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SHADOW MINISTER FOR INDIGENOUS AFFAIRS AND ABORIGINAL AND TORRES STRAIT
ISLANDERS
MEMBER FOR MARIBYRNONG**

ADDRESS TO THE NEW SOUTH WALES LABOR CONFERENCE

SYDNEY

SUNDAY, 30 JULY 2017

***** CHECK AGAINST DELIVERY *****

Good morning everybody.

I acknowledge the traditional owners of this land, I pay my respects to elders both past and present.

I want to thank Linda Burney for that kind introduction and generous introduction, and say what an honour it is for our movement to have a proud Wiradjuri woman as a colleague, a friend and a future Minister.

When she sits on the frontbench, she's got more class than the whole of the Government frontbench.

Friends, sixty years ago, right here, Pastor Doug Nicholls screened a film showing the appalling disease and deprivation among Aboriginal people in the Warburton Ranges.

From that night, from this remarkable hall, came the first petition to change our Constitution, so that Aboriginal people would be included in the census.

And it was Les Haylen, a New South Wales Labor MP, who went into the old Commonwealth parliament and said that the people who were here first should no longer be counted last.

That is New South Wales Labor.

And six decades on, from this remarkable hall and from our remarkable party, let the message once again be clear.

The first Australians belong in our parliament, as role models and mentors.

As future Prime Ministers and as leaders of an Australian Republic.

The first Australians belong in our society and our economy, with equal opportunities.

And the first Australians belong on our nation's birth certificate, their voice enshrined in our Constitution once and for all.

Friends, delegates, true believers and conference attendees.

I am like you - we're an unusual bunch of people, we actually like coming to Labor Party conferences.

I counted up the other day that I've been coming to Labor Party conferences for 33 or 34 years, as a rank-and-filer, as a union rep, a Minister and now as Leader of the Opposition.

But I think it is true to say that no matter how many conferences you go to right across Australia, there's nothing like walking into the New South Wales Labor Conference in Sydney Town Hall.

Here, we follow in the footsteps of Labor giants, we stand to debate ideas where the great ideas have always been born.

And while we honour our heroes, what we are not in this place, is we are not history-dwellers.

We revere our past but we don't live there. We respect what's been done and we build on it.

We build on it because the job of Labor is never done. We build for the next generation.

Look at the Liberal Party, they go to their conferences arguing about what Robert Menzies meant 75 years ago in a speech.

In our party, our movement, our eyes are always on the horizon.

Our focus is not what we have achieved but what we will deliver - as a new national Labor Government for all Australians.

And today, I want to declare again, as has been done in the past, a Labor Government that I lead will have one defining mission: tackling inequality wherever we see it.

We will restore the link between hard work and fair reward.

We will extend opportunity to Australians who have been left behind for too long by the pace of change and by unfair economic policies.

We will put balance back into the system for people who are underpaid, under-represented and insecure at work.

And we will fulfil the generational contract - that we pass on a better standard of living to our children than we inherited from our parents.

Now this means: tackling inequality in our schools – with the remarkable Tanya Plibersek, my deputy leader and as Minister for Education.

Tackling inequality in the economy – with Chris Bowen who will be a great, reforming Labor Treasurer and he will be helped by the man who's written several books on tackling inequality, Andrew Leigh, as his Assistant Treasurer.

Tackling inequality between this generation and the next, with Tony Burke as Minister for the Environment making sure we hand on a better national estate to our children.

And it doesn't stop there: tackling inequality between the regions and the cities, and within our cities and suburbs – with Albo, Joel and Stephen Jones.

And we are going to be tackling inequality in the digital divide, Michelle Rowland closing the digital divide with better NBN as she does every day.

And while we are at it, we are going to deliver on Doug Cameron's vision for secure housing for all Australians.

It doesn't stop there friends. We are going to be tackling inequality in trade – with Jason Clare making sure that trade agreements deliver jobs in Australia, not deliver Australian jobs overseas.

And we'll be tackling inequality for job-seekers: with Ed Husic helping people find fulfilling work in a changing economy – not this rotten rip off with young Australians on \$4 an hour internships.

And we will be able to tackle inequality in this country because we will be side-by-side with the most progressive force for change in this country – the mighty trade union movement.

We've spoken about tackling inequality for the first Australians and we should talk about tackling inequality for more than half the population.

I speak of the unfair deal that this country still administers to Australian women: in pay, in leadership - and my personal priority, the inequality of family violence. We will change this.

And in case you thought I had forgotten, I hadn't, we will tackle one of the stupidest examples of inequality in this country - the inequality which prevents people who love each other from getting married.

No hurtful opinion poll, no bizarre chain letter. We will just get parliament doing our job and making marriage equality a reality. Doing what Australians expect us to do, just get on with it.

Everywhere I have the privilege to travel in this great country, from small country towns to the big cities, from the regions to the outer suburbs.

I encounter Australians who are finding it harder and harder to make ends meet, tougher and tougher just to get ahead.

The Australians I speak to in the supermarkets queues, in our town hall meetings, at railway stations and workplaces, they don't have time to worry about the Liberal-National circus in Canberra.

They're concentrating on the basics, and so will we. They're worried that the price of everything is going up – except of course, their wages.

But everything this government does makes life harder, less secure, less fair.

- Wages growth is at record lows - yet the Liberals are cutting award penalty rates for 700,000 workers, shame on them.
- We see power prices for families and businesses are out of control but the Liberals and the Nationals are still fighting about whether climate change is even real, shame on them.
- Vulnerable people are treated like criminals in terms of the Department of Human Services.
- Vulnerable people waiting longer and paying more for the health care they need. But this government pretends that it's changing Medicare, it is still freezing patient rebates and cutting Medicare - shame on this government.
- Australia has seen 140,000 apprenticeships and traineeships disappear in the last four years– but the Liberals are cutting our TAFE and training. Shame on them.
- Teachers are under pressure and still doing remarkable work – but this government wants to take \$17 billion from Australian schools. Shame on this ignorant government.

They aren't just in denial about inequality – they are causing inequality.

And when they do this, they hurt everyone - they hurt our whole community, the whole economy.

Inequality hurts people. This is the big economic truth that the world has woken up to.

Inequality isn't some unfortunate side-effect of progress. It should not be the inevitable collateral damage from necessary reform.

Inequality is not the price that you should pay for change.

Inequality stifles growth. It's a handbrake on jobs growth, it makes us less productive, a less prosperous nation.

And it sends a message right across this country to ordinary Australians that the system is rigged, that the rules are neither fair nor worth playing by.

And that's why every serious economic authority – from the International Monetary Fund to the OECD – says that tackling inequality is a growth strategy.

It's why we must seek to include more Australians in the opportunities of Australia, growing the middle class by making it easier to join.

Fairness is a plan for prosperity: prosperity for everybody who works and prosperity which works for everyone.

Friends

You know you live in a remarkable state, we live in a great country.

But if we want Australia to stay ahead of the pack, we have to invest in the future right now.

- Invest in world-class schools for better results - wherever you live.
- Invest in paying teachers properly, for the great work they do.
- Invest in our vocational education system, reversing the trend toward privatisation and backing public TAFE all the way.
- Invest in better universities, where you earn a place at uni through hard work not by having rich parents.
- Invest in the early years, with quality child care and support for early year learners so every family who needs quality child care can access quality child care.

We need to invest in decent roads - and public transport in our cities that's a genuine option – easing traffic congestion in our suburbs, connecting-up our regions.

And we need to invest in quality health care and hospitals, guaranteeing peace of mind with one word: Medicare.

But if we are to build for the future, if we are to invest in our people and their potential, if we are to invest in productivity-boosting infrastructure, then we need a better, fairer tax system for a stronger budget.

Friends

We currently have a two-class tax system in this country.

What I mean is that the vast majority of Australians pay tax as they earn it.

Many probably have already done their tax return this year. They might have claimed a couple of vanilla deductions, maybe for their work uniform, if they're fortunate, perhaps some salary sacrificing for their Holden or Ford.

This is the economy-class system.

But then there's the business-class tax system.

Behind the curtain, on the other side of the rope.

It's a different menu, another set of rules for those who can afford to upgrade to the pointy end of the tax system.

Australians with lavish property portfolios, using complex deductions and of course stashing their money in offshore tax havens.

Using every tax loophole that money can buy and leaving working and middle class Australians to pick up the tab.

Let me be clear: most of this is completely legal – but that doesn't make it right, it doesn't make it fair

When a child care worker earning \$50,000 looking after our kids asks me why someone who earns 20 times more than she does, pays less in tax, saying: 'It's legal' leaves a dry taste in your mouth.

When you've got a young couple in Sydney who've missed out at auction-after-auction, when they ask me why their taxes are subsidising the property investor who are outbidding them, saying: 'It's legal' is deeply unsatisfactory to the soul.

We have a responsibility to ask who is our tax system rewarding.

What message are we sending to the people of our country about effort, about hard work, about making a contribution to our community.

And how much do these loopholes and subsidies for the wealthy leak out of the tax bucket of Australia?

Now I'm pleased to say, thanks to the hard work of Chris Bowen, Jim Chalmers, Andrew Leigh our staff and many more, Labor has been leading the debate about fairer taxation in this country.

You might remember, in 2015, we announced our reforms to the unsustainable superannuation tax concessions at the top end because we understand that super is about security in retirement for everyone, it's not just about helping someone on three, or four or five million get their next million, courtesy of you.

You might remember in 2016, at this great conference, we outlined our plans to level the playing field for first-home buyers.

Because only Labor believes in putting the great Australian dream of home-ownership back in reach, not locking young people out of the housing market by preferencing investors. Only Labor believes in this.

This year in my Budget Reply, I outlined our plans to cap the amounts that you can pay your accountant.

It is an amazing feature of our tax system, that not only can you claim millions in deductions, you can claim the millions you've spent on your accountant for minimising your tax.

It's a sweet deal if you can afford it friends. But no longer.

We announced in our Budget Reply that we will cap what you can claim for managing your tax affairs at \$3000.

But we can no longer maintain a situation where people are able to opt-out of one system and into another.

Today, friends, we lead again.

Under the Liberals, debt has rocketed to half-a-trillion dollars. The AAA credit rating is under threat.

In this set of circumstances, in 2017, I do not believe we have the luxury of leaving everything in tax reform in the too-hard basket.

We need to make tough decisions to make the tax system fairer.
We need to make tough decisions to make the budget stronger, and to help create a stronger nation.

This must include cracking-down on artificial income-splitting to avoid tax.

Every year in Australia, there are some fortunate high-income earners who use discretionary trusts to park their money in a lower tax bracket.

And the rest of the community are left to subsidise this. This is not fair on Australians who'll never be able to afford this option.

A health care worker at the Nepean Hospital can't go down to payroll and request that they split her income and pay her adult children while they're at university to reduce her tax.

A scaffolder working high above Barangaroo can't split his income with his girlfriend.

A hospitality worker in Blacktown doesn't get to give herself a tax cut by moving some money into her partner's account.

Now let me be clear. There is nothing wrong with people earning a good income, or profiting from their investments.

Nothing against parents giving their kids a helping hand. I don't begrudge anyone who has made money.

But our system should not be subsidising couples with the taxes of the less wealthy, to ensure those who are already wealthy can become even more wealthy.

And for goodness sake, our budget cannot afford to do this at all.
So today I announce that a new Labor Government will impose limits on income-splitting in discretionary trusts. It's pretty simple really.

We will apply a minimum tax rate of 30 per cent for discretionary trust distributions to beneficiaries over 18 years of age.
That's it. Straightforward.

There has been an explosion in discretionary trusts in recent years, there are now more than 600,000 of them. Our new rate will apply to about half of them.

It makes our tax system fairer, it makes our budget stronger – and it's the right thing to do.

I want to be very clear on some important points:

- We are not abolishing trusts
- Our policy does not affect deceased estates or disability trusts
- It doesn't apply to farms or charitable trusts
- Small businesses will still have and enjoy asset protections

98 per cent of taxpayers won't notice our changes, because they're not able to afford to use these loopholes right now.

This is about trusts serving their true purpose, so distributions are taxed fairly. It's about delivering a level playing field, so high-income earners can't opt-out of paying income tax.

It is about creating one, clear, fair system. One set of rules for all Australians.

Tradies and retail workers and teachers and cleaners don't get to choose how much tax they pay and nor should anyone else.

And friends, these changes I announce today will deliver an extra \$4.1 billion in responsible budget savings, \$17.2 billion over 10 years.

Now the Liberal Party call this 'the politics of envy', of course they do.

They somehow think that closing unfair loopholes is about envy.
They think one set of rules for everyone is about 'jealousy'.

They think a fair tax system means people are getting ideas above their station.

They say because we oppose their tax cuts for millionaires that we are 'taxing success'.

This Government is putting up income taxes for eight million Australians but cutting them for the wealthiest two per cent.

That tells you everything you need to know about how the Liberal and National Party defines success, it's reserved for the top two percent.

That somehow, how much money you make defines how successful you are.

In the world of this Government, because these people are 'successful' we should lower their taxes.

But what about everyone else, what about their success?

If you're a police officer, keeping our community safe, on \$60,000 - you're a success in my book.

If you're a nurse, doing lots of overtime shifts earning \$70,000, caring for our families when they're sick - well then you are a success in my book.

If you're a teacher in a working-class school, making sure that kids who are doing it hard at home get a quality education, and you earn \$65,000 - let me tell you, you are a success in Labor's book.

Let's dispense with this 'tax on success' rubbish.

Success is not measured in how much money you make alone - no way, never has been, never will be in the Australian rule book.

To me success is: are you a kind neighbour in someone else's trouble? Are you a good parent?
Do you play by the rules?

Success, friends, is about what's in your heart, not your bank account.

It's about how to treat your fellow Australian, not how much you're paying your tax adviser.

Now friends, prepare yourselves for the big Liberal lie that's coming.

That somehow reforming our tax system, moving towards one set of rules for everyone, requiring that people just pay their fair share - they will say this is somehow 'anti-aspiration'.

I do not believe that the only aspiration of Australians is to get a good tax adviser and hide your money.

I believe, and we believe that aspiration means much more than that.
It's the aspiration of parents that their young kids get a good education, that their adult children can get their first home.

That when they're old, your parents can get affordable aged care.

Aspiration is about a healthy environment, about taking action on climate change, about dignity in retirement.

The aspiration to get ahead by working hard.

The aspiration to be able to marry who you love.

The aspiration to be represented at work, and speak up.

Australians need no lessons from this elitist, out-of-touch government about aspiration.

The aspiration which motivates Australians I suggest to you, is the same aspiration that motivates our movement.

It is to hand on a better standard of living, a better quality of life, a better deal to your kids than you received from your parents.

Friends, that's aspiration in this country, the aspiration for a fair go.

Let me give you something else that Labor aspires to: if and when we are elected to form the next government of Australia, we will scrap these rotten cuts to penalty rates, and protect people's take home pay.

I don't often talk about my family, but I will.

My dad was a fitter and a seafarer, my mum was a teacher and then she went on to work at a university. They worked hard and sent me to school and they paid the fees.

But when I'd come home and say "Gee, there's some kids there that seem to have a lot to spend."

And what my parents said to me is something which has filtered down my whole adult life: "Never forget where you come from."

I promise you a Labor Government of mine will never forget.

I never had an existential crisis about which party to join, lasting three decades.

And we never forget who put us here.

We know who votes for us, and we know what we've got to do, if and when we get there.

We know whose side we're on.

Look at Fiona Phillips our great candidate in Gilmore – she's a TAFE teacher, she'll look after regional TAFE.

And then we've got Anne Charlton on the Central Coast – she's worked in public health. She won't ever stop in that fight.

But it's not just about our candidates.

There are so many people I could nominate, I want to give a shout out because it's a Labor conference, to Don and Margaret Hains – true believers for 65 years.

Friends, we are true believers in this room.

Every one of us who enlisted in our movement, regardless of whether you're a Shadow Minister, a life member, or perhaps in Young Labor in your first couple of years, we are all partners, and we are all custodians in a great enterprise, stretching back 126 years.

The Labor story, the Australian story: dedicated to making the system work for people, dedicated to creating an economy that serves the community, not the other way around.

Tackling inequality is in our DNA, standing up for the fair go isn't something that we discovered last week - it's not something that we borrowed from overseas.

Our fair go, the Labor fair go, the Australian fair go was born here: at Barcaldine, at Ballarat and in Balmain.

Australian Labor, Australian made - built here, by solidarity, by struggle, by courage and compassion.

Our mission remains – not to dismantle the system but to reclaim the system.

We understand trickle-down economics has failed everywhere and every time.

And we believe Australians deserve better than an economic policy of crumbs from the rich man's table.

Aussies deserve better than a tax cut for millionaires.

Better than a \$65 billion corporate tax giveaway which would be disastrous for national debt.

We remain committed to a better deal for first homebuyers, locked out of the market.

A better deal for workers, by reforming the Fair Work Act and battling flat wages.

We know Aussies deserve something better than cowardly delay on climate change, driving up the power bills of families and businesses, and handing on a lesser national estate for future generations.

Friends

We understand our obligation, most seriously. A great number of our fellow Australians are now doing it tough.

Tough times demand Labor guts and Labor heart.

We know that, I suspect our opponents know it too.

They know that in our great party, assembled here in the Sydney town hall, as we have for many-a-year, they know that we don't shirk the big challenges, we rise to big challenges.

When we are witness to growing inequality and shrinking opportunity, we don't turn a blind eye. We don't pass by on the other side of the road.

We take responsibility, we offer a helping hand.

We believe this country works best, when we work together.
That's what unites everyone on this stage

That's what unites everyone in this room.

That's what will unite Australia.

I'm optimistic for the future of our party, because I'm optimistic that we can help the future of this nation.

But more than that simple optimism, I am determined.

Determined that we present the Australian people with a strong, clear and positive alternative.

I am determined that we offer at the next election a social and economic program every one of us can hold high, a set of policies that speaks for who we are and what we believe in:

- Rewarding hard work
- Investing in the future
- And reclaiming the fair go, for all Australians.

This is our plan.

This is our promise.

This is Labor.

Thank you very much.

ENDS