?

The government has announced a massive infrastructure spending program which will upgrade some of the country's rail, ports and roads and create thousands of new jobs for Australians.

Family First welcomes this policy direction and sees it as one of the more positive aspects of the budget. However, we are disappointed that the \$750 million Peninsula Link road project in Victoria, a key infrastructure project that creates significant job opportunities, was not given any funding in this budget. This is a project that is 'shovel ready' and a road that will make an enormous difference to Victorians.

Family First is also concerned that not enough is being done to help Australia's small businesses.

Small businesses account for 95 per cent of all businesses in this country and are responsible for over 4.5 million jobs. They are the lifeblood of our community. If the government wants to be supporting jobs then helping small businesses should be the primary focus.

Family First recognises the important tax breaks which have been included in this budget for capital investment and sees them as a good step. However, they remain just that: one step. The Rudd government must do more to protect small businesses from the full impact of the global financial crisis.

One of the major problems being faced by small businesses is financing. Financing is not easy to come by. When the banks are willing to provide it, they extract a heavy price. We have seen the Reserve Bank slash the cash rate to the lowest level since March 1960. While not all of these rate cuts have been passed on to homeowners, the gap is even wider when it comes to business loans.

If the government is serious about helping small businesses then it must look at taking decisive action to address this issue. The government must ensure that any rate cuts are passed on to business loans and overdraft facilities as well.

I understand that times are tough, and that is why we expect tough decisions be made by the government. Superannuation has been one of the biggest areas to take a hit.

However, I find it remarkable that the one type of superannuation which has been left untouched is the excessive superannuation paid to politicians. This is the same outrageous superannuation that will see the Prime Minister one day leave parliament on an annual salary of over \$166,000 for the rest of his life and the Treasurer with an annual salary of over \$105,000. It is the same outrageous superannuation that sees politicians receive a whopping contribution of up to 69 per cent of their salary each year while ordinary

Australians are asked to make do with nine per cent. It is the same outrageous superannuation that lets the polliies access their money immediately upon retirement, while the rest of us are forced to wait until 60—or maybe 67, if the government gets its way. All this, of course, does not apply to those setting the rules.

In a budget which calls for tough measures, it seems the only people who are not doing it tough are the polliies themselves. In fact, the Rudd government have actually boosted the money for politicians by generously awarding them an additional \$90 per week for their electoral allowance.

It amazes me that the Rudd government can implore Australians to knuckle down and do it tough and then have the gall to continue sticking their own snouts in the trough of perks paid for by hardworking Australians. It is a real smack in the face to all Australians who are struggling to stay afloat when they see their politicians feathering their own nest.

Most incredibly, tucked away in this budget is a little gift for the Prime Minister himself: a boost to the Department of the Prime Minister and Cabinet of \$13 million and an injection of 65 extra staff. At a time when Australians are told to cut back and make do, this excess by the Prime Minister is obscene.

On Tuesday, the Rudd government delivered a budget that offers no hope and no incentive and crushes the simple dreams of many Australians to own a home and to have a family and a secure retirement.

The Rudd government needed to be cost conscious, but, in doing so, it has failed to also be family conscious. It has forgotten that taxpayers are real people, not just another line on the balance sheet, so when you slug taxpayers you are also slugging hardworking Australian families.

The Rudd government has trumpeted that this budget is a nation-building budget. But nation building is about much more than infrastructure and roads. It is about building a nation of people who are connected, who have hope and a belief in where they are headed. It is about building our families and building our future. Nation building is about building a sense of unity and common purpose, particularly in challenging times.

In this difficult economic climate we must be working together to support those who will be out of work and to assist those who will struggle in these tough times. Our focus must be on one simple thing: looking out for one another and rebuilding this nation not just with bricks and mortar but with human infrastructure.