

Question negatived.

Original question agreed to.

MINISTERIAL STATEMENTS

Seniors and Carers

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.07 pm)—by leave—Carers perform a vital role in our community caring for people with disabilities, the frail, the elderly and the infirm. They do a selfless job which often prevents them from participating in the economic life of our nation. As a result many survive on low incomes and bear significant personal and financial costs and isolation from their local community. The government values the role and contribution of carers, who make enormous personal sacrifices through their selflessness and hard work.

Our senior Australians, through a lifetime of effort, have laid the foundations of the prosperous nation we all have the privilege of calling home. For some, work over a lifetime has been matched by superannuation savings and this will improve as our superannuation guarantee matures. But today many older Australians do not have these savings and survive on modest pension income.

Many age pensioners are struggling to get by on the base pension rate, particularly single women who have worked hard all their lives and raised families but have little or no superannuation. As the cost of living rises, they are finding it harder to make ends meet. This is particularly so if they are renting their home. We recognise that rising food and petrol prices and the cost of heating and other utilities can determine whether Australians are able to live in comfort and dignity and remain active in their communities.

The recent practice of paying one-off bonuses to carers and seniors when the budget allows, though better than nothing, has created uncertainty for both groups. The former government's repeated practice of not providing for these payments in the forward estimates—including those to be paid by the new government before the end of June this year—left carers and seniors with no financial security. This government is committed to developing a reliable, long-term system to support our carers and seniors, not perpetuating the short-term quick-fix ways of the past. In the interim we are paying seniors and carers a bonus valued at \$1.8 billion.

There are also differing views about how assistance to seniors and carers is paid, and whether current arrangements are the best for the future. We have paid the bonuses this year to give our carers and seniors assistance while we work with them to answer these questions. In recognition of the role of carers and seniors and given the cost pressures they face, in March the Prime Minister committed the government to ex-

amine ways to deliver increased financial security to them in the longer term. This commitment was reinforced by the findings of the Senate inquiry into the cost of living pressures on older Australians. Last year, when in opposition, we initiated this Senate inquiry into the cost of living pressures on older Australians because we understood that seniors were doing it tough.

During the last decade, the needs of age pensioners certainly have been neglected. It was Labor that first made, and delivered on, pledges to link the pension to a proportion of average weekly earnings. Over the last decade, community calls for better levels of support, particularly for those who rely on the age pension as their sole source of income, were ignored.

Since the election, the new Labor government has begun to address these concerns. The first piece of legislation I introduced into this parliament as a minister was a bill to increase the utilities allowance from \$107.20 to \$500 a year and to increase by half the telephone allowance for those with the internet on at home. The first instalment of these higher payments was made in March this year, another is due in June. It will be paid again in September, then again in December, then next year and on into the future. For the first time, the utilities allowance has been extended to 130,000 carer payment recipients in recognition of the costs that they face.

Importantly we have locked these changes into the forward budget estimates. Together with the \$500 bonus, the increase in the utilities allowance and the telephone allowance will ensure that a single age pensioner receives a seven per cent increase on their pension income. Our plans for national transport concessions are underway, and we are developing a new indexation formula for the age pension that better reflects the spending patterns of pensioners. The budget also announced new measures to improve dental care for older Australians and to increase the supply of aged-care beds. More affordable rental dwellings will also be built.

But we know more needs to be done. We know that the basic structure of the retirement income system needs urgent attention. The Combined Pensioners and Superannuants Association told the recent Senate inquiry that seniors:

... who in good economic times, are thrown the odd one-off payment, are entitled to a fair go and additional structural financial support from the Government to assure a modest standard of living.

The first three recommendations from the Senate inquiry which reported in March called for the government to review:

- the suitability of base pension levels;

- pension, Commonwealth superannuation and military pension indexation rates;
- the financial disadvantage of single older women;
- incentives and initiatives related to superannuation savings, especially for older people in vulnerable groups; and
- indirect benefits and concessions paid to older Australians.

The committee specifically recommended:

In particular this review should consider measures that will ensure a reasonable standard of living for older people, especially women, those on below average incomes, those who have lived with long-term chronic illnesses and those whose earning capacity has been greatly limited by their caring responsibilities.

For a decade there has been little attention paid to these issues.

More than two million Australians receive the age pension, which is the single largest individual item of Commonwealth expenditure. The age pension sits at the core of Australia's social security system. Myriad rates, thresholds, rules and incentives, all with complex interactions, rest on its foundations.

I understand that many feel frustrated that our first budget did not fix all of these concerns. Finally given a voice by our Senate inquiry, millions expect reform. Six months into our first term we are addressing 11 years of coalition neglect. This government is committed to long-term—not short-term—solutions. That is why today I can announce that the government is listening and responding to the issues raised by seniors and carers.

We are committed to building a modern social security system for a modern Australia. Key to this is acting on the need to provide greater financial security to seniors and carers. Because assistance to carers and seniors are part of a complex social security environment, they require careful consideration.

The interaction of working age income support payments such as carer payments with the taxation system result in lost benefits where individuals attempt to balance care for relative or friend and some paid work. Carers Australia, in their prebudget submission, highlighted the financial uncertainty carers face and the limits their role as carers places on securing their financial future. There are complex relationships between the taxation and superannuation systems, pension payments and for carers.

The government's commitment to introduce an emissions trading scheme by 2010 also raises questions about how individuals on low incomes such as carers and seniors might be compensated for higher energy costs. These are substantial reform challenges. To provide genuine and sustainable long-term financial security for seniors and carers, these issues will be ad-

ressed as a central element of the inquiry into Australia's Future Tax System announced by the Treasurer in Tuesday night's budget. The terms of reference of this inquiry include consideration of improvements to the tax and transfer payment system for individuals and working families, including those for retirees.

The Future Tax System review will also take into account the relationships of the tax system with the transfer payments and other social support payments, rules and concessions with a view to improving incentives to work, reducing complexity and maintaining cohesion. The terms of reference of the inquiry also provide for the chair, Dr Ken Henry, to task members of the review panel to oversee programs of work related to their field of expertise. I am pleased to announce that as part of the review Dr Henry has agreed that Dr Jeff Harmer, the head of the Department of Families, Housing, Community Services and Indigenous Affairs, who is also a panel member, will complete an investigation into measures that might be adopted to strengthen the financial security of carers and seniors.

Dr Harmer will report to the Treasurer and I through the chair of the panel by no later than 28 February 2009 on:

- the appropriate levels of income support and allowances, including the base rate of the pension, with reference to the stated purpose of the payment;
- the frequency of payments, including the efficacy of lump sum versus on going support; and
- the structure and payment, concessions or other entitlements that would improve the financial circumstances and security of carers and older Australians.

To support this important work, the Treasurer and I have asked Dr Harmer to convene a reference group of representatives from carer and seniors groups to ensure his work reflects the views and aspirations of those who will benefit from any reforms resulting from this inquiry.

This announcement is a major step forward in moving on from the short-termism of the past, and will provide carers and seniors with genuine financial security and certainty.

I seek leave to move a motion in relation to the debate.

Leave granted.

Ms MACKLIN—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Warringah speaking for a period not exceeding 12 minutes.

Question agreed to.

Mr ABBOTT (Warringah) (5.20 pm)—I would be the last person to impugn the decency and the compassion of the Minister for Families, Housing, Community Services and Indigenous Affairs, who has just spoken. I am sure she brings to her serious responsibilities a great deal of commitment. But the ministerial statement that she has just given to the House on seniors and carers was seriously lacking because it did not tell us anything that we did not already know. Certainly, it did not give the seniors and carers of Australia any certainty or security that they did not already have. All the minister did today was tell us that there would be yet another inquiry. I recall the first budget speech that was read in this House back in 1908. That prompted Billy Hughes, no less, to say that there were only three things wrong with the Treasurer's budget speech: first, it was read; second, it was read badly; and, third, it was not worth reading. The last thing I want to do is cast nasty criticisms in the direction of the minister, but I was rather reminded of Billy Hughes's statement as I listened.

What we have seen from this government is a further refinement of news management techniques. Over the few weeks that this parliament has sat this year, we have seen an abundance of very insubstantial ministerial statements—because, I suspect, they delay the matter of public importance debate, when ministers fear they might hear something that the government would rather were not said. Certainly, the statement that we have just heard was bureaucratic, it was unnecessary and, as I said, it did not really achieve its purpose. But what it did indicate was that this government knows it has a problem with seniors and carers. And I have to say the government is right to think that it has a problem with seniors and carers.

Why wouldn't it have a problem with seniors and carers? Everything that this government says and does it is couched in rhetoric which seniors and carers find intrinsically unsettling, even offensive. Everything that this government does is supposed to be for 'working families', and, every time they mention that phrase, seniors and carers feel that they are being marginalised; they feel that they are dealing with a government that is not interested in them. So why wouldn't seniors and carers feel unhappy with this government? Why wouldn't they gravely mistrust this government, when we learnt earlier this year, during the phase when the government was looking for deep cuts to the budget, that the deep cuts were to be made precisely by not giving the seniors and carers of this country the bonus payments that they had come to expect under the Howard government?

Now, I know the minister does not like me referring to this, but I feel—

Ms Macklin—That's not true.

Mr ABBOTT—If you want to accuse the *Sydney Morning Herald* of lying to the public, I think you are on a very sticky wicket. Let me give the minister an opportunity to make a personal representation, if she wishes, after I read from the *Sydney Morning Herald* of Friday, 7 March:

The Federal Government faces criticism from carer groups after it decided not to match a \$1600 bonus payment made to carers by the Howard government in recent years. A spokeswoman for the Minister for Families, Jenny Macklin, confirmed the decision last night, saying it was part of the Government's plan to cut spending.

It was something the government planned.

Ms Macklin—Mr Deputy Speaker, on a point of order. As the member for Warringah has invited me to make a personal explanation, I will! That statement is completely false, and the report also was completely false.

The DEPUTY SPEAKER (Dr MJ Washer)—The minister will resume her seat.

Mr ABBOTT—Plainly, the government did intend to cut these bonuses. Plainly, if there had been no such intention, the minister would have been out on that Friday morning issuing a blanket denial, but that is not what we got from the government. We got three days of weasel words, and even the following Monday, in the parliament, the Prime Minister could not bring himself to utter the simple declaration that 'the bonuses are safe with this government', because they might be safe this year, thanks to the efforts of the opposition, but they certainly are not safe for future years, because we had the minister in her statement criticise the very thing which this government has just done. She said that paying annual bonuses left carers and seniors with no financial security. I say there is a lot more financial security from an annual bonus that you know will be paid in good times than there is in the uncertainty and insecurity which is inherent in the kind of review that this minister is now spruiking. The carers and seniors of this country had more security under the Howard government than they ever had before and—I am confident although disappointed to say—than they will ever have in the future.

The minister went on to say, 'We have paid the bonuses this year to give our carers and seniors assistance while we work with them to answer these questions.' Carers bonuses have been paid now for four years; this is the fifth year that a carers and seniors bonus has been paid. If paying these bonuses was such a bad idea, why didn't members opposite work out an alternative method of helping carers and seniors sometime before the election? Why didn't they do a bit of thinking in those four years before the election? Why expose carers and seniors to the uncertainty of the pre-budget process and now to the uncertainty of this review? I put it to members opposite: basically, you can do two

things—you can build substantial increases into ongoing payments, with all of the issues that that has for responsible economic management, or, economic circumstances permitting, you can pay generous bonuses. That is the basic choice you have got. It has always been thus. If there was something wrong with what the government was doing prior to the election, why didn't they tell us then and why didn't they tell us what their alternative was? They should not need yet another inquiry to give us the answers to these questions.

In the course of the minister's statement, we had repeated what is now becoming a mantra for government ministers—that is, 'We are addressing 11 years of coalition neglect.' Things were so terrible under the Howard government that we increased employment by 2.2 million new jobs, we increased real wages by 21 per cent and we doubled the real net wealth per head of every person in this country, on average. That is how bad things were! Things were so terrible under the Howard government that we paid carers and seniors bonuses that were never paid before and we increased pensions to 25 per cent of average weekly earnings—that had never been put into legislation before. That is how bad things were under the Howard government!

Let us look at the actual results. According to the independent and authoritative National Centre for Economic Modelling at the University of Canberra, between 1996 and 2005 the real disposable income of the poorest 20 per cent in our society—the carers, the pensioners and the seniors—increased by 25 per cent. There was a 25 per cent real increase in the effective income of carers and pensioners. That is what the Howard government delivered and, because members opposite in the next breath will say, 'Yes, but the rich did even better,' I should point out that the top 20 per cent in terms of wealth in our society under the same NATSEM study had their real disposable income increased by just 19 per cent. So under the Howard government, sure, the rich got richer but the poor got richer by an even bigger percentage, which is probably the most outstanding result that any government could ever hope to deliver.

What does the future hold for the carers and the seniors of this country under the review which the minister has just reiterated today? I have a great deal of respect for the Secretary of the Treasury, Dr Ken Henry, but I am quite confident that the person who was pushing hardest for the slashing of these carers' and seniors' bonuses would have been Dr Ken Henry himself. I say to the pensioners and carers of this country: you cannot be confident of the result you want in a review that is chaired by the self-same person who was leading the push to see your bonuses scrapped this year. That is what they are facing, and I regret to say to them that they cannot trust this review and they cannot trust this government. What they can trust is the record of the

coalition. We do not just talk; we deliver. When we were in government we consistently delivered a better standard of living to the carers and pensioners of this great country of ours, and that is what we will do next time we have a chance to occupy the Treasury bench.

World Intellectual Property Organisation: Nomination of New Director-General

Mr CREAN (Hotham—Minister for Trade) (5.32 pm—by leave—This ministerial statement relates to the nomination of a new Director-General of the World Intellectual Property Organisation. The Rudd Labor government places a high priority on engaging with the United Nations system and pursuing a multilateral approach to addressing the many challenges confronting the international community. Labor governments have always understood the importance of engaging constructively with the global community to work together in the pursuit of a more stable, secure and prosperous world. It was, after all, the Curtin Labor government that worked so hard to ensure that Australia was a founding member of the United Nations in 1945, and Australia therefore had the opportunity to influence the shape of the post World War II order. Since that time, successive Australian Labor governments have always recognised that the United Nations provides us with a means to influence events which go directly to our interests but which we are not able to pursue by working in isolation. It is for these reasons that Australia has been well served by the UN's contribution to helping shape the world order. And it is for these reasons that Australia is seeking a non-permanent seat on the UN Security Council for the 2013-14 term.

Australia's renewed commitment to and engagement with the UN is paralleled by our renewed commitment to and engagement with the multilateral system of trade negotiations via the World Trade Organisation. As I have said in this House before, a successful outcome to the WTO Doha Round offers Australia the best opportunity for significantly improved export market access for Australian business with substantial flow-on benefits to our broader community. A good outcome to Doha also offers the world's developing countries the prospect of a significant growth dividend which will assist in reducing poverty and raising living standards.

It is against this backdrop that I am pleased to announce that after careful deliberation the Coordination Committee of the World Intellectual Property Organisation, WIPO, earlier this week selected an Australian, Dr Francis Gurry, as the nominee for the position of Director-General of WIPO. Dr Gurry was selected from a competitive international field of fourteen candidates. Dr Gurry's nomination will be submitted to the General Assemblies of WIPO for final confirmation in September this year. The Australian government welcomes the support from WIPO member states across all regions for the nomination of Dr Gurry, currently a