

# Dissenting Report by Labor Senators

1.1 Labor is committed to budget repair that is fair. This means taking responsible savings decisions that improve the sustainability of our public finances, reduce the risk of a credit rating downgrade, protect the most vulnerable Australians and ensure we can make targeted investments that promote inclusive growth.

1.2 Labor always approaches budget repair in line with our values and priorities. The Budget Savings (Omnibus) Bill 2016 (the bill) as drafted contains measures that are contrary to Labor's values and priorities.

1.3 Budget repair should be achieved in a way that protects the most disadvantaged and people on low incomes, while ensuring important investments, such as those in clean energy, are protected and can promote sustainable economic growth.

## Specific measures

1.4 Labor Senators are committed to working constructively with the Government to find sensible and appropriate savings to improve the budget bottom line.

1.5 However, Labor Senators are particularly concerned about the following proposed measures:

- Funding cuts to the Australian Renewable Energy Agency (ARENA);
- Cuts to payments for low income individuals and families;
- Closure of the Child Dental Benefits Schedule; and
- Cessation of social security payments to people who are in psychiatric confinement because they have been charged with a serious offence.

1.6 The committee received a substantial number of submissions relating to these measures.

1.7 The Government's proposal to gut ARENA and establish a new Clean Energy Innovation Fund is not acceptable to Labor Senators. This proposal would see investments in earlier stage research and development and demonstration projects suffer, as the Clean Energy Innovation Fund would only be able to finance commercially ready projects. Labor Senators support ARENA receiving an additional \$800 million in funding.

1.8 The Government's proposal to abolish the Energy Supplement would see the most vulnerable in our society suffer disproportionately. Labor supports the retention of the Energy Supplement, except for new recipients of Family Tax Benefit and Commonwealth Seniors Health Card.

1.9 Labor established the Child Dental Benefits Schedule. The Government's proposed replacement scheme, the Child and Adult Public Dental Scheme (CAPDS) would force over five million children onto long public dental waiting lists, remove dentist choice and lengthen waiting times for both children and adults, especially in rural areas. Labor is prepared to work with the government to deliver the same quantum of dental savings while protecting patients.

1.10 Labor strongly opposes the measure to cease social security payments for people who are in psychiatric confinement because they have been charged with a serious offence. This measure would unfairly disadvantage people with serious mental illness and Labor has opposed it previously.

1.11 Labor Senators believe that changes to these specific measures would substantially improve the bill. As additional savings, Labor proposes that the Government no longer proceed with the 'Baby Bonus' and abolish the Family Tax Benefit Part A supplement for families with adjusted taxable incomes over \$80 000. Taken as a package, the package recommended by Labor Senators will actually see \$6.3 billion in savings enacted as opposed to the \$5.996 billion put forward in the original Budget Savings (Omnibus) Bill 2016.

**Senator Chris Ketter**

**Deputy Chair**

**Senator Jenny McAllister**

**Senator for New South Wales**