I would like to acknowledge the traditional owners of the land and pay respect to their elders past and present.

There is one thing that Labor has always believed that our opponents have never understood.

That is: investing in our people is the key to economic prosperity and employment that delivers improved standards of living.

That when we invest in education, starting with early childhood, when we extend opportunity, enhance healthcare and strengthen our safety net - we are investing in our economy, and our nation too.

“A country’s most important resource are its people” said Nobel Laureate Joseph Stiglitz on Lateline this week.

“And if you don’t invest in your children, if you don’t invest - make sure they have adequate nutrition, education, health, it will jeopardise your future”.

His statements go to the core of what Labor has always believed: that our investments in schools, higher education, Medicare and support for families bringing up children are investments in human capital.

And because of this core belief, we have built all of the fundamental pillars of our society.

Universal education.
Universal healthcare.
A decent minimum wage.
A fair pension.

Between 2007 and 2013, Labor continued our great tradition of social investment.

We raised the Medicare Levy by 0.5 of a per cent so we could invest $14 billion in people with disability through the National Disability Insurance Scheme.

We did so because when people with disability are empowered with opportunity, our nation will grow, and our economy will grow.

And, as the Productivity Commission made so clear in its design of the NDIS, the long-term economic benefits of the NDIS will far outweigh its costs.

We also invested record amounts in early childhood education, schools, higher education and VET.

Because that is how you build an economy for the future.

Our social investments have never been just feel good initiatives.

Yes, they are based in a fundamental belief in the fair go.

But they are also grounded in solid economics.

In a fundamental belief in a pathway to growth based on the development of human capital.

Poverty, inequality, social exclusion, these are not just bad for people; they are bad for the economy.

They result in low skills, low wages, low employment and weakened growth.

What this Government has done in this year's budget stands in complete contrast to these principles.

When Joe Hockey declares an End of the Age of Entitlement, he is ushering in the Australian austerity agenda.

He is selling-short Australian potential, and downgrading Australia’s human capital.

This is a real and present danger to our national economy and the fair society that Australia has developed over the last 100 years.

Leaving young people without any income support for six months is an extreme example of policies that lead to the destruction of human capital.
Pushing Australians under 30 into poverty will not help young people build skills or get jobs.

It will leave them destitute, a generation excluded.

And we all know what comes with austerity.

We see the devastation it has wrought across Europe and the United Kingdom.

Lower wages.

Lower skills.

Rising unemployment

Rising inequality.

Social fragmentation.

Austerity does not lead to growth. It does not lead to prosperity.

Austerity does not create opportunity and it does not create wealth.

And here in Australia, the instinctive reaction to this budget shows that Australians do not want any part of these divisive policies.

As I have travelled around the country since the budget, I have met with many people.

And despite their very real concerns about the impact that this budget will have on their own financial security, almost all of them are more worried about the impact of the budget on young people.

Because they know that this government’s budget will hit young people the hardest.

And I am very concerned that this is just the start.

If the Government applies the same ideological framework to their review into the welfare system as they have to the budget, then I fear that we will see more cuts, and more destruction of our human capital.

Across Australia, people are coming to understand that the End of the Age of Entitlement is more than a political slogan.

It is a political ideology with its roots in the failed cruelty of austerity economics.

This has never been the Australian way.

Australians don’t believe in a society where everyone is on their own.
Or a nation divided against itself.

Australians have always valued a fair, inclusive society. That is not what this budget will achieve.

Fair minded Australians know that our future lies along a different pathway to growth.

Towards inclusive growth.

As Joseph Stiglitz observed:

The IMF has pointed out that high inequality is associated with lower economic growth and more economic instability.

This is a very big change in perspective.

We now realise that inequality has reached a level where it’s actually having adverse effects on countries like the United States and other advance countries.