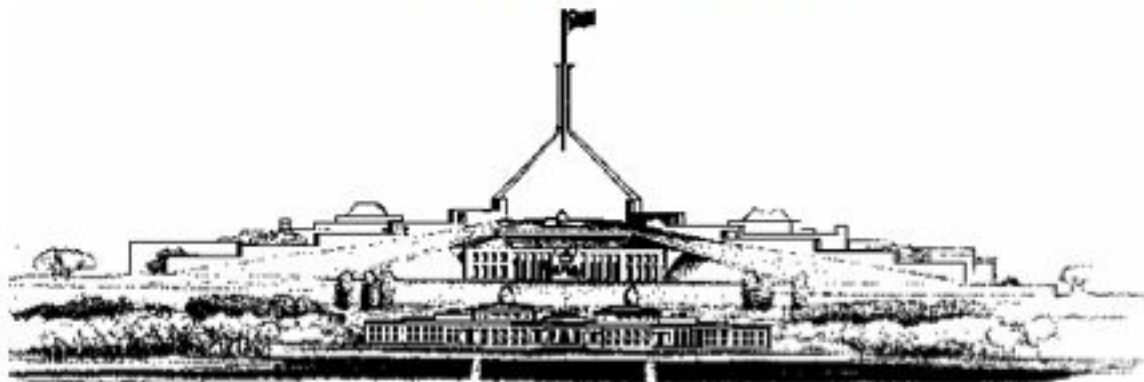




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

**Social Services Legislation Amendment
(Energy Assistance Payment and
Pensioner Concession Card) Bill 2017**

Second Reading

SPEECH

Tuesday, 30 May 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

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Questioner
Speaker O'Brien, Ted, MP

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Mr TED O'BRIEN (Fairfax) (16:29): The Social Services Legislation Amendment (Energy Assistance Payment and Pensioner Concession Card) Bill 2017 that we are now debating has two principal intents. One is in relation to providing a one-off subsidy to almost four million Australians to help meet energy costs. The second relates to the extension of the pensioner concession card. Right around Australia the number one concern for most Australians, particularly among older and disadvantaged Australians, is the rapid rise in the cost of living. With minimal real wage growth over the past decade the cost of living, especially for energy and services, has reached breaking point. While very much focused on continued fiscal responsibility and budget repair, the Turnbull government is acutely aware of the need to do all we reasonably can to help older and disadvantaged Australian meet higher costs, and outrageously higher energy costs in particular.

This bill will reinstate the pensioner concession card to over 92,000 people who are no longer eligible for the pension from 1 January 2017 due to a rebalancing of the pension assets test. While the replacement health care card and seniors health card do provide discounts for Medicare and the PBS, they do not deliver free hearing services or other state-based concessions that were a feature of the pensioner concession card. This bill now seeks to restore eligibility for the pensioner concession card to this group, subject to established conditions such as extended overseas travel or imprisonment.

While the government's proposed reinstatement of the pensioner concession card merits our support, it is the one-off energy assistance payment to welfare recipients that I particularly want to concentrate on, because it is so indicative of where we are now as a country. We should not need to be easing the cost of power in Australia, because we are an energy superpower. We are the largest single supplier of coal on the planet, responsible for about 30 per cent of global seaborne trade. We have the fourth largest reserves in the world. Our exports are a massive contributor to national wealth—\$34 billion last year. The coal industry directly employs 44,000 people, and last year paid almost \$6 billion in wages and salaries. Our coal is also a creator of wealth wherever it goes, and it goes principally to Japan, India, Korea and China.

In terms of gas, we are the second largest exporter of LNG on the planet, and we are on track to be the biggest by 2020. Last year we exported 37 million tonnes, almost half as much again as the year before. Australian gas now goes to Japan, China, South Korea, Taiwan, India, Vietnam, Malaysia, Indonesia and Thailand in that order. We are exporting prosperity to those countries and many others, including the Philippines. We are also a uranium superpower, with the largest reserves on the planet, fully a third of all known deposits.

With energy resources like these, we should have some of the cheapest power in the world, power that ought to be affordable even for those in the safety net. Cheap energy ought to be driving investment, industry, international competitiveness, jobs and the sort of income growth that has sadly stagnated to the point where this sort of measure has now become necessary. Just a few years ago we had some of the lowest prices for electricity in the world. Those low prices by global standards did all those things: they helped drive investment, they helped our international competitiveness and they drove economic growth so that jobs were created, wages were growing, the pie was getting bigger and with it the chance for everybody to get a bigger slice, even those less fortunate and those in retirement. Energy prices are a crucial ingredient in that whole equation, yet, here we are now with some of the highest power prices in the world, requiring a bill such as the one we are debating today. Within about a decade, we have gone from having secure and reliable energy that was among the cheapest in the world to now lacking security and reliability and having one of the most expensive power prices in the world, even though we are—unlike a lot of those countries that have cheaper power—an energy superpower. The situation is ludicrous. Why do we now need, via this bill, to provide an energy assistance payment to welfare recipients of \$75 for singles and \$62.50 for each member of a couple? Why do we need this one-off payment for 2½ million age pensioners, for 770,000 disability support pensioners, for 260,000 parenting payment single recipients and for 235,000 people on veteran payments—for 3.8 million Australians? Why do we need this when we are an energy superpower and when we should, for a host of reasons, have some of the most affordable power in the

world? How did it come to this? The answer, in a word, is ideology—the ideology of the members opposite, the ideology of the Labor Party and the ideology of Labor's former left wing, the Greens.

First, let us look at coal. Coal is still, by far, the cheapest way available in this country to produce electricity. It has been the mainstay of baseload power generating systems in this country for well over a century, and it still is. Its abundance has been the basis of affordable electricity for domestic and industrial users for generations. The problem in relation to coal is that its combustion releases carbon dioxide, a greenhouse gas, and, according to members opposite, we therefore have to stop using it to generate power. And by the way, they do not like gas either. Gas has a significant emissions advantage over coal, but it is still, in the end, a fossil fuel, and so the members opposite do not really approve of it either. What members opposite want is to have 50 per cent of power generation in Australia come from renewable energy sources by 2030 and 100 per cent by 2050, which means shutting down coal-fired power generators and severely restricting the use of gas as its replacement. You may be inclined to ask, Mr Deputy Speaker Vasta, how would members opposite provide that? How would they meet the target of 50 per cent renewable energies and then 100 per cent by 2050? You can ask the question, but you will not get an answer, because they themselves cannot work it out. Instead, they are happy to go on and ideological frolic, embark on their own great leap forward, if you like, without having the faintest idea on how to deliver.

The problem is that their vision of 50 per cent and then 100 per cent renewables is not based on engineering or economics, but on ideology, on a religious zealotry, if you like—one that applies as a black and white article of faith, prophesising that coal is bad, coal is evil and renewables are good, renewables are the answer. But one must be very aware of false gods. Instead of ideology, what we need is engineering and economics. Instead of a religious approach, what we need is an agnostic one. It is the religious ideological approach that has led to baseload power being compromised and entire systems, such as that which we have seen in South Australia, being crippled. It has led to the economics of coal-fired power stations being undermined, to station closures and to tightening supply, which has in turn increased electricity prices. And, of course, let's not forget the cumulative effect of moratoriums on gas, among other things.

There is nothing wrong with renewables. There is nothing wrong with renewables—there is a role for them, an important role. But they are not the answer to baseload power. Who knows? Maybe battery storage will one day change that equation, but we need to make decisions in and for the real world, and that requires pragmatism so that we can have a secure, reliable and affordable system.

While the government has introduced several measures to address these issues, and there is still much to be done, we cannot stand by in the interim and watch older and disadvantaged people bear the brunt of higher utility costs without trying to assist. Thus here, contained in this bill, we seek to provide a one-off energy assistance payment while also reinstating the pensioner concession card.

I can assure you, Mr Deputy Speaker, as the member for Fairfax on Queensland's Sunshine Coast, that this will have a real impact on the ground. Around 54,000 people on the Sunshine Coast will receive this one-off payment, and over 1,500 people on the Sunshine Coast will see their pensioner concession card reinstated. For these people, this is much-welcomed news, and I am proud to be part of a government that will deliver it. However, for the reasons I have outlined, it is with mixed feelings that I support this one-off payment component of the bill.

While I support the bill wholeheartedly, and I am delighted to see this government provide much-needed assistance, I remain incensed by the ideological religious zealotry of the members opposite. It is for that reason that we have got to the place where we are today, where bills such as this are necessary. I cannot believe that the Labor Party here at the federal level and in other jurisdictions are happy to make the problem that has created the need for this bill even worse. Labor, together with the Greens and, indeed, cashed-up left-wing political activists have helped to undermine the energy market, something that used to be a core strength of this country. They made it into a market that suffers from insecurity, unreliability and unaffordability, thereby making life harder for every business and every household across the country.

Thankfully, that unholy left-wing alliance is not running the government! And so we, the coalition, will do what seems to be our lot in life, and that is to fix Labor's mess. And in doing so, we will also provide assistance to those who have been so adversely affected by them. It is for that reason that I commend the bill to the House.