



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE

**APPROPRIATION (NATION BUILDING
AND JOBS) BILL (NO. 1) 2008-2009**

**APPROPRIATION (NATION BUILDING
AND JOBS) BILL (NO. 2) 2008-2009**

**HOUSEHOLD STIMULUS
PACKAGE BILL 2009**

**TAX BONUS FOR WORKING
AUSTRALIANS BILL 2009**

**TAX BONUS FOR WORKING
AUSTRALIANS (CONSEQUENTIAL
AMENDMENTS) BILL 2009**

**COMMONWEALTH INSCRIBED
STOCK AMENDMENT BILL 2009**

In Committee

SPEECH

Wednesday, 11 February 2009

BY AUTHORITY OF THE SENATE

SPEECH

Date Wednesday, 11 February 2009
Page 704
Questioner
Speaker Polley, Sen Helen

Source Senate
Proof No
Responder
Question No.

Senator POLLEY (Tasmania) (9.59 am)—I rise to speak on the Appropriation (Nation Building and Jobs) Bill (No. 1) 2008-2009 and the related bills. This is a critical set of bills. I will first make some general comments. I would like to initially place on my record my thanks to the secretariat and the staff involved—and I understand that there were some additional staff—in helping us while we analysed this group of bills. They enabled us to present our final report of the Senate Standing Committee on Finance and Public Administration. I would like to thank Christine Macdonald and her team.

Although we are here to do our jobs and we continued through this week to do them, and will continue to proceed to do the jobs that we are here and have responsibility for, I must say that, in light of the tragedies in Victoria, it was difficult. The cooperation I received from committee members was greatly appreciated. I am sure that, in light of the circumstances in Victoria, the community would understand that our minds were elsewhere thinking of not only those people who lost their lives and the victims in hospitals but also the emergency service personnel. As has been said around the corridors of this place so many times, it is an unbelievable situation. It is one that we as a country will be continuing to deal with for, I would suggest, many years to come.

It is appropriate to touch on the hearings that we had and to place on record my thanks to the witnesses, particularly for those who gave evidence on Monday, when we had to reschedule the hearings. The evidence that was brought forward to us enabled us to bring down our report and recommend that this group of bills be passed as a matter of urgency. Without doubt, we are facing the most unprecedented times that the Australian economy has had to deal with in my lifetime. This legislation is very important to the Australian economy and to Australian families and so it is important that we deal with this as quickly as possible.

I stand here today as a proud member of the nation-building Australian Labor Party and a member of the Rudd Labor government, which is putting in place measures and strategies to enable Australia to deal effectively and decisively with the global financial crisis. This nation and this government face important choices in our response to the global financial crisis,

and the Rudd government has responded in a way that gives Australians hope that one day—when the global crisis has passed—a stronger, financially secure and well-equipped nation will remain.

The government has proposed measures which will deliver \$28.8 billion in direct investment in schools, housing, roads and other essential local infrastructure, including a \$2.7 billion temporary tax rebate expansion for small business to encourage private sector investment. It will also provide \$12.7 billion in direct payments to low- and middle-income earners. Although there was some criticism from some members during our inquiry in relation to the funding going to our primary schools, I am sure that all elected members across this country—and, I know, those at state level—appreciate the fact that that injection of funds is greatly needed by our primary schools across Tasmania. I am very proud of the fact that we have chosen that as one of our key planks.

The people of Tasmania and of Australia have had enough of the federal opposition and can see that they are now so out of touch with ordinary Australians that they are withholding essential stimulus measures designed to not only boost the economy and support jobs but also deliver relief to families and working Australians doing it tough. Only the Rudd Labor government has the best interests of Australia and Australians at the centre of their economic strategy. Malcolm Turnbull and the opposition have been trying to make political opportunities for themselves. Australia is looking for leadership at this critical time.

What the Australian people will remember is that it was this government that took decisive action in the face of a worsening global crisis that has already seen the United States, the United Kingdom, Germany and Japan fall into recession. These are tough economic times and the Nation Building and Jobs Plan strikes the right balance between supporting growth and jobs now and delivering the investments needed to strengthen the economy for the long term. We cannot afford to sit back and wait and see what happens.

The economic crisis started in the United States on Wall Street and has spread across the world, slowing growth dramatically in China. It has caused a rapid unwinding of the mining boom, with major consequences for Australian revenues, growth and jobs. That is why this decisive action by the Rudd

government is so critical for supporting economic growth and Australian jobs.

The Nation Building and Jobs Plan builds on the measures already put in place to support economic activity and jobs. The \$10.4 billion Economic Security Strategy and the \$300 million program to build local community infrastructure in local council areas are supporting growth in the short term. The \$15.2 billion COAG funding package and the \$4.7 billion nation-building package will strengthen investment in road, rail, health and education infrastructure—all key areas of our economy. Australia is better placed than most countries to respond to this crisis. We all need to work in a cooperative manner to get through these difficult times; we all have to pull together.

The insulation packages that are available for Australian families and the rebates of \$1,600 for solar hot water will, I believe, be very welcomed within the community. At times there were some flippant comments in relation to Pink Batts, but generally the Australian community has acknowledged that there are issues in relation to climate change. They want leadership on this issue and this is an excellent part of the package that the Rudd government is putting forward.

Families will receive a back-to-school bonus of \$950 to help with the costs of children returning to school. Students and people looking for work will receive a training and learning bonus of \$950 to support their study costs. Farmers and small businesses affected by the drought will receive a hardship payment of \$950. I believe those packages will be very well received within the community. Those 8.7 million Australians whose taxable income was less than \$100,000 in 2007-08 will also receive up to \$950.

This is an economy-boosting plan from a government that is determined to take the decisive action needed to support families and jobs. Under the plan, 2.7 million school-age children attract a \$950 back to-school bonus; 1.5 million single-income family households get a \$950 single-income family bonus; and families relying on the housing and construction sectors can feel a little more confident knowing that 21,000 jobs are going to be supported by the government's \$6.4 billion investment in the social housing sector. When ACOSS and representatives of Catholic and Anglican church groups—those that are at the coalface of dealing with housing issues on a daily basis—appeared before the committee, they were overwhelmingly in support of this package. I think it was fair to say that Frank Quinlan of Catholic Social Services Australia was very clear in his support for this package. He sees this as a stimulus package and not yet part of a rescue package that he believes we need

to secure the future for low-income families and those most in need in our community.

I take the example of the 1.5 million single-income family households who will receive a \$950 single-income family bonus. This will directly benefit 39,662 families in Tasmania alone and will mean so much to those who are doing it tough, even without the global recession that is looming. In my state of Tasmania, 6,135 young people on youth allowance and 20,879 on Newstart allowance will receive the training and learning bonus. These are the people that the Leader of the Opposition wants to attack and from whom he wants to take away the support that this stimulus package will provide. These are the people that need this money, and they need it as soon as possible.

It concerns me that the opposition has not been prepared to support our package and these bills. I believe that that is a decision for them. We have to show leadership, and I believe the Prime Minister has shown great strength in taking on this global financial crisis with the package that has been put together. Both the Prime Minister and the Treasurer should be congratulated. Industry groups and social organisations across the country have spoken out in support of the need for these stimulus measures. Overwhelmingly, they are saying that we need it, and we need it now, and there should be no delay. These measures have the wide-ranging support of groups like the Business Council of Australia and Anglicare. They all understand why this plan needs to be supported.

The global economic outlook has deteriorated significantly and the weight of the global recession is now bearing down on the Australian economy. Without further significant and timely policy stimulus, Australia would face a more severe slowdown. These stimulus measures are essential to ensure that Australian working families and the Australian economy are in as strong a position as possible going into this global recession. We will place ourselves so that we will bounce out of it so much more quickly than our international counterparts.

The International Monetary Fund has cut its forecasts for global growth three times in just four months and is now expecting a deep global recession. Economic growth is expected to slow to one per cent in 2008-09 and $\frac{3}{4}$ of a per cent in 2009-10. Employment growth is forecast to be hard hit by the global recession, even with the solid boost provided by the fiscal stimulus. The unemployment rate is forecast to be seven per cent by June 2010. This will unfortunately not be able to stop some people having to lose their jobs

but we will certainly strengthen our resolve to protect as many jobs as we possibly can.

It is important for senators to note that Australia is better placed than most other economies, but we cannot completely resist the pull of global economic forces. That is why the Rudd government acted decisively to bolster Australia's economic growth and support jobs during this crisis. I say again that it is so important and significant that we act in a very timely manner on these bills. Nobody can be certain whether this package will prevent recession but we can be certain that growth would be much weaker and unemployment higher if we do not act. We will not sit idly by and watch this unfold; we the Rudd Labor government have taken action to secure and retain Australian jobs and the Australian economy.

The Nation Building and Jobs Plan strikes the right balance between supporting growth and jobs now and delivering the lasting investments needed to strengthen the economy for the future. The International Labour Organisation is already predicting that unemployment could rise by up to 50 million as a result of the global recession. Again, I draw senators' attention to this point: it is certain that employment growth would be much weaker without this stimulus package.

As I said earlier, almost all advanced economies around the world are already in recession, including the United States, the United Kingdom and Japan. I understand that President Obama is now encouraging his colleagues in the House of Representatives and the Senate to be sure that their package is passed as a matter of urgency. China and India are now slowing sharply, and the global mining boom has already taken into effect the financial crisis. I can appreciate this also from a personal point of view as my two sons-in-law both work in that industry. One is the manager of a laboratory— (*Time expired*)