

Turnbull loses round one of Senate bout



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David Crowe, The Australian, 12:00AM August 30, 2016

Senate powerbrokers have spurned Malcolm Turnbull's opening gambit in the first battle of the new parliament, challenging more than \$6.9 billion in welfare savings that are meant to pay for a landmark childcare package. Angry at the Prime Minister's treatment of the upper house, the government's one-time allies are hardening their stand against the budget agenda, just as Nick Xenophon turns against Mr Turnbull to vote against a plebiscite on same-sex marriage, essentially wrecking the Coalition's election policy.

Family First senator Bob Day launched a blunt attack on the government's argument for budget repair last night, saying it was "kindergarten stuff" to demand the upper house pass the welfare cuts on the grounds the money had to be spent on a family package instead. One day after the Liberal Democratic Party's David Leyonhjelm warned that the government could not count on his vote, Senator Day said he would take a harder line on the Coalition's calls for help on contentious bills.

"That's gone by the wayside — there'll be no more giving the government the benefit of the doubt on legislation," Senator Day said. "It means it will take a lot longer to get things through the Senate and we're not going to be as accommodating."

The government is relying on Senator Day and Senator Leyonhjelm to be the foundation votes on the crossbench for controversial cuts to social services, which have been blocked

by Labor in the past and will be reintroduced into parliament this week. The family payments reforms save \$5.4bn over four years, mostly by phasing out a family tax benefit supplement worth \$726.35 for each child per year, while the Newstart cuts save \$930 million and pension changes save \$579m. The savings measures were cleared by the Coalition partyroom yesterday as part of 26 priority bills for the new parliament, including one reform added to the list late yesterday, to spend more than \$3bn over four years on childcare and family assistance. While the government has pleaded with crossbenchers to vote for the spending cuts in order to pay for the families package, Senator Day said this argument would not convince him to back the government agenda.

"All the revenue goes in the same pot at the top and all the spending comes out of the one tap at the bottom. The argument that 'this is going to fund that' is just kindergarten stuff," he said.

"I'm not going to have a bar of that juvenile approach to budget savings." The remarks confirm the scale of the challenge for Mr Turnbull as he tries to legislate the 26 bills including company tax cuts, personal income tax cuts, media ownership reforms and the \$6.9bn in welfare savings.

Scott Morrison has prepared an "omnibus bill" of \$6.1bn in savings, nominally supported by Labor, that is separate from the welfare cuts and cleared the Coalition partyroom yesterday. While the government initially said there was \$6.5bn in savings in the omnibus bill, a briefing document handed to The Australian last night showed this had been cut to \$6.1bn because some of the measures would have to start later than originally planned. The final bill contains 24 measures compared with the 21 measures in the government's initial list. The additional measures are the abolition of the National Health Performance Authority, stopping social security payments to people in psychiatric confinement because they have been charged with a serious offence, and a "single appeal path" for military veterans seeking compensation.

Mr Turnbull is claiming a mandate from the election but Senator Xenophon argued yesterday the Senate had a mandate of its own to reject the government's plans, starting with the plebiscite on same-sex marriage. Only one major new reform, the amendment to workplace law to protect volunteers at organisations such as the Country Fire Authority, appears certain to pass. This is backed by Pauline Hanson's One Nation, the Nick Xenophon Team, Senator Day and Victoria's Derryn Hinch.

With Senator Xenophon unconvinced of the need for the restoration of the Australian Building and Construction Commission, the government is yet to secure enough support to introduce a "tough cop on the beat" in the building sector.

"There are reasons now why I have reconsidered my position on the ABCC," Senator Leyonhjelm said. "I'm doubtful whether it will achieve the government's objective of cleaning up the building industry. It is highly coercive legislation. "I was previously inclined to give the government the benefit of the doubt because it had been an election promise — that was basically a good-will factor. And there is no good will left any more. "There's a 50-50 chance I will vote for it at the second reading — I have done so twice previously — but

there's a less than 50 per cent chance I will vote for it at the third reading. I'd need to be persuaded to change that position."

Senator Day, a former home builder, is likely to vote for the restoration of the ABCC even though he is frustrated with the government, particularly over its decision to proceed with Senate voting reforms he and Senator Leyonhjelm opposed.

"The way they have treated some of those who went out of their way to help them has been appalling," he said. "On any other issue I'd be seriously rethinking my position and not being so accommodating but I have to put my own feelings about the government to one side and support restoring the ABCC."

Additional reporting: Joe Kelly