



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

PROOF

BILLS

**Treasury Laws Amendment (Medicare Levy
and Medicare Levy Surcharge) Bill 2017**

Second Reading

SPEECH

Wednesday, 14 June 2017

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

<p>Date Wednesday, 14 June 2017</p> <p>Page 82</p> <p>Questioner</p> <p>Speaker O'Brien, Ted, MP</p>	<p>Source House</p> <p>Proof Yes</p> <p>Responder</p> <p>Question No.</p>
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Mr TED O'BRIEN (Fairfax) (17:05): It is not infrequent that the member for Fenner quotes Robert Menzies in this chamber. You would think the member for Fenner might be a closet Liberal until you hear the substance of his speeches and you realise that he reflects the same creeping to the left—the same socialist hysteria—that the Labor Party has fallen into with their allies the Greens. His speech was full of the rhetoric of 'tax the rich' until he started quoting international figures, suggesting, if you look at Australia compared to the rest of the G20, there is scope to tax everyone in Australia more. Let's just tax everyone more. That is the proposal of the Labor Party.

The finale of his speech was how Labor has a plan for addressing phoenixing activity, when in truth he knows that the coalition has a Phoenix Taskforce and that the coalition is now addressing these very issues. When you are on the Socialist Left and you see a coalition government actually taking action on something you should have been taking action on when you were in government—the Rudd-Gillard-Rudd era—what do you do? You get on the bandwagon. That is all they have to offer.

We are here today to talk about something that the member for Fenner did not really want to speak about, and that is the Treasury Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2017. They ignored that. Labor like to ignore this bill because, firstly, while they support the increase in the Medicare levy, they have no intention of using the increase in funds to pay for the NDIS, which is the coalition's intent. Instead they will just take the money and use it elsewhere.

The second reason I suspect the member for Fenner did not want to address the bill that we are here to speak about today is that, despite his words, he knows that the bill being discussed today in fact helps those people in Australia who are most vulnerable. It is a broad-based levy based on the principle of the more you earn, the more you pay, and the most vulnerable in Australia need pay nothing at all.

This bill ensures that \$180 million will remain in our community and in the pockets of those most in need—the families and individuals on the lowest incomes, those unable to work, and our pensioners and seniors—with \$60 million in 2017-18 alone to be retained in the community. The bill ensures low-income earners will continue to receive relief from the Medicare levy through the low-income thresholds for singles, families, seniors and pensioners.

By maintaining thresholds in line with the rise in the CPI—the consumer price index—we ensure our most vulnerable Australians are treated fairly and protected from paying the Medicare levy through either a complete exemption or a phased discount system. Thresholds are also applied to ensure that people who pay no personal income tax due to their eligibility for structural offsets, such as the low income tax offset or the seniors and pensioners tax offset, do not incur the Medicare levy. These thresholds, which come into effect on 1 July this year, will directly benefit around one million Australians.

The government is setting these new thresholds for one reason, and that is to ensure fairness. Fairness is a word that has become synonymous with this Turnbull government. The Medicare levy is fundamental to sustaining our healthcare system—a healthcare system that guarantees Medicare, which is, in itself, an essential part of a modern, caring society. Indeed Medicare directly enables the concept of a shared wellbeing, a common good. That is why this government is committed to fully funding the Medicare Benefits Schedule and the Pharmaceutical Benefits Scheme, the PBS, through the Medicare Guarantee Fund, and, most importantly and significantly, the National Disability Insurance Scheme, the NDIS.

Unlike the opposition, this statement recognises the full cost of supporting all Australians who are living with or supporting those with disabilities. The 0.5 per cent increase in the Medicare levy to be implemented in two years time will ensure the NDIS is fully funded. We are closing the \$55.7 billion gap left by the previous Labor government, giving assurance to all of those who are living with a disability—assuring them that they matter, that we recognise and support their wellbeing as fellow citizens and as members of our community, giving assurance

to all Australians that if they or a loved one are born with or acquire a permanent and significant disability they too will get the support that they need. These are assurances that the Labor opposition has failed to provide—assurances they continue to evade. How can Labor continue to deny the obvious—that they have not fully funded the NDIS? I just do not know. There are some good people on the other side—there are some very good people in the Labor Party. I believe that. How can good people continue to deny the fact that they are leaving the NDIS short-changed? It is an absolute disgrace. That is why it is so important that we get this Medicare Levy change through parliament.

The government's objective is clear: to fully fund the NDIS by increasing the Medicare levy—a broad-based levy. As I said earlier in response to the member for Fenner's comments, if you are on a high income, quite simply you pay more. If you earn less, you pay less. Basically the more you earn the more you pay—it is simple and it is fair. As we see in this bill, there are clear provisions for our most vulnerable, for our lowest income earners, to pay nothing—as should be the case. That is the coalition's plan. Labor on the other hand, sadly, will be happy for the Medicare levy to rise but, unlike the coalition government, they do not plan to allocate the money raised to the NDIS. As always, Labor are happy to take the money but they will not use the money to help the people in need. They would rather, and quite irresponsibly, leave the scheme critically short-changed. Under the government's plan, in 2016-17 it is anticipated that 10 million Australians will pay into the Medicare levy. This is surely a fair and reasonable ask of a sophisticated, caring society—a fair and reasonable ask for an insurance scheme for all Australians as a safety net against the crippling costs of living with permanent and significant disability.

Disabilities can affect anyone at any time. In fact, every single week five Australians suffer a spinal cord injury and 10 to 15 Australians sustain a severe brain injury. Every 13 hours an Australian child is born with cerebral palsy. For those Australians the NDIS will be there to support them. Over 460,000 Australians under the age of 65 will rely on the NDIS to build skills and capability to participate in the community, to participate in employment and sporting activities. I know in my part of the world, on the Sunshine Coast, an estimated 4,790 people will be supported by the NDIS upon its being fully rolled out. By supporting this bill and other interlocking measures relating to the Medicare levy and not resorting to puerile political brinksmanship, this parliament can allow our healthcare professionals to get on with the task of making the NDIS the best it can be. On this basis I commend the bill to the House.