

Australian
Labor



TRANSCRIPT

**THE HON JENNY MACKLIN MP
SHADOW MINISTER FOR FAMILIES & PAYMENTS
SHADOW MINISTER FOR DISABILITY REFORM
ACTING SHADOW MINISTER FOR EARLY CHILDHOOD
MEMBER FOR JAGAJAGA**

**E&OE TRANSCRIPT
TELEVISION INTERVIEW
SKY NEWS PM AGENDA
MONDAY, 25 MAY 2015**

SUBJECT/S: Tony Abbott's cuts to families; Tony Abbott's unfair Budget; Pension changes.

DAVID SPEERS: Joining me now is the Shadow Minister for Families, Jenny Macklin. Thank you for your time this afternoon.

JENNY MACKLIN, SHADOW MINISTER FOR FAMILIES AND PAYMENTS: Thank you.

SPEERS: So are we to take it, before we get to the detail that if the Government continues with cuts to Family Tax Benefit part B from the Budget last year you won't support this child care package either.

MACKLIN: Well we're not going to support the cuts to families that's really clear, we made it very clear to the Government last year after last year's Budget when the Government announced these cuts to Family Tax Benefit part B, but also the freeze on Family Tax Benefit part A rates, so we made it very clear that we are not going to support a cut, a cut of around \$6,000 a year, each year, to families on low and middle incomes, we're not going to support that. Of course we don't think the Government should hold families to ransom by saying unless you pay \$6000 a year you can't get these improvements to child care. They should split those two issues. If they want to keep pushing these cuts to families, that's the Government's business. We're interested in talking about child care separately.

SPEERS: But if they are linked in any way -

MACKLIN: We don't think they should be linked.

SPEERS: Okay but you won't support them if they are?

MACKLIN: We won't support the Family Tax Benefit cuts. We understand it's important to improve child care so we are going through the detail of the child care changes. We certainly can understand that for many families child care is very expensive, and we want to improve that -

SPEERS: That has to be paid for somehow?

MACKLIN: It does have to be paid for somehow, but not by cutting family benefits to low and middle income families.

SPEERS: What do you say to the argument though that money spent on families when they are at school is less productive than money spent helping them with child care?

MACKLIN: I think everybody would say both are important. There's no question that early childhood education is very important. Labor was the party which introduced 15 hours of early childhood education for four year olds so we believe in it -

SPEERS: It's not taxpayer funded, like school education is, it's also a time isn't it when mum.

MACKLIN: It certainly is taxpayer provided, that 15 hours all comes from the Commonwealth...

SPEERS: That's preschool, I'm talking about child care when children are two or three or even one year old, you don't get any taxpayer 100% support for child care.

MACKLIN: You don't get a 100 per cent of course.

SPEERS: You get 50 per cent up to a certain limit.

MACKLIN: That's right.

SPEERS: But what I'm saying is school, that's free. You send your kid to a school that's free.

MACKLIN: Well it's free if you go to a Government school and that's provided by Governments State and Federal -

SPEERS: To all Australians.

MACKLIN: To all Australians and I think everybody would say that school education is great for kids.

SPEERS: No that's what I'm saying, but at that age where you've got a toddler, a two or a three year old, isn't that the point in which the family does need help and but also help for both parents to get back into the workforce?

MACKLIN: Well first of all I want to put paid to this rubbish that the Prime Minister and the Social Services Minister were going on with. Labor of course has always supported those families who go out to work hard every day with the costs of child care and will continue to do so. So let's put that silliness to one side. The second point is that anyone who has kids knows they get more expensive as they get older. That's why Labor introduced the school kids bonus and paid more for children going into high school because going to high school actually cost more.

SPEERS: I know this is a difficult question but it is fundamental to this debate, should both parents be working and I know that you'll probably say it's a choice for families...

MACKLIN: I certainly will say that, you're dead right about that!

SPEERS: But Governments in designing these payments for child care or for families when the kids are older they are essentially influencing these decisions so you've got to have a say in this don't you -

MACKLIN: But you've got to make it fair, you've really got to make it fair between different types of families. So first of all, you have to remember that family tax benefits are there for children, to make sure that children get enough to eat, so for the poorest families we give the largest amount of money, so that children have food on the table, the rent is paid, the things they need for school are paid for.

SPEERS: But if things are that desperate, shouldn't both parents be working?

MACKLIN: Well for the lowest-income families, even those who are working part-time, I think we would all say that for the interests of the children, we should do everything we can to help. For those further up the line of course we don't pay family tax benefits, there's a cut out point which Labor introduced I have to say. When we came into Government Family Tax Benefit B, it had no means test. That was what Tony Abbott thought was the right approach.

SPEERS: Sure, but the point I'm getting to is when your kids are at school, at High School in particular, if you are desperately trying to put food on the table, you should both go out and get a job.

MACKLIN: Well as I said before and I think you probably agree, that's a matter for families and these are choices that families -

SPEERS: So you're saying that they should still get, whether it's an extra \$6,000 a year, from taxpayers for one of them to stay at home?

MACKLIN: Well that is a choice that families make. My interest is what is best for children. What is best for children is that families get enough support so that children get the things that they really need. I think we need to remember what is the purpose of family tax benefits. If you were to ask John Howard, he would say why did he design it this way, he designed it this way for families to make their own choices...

SPEERS: Can we still afford that, can we still allow families the choice to stay at home?

MACKLIN: Of course we can. We can afford to say to families we support your choice to look after your children in the way you think is best for your family and we also know how important it is to support that family.

SPEERS: Even when a child is 14 or 15 years old, we should still give them the choice through taxpayer support for them to stay at home?

MACKLIN: Take a family that the Government wants to attack with this change on Family Tax Benefit part B. A single income family, so where one of the parents is at home, where the mother or father, whoever is working, is earning \$65,000 a year, that is not a high income, with two children at school. That family is going to lose \$6,000 a year. \$6,000 a year.

SPEERS: What if one of those parents then gets a job?

MACKLIN: Well of course if they get a job then their family tax benefits go down, that's the way the system works.

SPEERS: And their income goes up.

MACKLIN: Of course. And that's the way it should work.

SPEERS: So what's wrong with it? If they get a job, their income goes up -

MACKLIN: Well that's the family deciding, not the Government deciding.

SPEERS: Well is the Government deciding? Because you're saying, the taxpayer should give them that \$6,000 if they don't make that choice.

MACKLIN: This Government went to the election saying that they were going to support families. Did they ever say, before they went to the last election, that they were going to cut \$6,000 a year from low and middle income families...? No they did not.

SPEERS: No they didn't, but given the Budget is where it is, should the taxpayers still support \$6,000 a year for family to keep a one parent at home when their kid's 15 years old?

MACKLIN: Our job is to make sure that those children get the best support that they can, and that's what I think we have a responsibility to do.

SPEERS: But the child is still getting support if both parents are working, aren't they?

MACKLIN: Sure. The parent might work part-time, the parent might be volunteering, you don't know where the parent might be contributing to our community. There are many farming families, I know that the National Party are very upset with this

change, because many many farming families of course have both parents contributing to the farm but not earning an income.

SPEERS: Sure and I accept that is a reasonable argument but for those -

MACKLIN: This is why it is important.

SPEERS: But for those in the city doing just fine, where the kids are doing just fine, and both parents work.

MACKLIN: And it is pretty hard to manage on an income of \$55,000 or \$65,000 a year, I think everybody would agree...

SPEERS: Unless the other parent gets a job.

MACKLIN: That's right, but in some of these cases, it's a single income family, only one parent. This parent, a sole parent with an income of \$55,000, two children, one primary school, one high school.

SPEERS: Sole parent, I get that, but I'm talking about where -

MACKLIN: This hurts them!

SPEERS: I know but I'm talking about the family where one parent has chosen to stay at home.

MACKLIN: Sure, I understand your point.

SPEERS: I know it's difficult but ultimately should we subsidise that to the tune of \$6,000 a year?

MACKLIN: Well the way the system works at the moment is that for single-income families, whether you are a single parent or one parent working, this benefit is for you to help with the costs of raising children. And I don't think it is fair to say to a single parent on \$55,000, that you are going to lose \$6,000 a year, which is what this Government wants to take off you.

SPEERS: Unless you get a job.

MACKLIN: No, a parent working \$55,000, she'll be working.

SPEERS: Oh the sole parent.

MACKLIN: Yes the sole parent, she's working, she's working hard.

SPEERS: I'm talking about the family, where there is a couple, and one is staying at home. If the mother for example goes out and gets a job, then they'll make that money back.

MACKLIN: That's not what the Government has on the table. What the Government has on the table is a huge cut to Family Tax Benefit part B, that will hurt single-income families, whether you are a couple or whether you are a single parent, it is going to hurt low and middle income families very very hard.

SPEERS: Okay, can I just briefly turn to pension proposals, have you done similar modelling on the impact there?

MACKLIN: Not yet. And I might just say, I've actually asked the Government on both occasions for the Family Tax Benefit changes and the child care changes. We've asked repeatedly for the Government to provide their own modelling, they've refused, and I think they've refused because they don't want to own up to the fact that parents are going to lose \$6,000 a year.

SPEERS: But the pension changes -

MACKLIN: The same applies.

SPEERS: What's troubling you about that at the moment?

MACKLIN: Well this is a very complex change, and of course affects people who have saved all their lives so we need to make sure that whatever decision we make actually understands the impact, so we will go through it very carefully.

SPEERS: So you appreciate though in principle at the top end, a retired couple with their own home and \$1 million in assets, don't need taxpayer part pension?

MACKLIN: Look, I understand the argument but it is my responsibility to look at it very closely. I think any part pensioner would expect me to do that, and that is exactly what I'm going to do.

SPEERS: And just a final one, again this principle that Scott Morrison has talked about today, that you should draw down on your super at some point, do you agree with that?

MACKLIN: Well I just find it completely hypocritical of Scott Morrison to tell people to draw down on their super when they are saying they will make no changes to the top end. You know, really, they want to keep giving.... You asked me about families with a single income earner, families on \$65,000 a year, they want to take \$6,000 off them but they will not look at very high income earners who have millions of dollars in their superannuation accounts. How can that be fair?

SPEERS: Jenny Macklin, we will have to leave that there. Thank you for joining us.

MACKLIN: Thank you.

ENDS