

12 November 2008

**SOCIAL SECURITY AND OTHER LEGISLATION
AMENDMENT (ECONOMIC SECURITY STRATEGY)
BILL 2008
APPROPRIATION (ECONOMIC SECURITY
STRATEGY) BILL (NO. 1) 2008-2009
APPROPRIATION (ECONOMIC SECURITY
STRATEGY) BILL (NO. 2) 2008-2009**

Second Reading

Mr BRADBURY (Lindsay) (5.44 p.m.) — I rise in support of the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008 and cognate bills before the House, and I begin by reflecting on some of the comments made by the member for Casey. The member for Casey said that he wanted to make it abundantly clear that those on the other side support the package, support the decisive action that was taken by the Prime Minister just a few weeks ago in announcing the \$10.4 billion Economic Security Strategy. I was interested to note the comments of Senator Barnaby Joyce in relation to the lump sum payments that are to be made under this package. The senator said on 2GB radio:

I do have a concern that if you pay people in lump sums it can end up against the wall, and we don't want that.

People go to work every day to pay their taxes, and they don't like seeing it end up in poker machines or plasma TVs.

That sounds to me like a quibble with a capital Q. I know we are told by the Leader of the Opposition that they will not be quibbling, but an awful lot of quibbling has occurred since the announcement of this package. When we examine those criticisms, they really do not stack up. I will come back to this suggestion that all the money in the stimulus package is going to be spent on plasma TVs in just one moment.

Those on the other side are clearly very uptight as a result of not getting their MPI up, but I should point out for the benefit of the House that, if we go back and have a look at the records for the last parliament and we consider the number of occasions on which an opposition member moved that a government member be no longer heard, which is what we saw from those on the other side a little bit earlier today, we see that it did not happen at all in the course of the last parliament. So, if we want to talk about draconian measures in the House, then let's have a look at some of the conduct that we saw from those on the other side a bit earlier today.

It is relevant to note that, whilst those on the other side did not have their opportunity to speak on the

MPI, there is just the small sum of 36 members from their side listed to speak on this particular set of bills. As we have seen from the speakers that have preceded me, there has been no attention paid to the detail of those bills. It has been an opportunity to canvass the issues that they wanted to discuss more broadly. So, frankly, I suggest that these disruptive tactics be dispensed with so that the 31,000 residents within my electorate that will benefit from this package will have the benefit of this package sooner rather than later.

As I was indicating before I was interrupted, the decisive action that the government has taken has come in a number of forms. It has come in the form of lump sum payments to pensioners, carers and seniors and also family payment bonuses. I want to reflect on the impact that these measures are likely to have on individuals within my community. I note a number of articles within some of the local papers in my community. In relation to age pensioners, I saw that Mearl Fitzgibbons, a local resident, was quoted in the Penrith Press on Tuesday, 21 October. Mearl described the grant as 'an early Christmas present'. She said:

I am very careful with how I spend my money as I don't go to clubs or pubs—

contrary to what Senator Joyce might be suggesting is the norm.

I know some of the retired people spend their money at the pokies and pubs. If I did that I won't be able to afford to live like I do. What I get now is enough to pay the bills.

Mearl, who retired 30 years ago, said she may use some of the grant money to purchase an air conditioner. But, wisely, she said, 'I won't plan anything until I get the money.' So we are not talking about money being 'up against the wall'. We are talking about legitimate expenses that will boost and bolster the living standards and the strength of the household budgets of pensioners within my community.

In relation to disability support pensioners I note that in the Penrith Press on Tuesday, 28 October Kevin Finlayson, a local identity, a great local individual, a great contributor to our community, was quoted as saying:

It's come at the right time and will help put food on the table and make Christmas brighter. It's so difficult to survive these days and every time we go to the supermarkets, something has gone up in price. I like steaks but I don't even look at that section any more.

Along with Kevin, there is Anne Stratton, who says she will finally be able to buy a new bed with the government grant:

Thank God for this grant as it will help me a lot. I desperately need a new bed and will use some of the money to buy one. Food is so expensive these days and I always look for cheaper alternatives.

So, far from the money ending up against the wall, as Senator Joyce has suggested, I think we can see from those stories of Mearl Fitzgibbons, Kevin Finlayson and Anne Stratton that many people will be looking to these bonuses not only in order to deliver real benefits to their living standards but also to help them keep up with the rising cost of living.

Further to the comments that Senator Joyce has made, I want to make a plea to many working families,

not just within my electorate but across the country, to do what I think is a national duty in the way in which they spend this money. I know that many people have come forward and said that it is up to the individual as to how they spend their money; and of course it is—we live in a free society. But I want to issue a plea to those working families around the country that are likely to benefit from the family tax benefit part A bonuses, the \$1,000 per child that they are likely to receive in the first week of December. My plea is this: I call on those families to take this unique opportunity to dovetail in with some of the initiatives that we have already announced in relation to the education revolution—to make a significant investment in the educational future of their children and, at the same time, make a significant contribution to the economic prosperity of this nation.

I have had a look at some scenarios here and I think this is a really good deal. I think it is something we should be advocating to families, particularly low-income families, because I think this bonus payment can be one means through which we can make some inroads into achieving the education revolution that we are seeking to achieve. Of course, some families will need that money to meet the rising cost of living. If that is the case then those families will use that money as required. But there will be those who have the capacity to make some one-off purchases. Let us take the example of a family with two children, one in primary school and another in high school, with a household income below \$111,000. I picked that figure because below that figure the family will be entitled to family tax benefit part A. Under the Economic Security Strategy that family will be entitled to receive \$2,000—\$1,000 for each of the children. With that \$2,000, I will paint a scenario of what could be achieved for the educational opportunities of their children and at the same time for the future of our economy.

Let us assume that they purchase a laptop for approximately \$1,000 and they then secure internet broadband access for around \$659 a year. I have done the figures and that does add up. You can secure access for one year for about \$659. Let's throw in a \$250 printer and a couple of printer cartridges. All of that can be achieved through \$2,000 worth of expenditure. That will be delivering a stimulus into the economy. Let's do it for Christmas. Let's get the kids a Christmas present that will be an investment in their educational future. That is \$2,000 worth of expenditure that is a bonus coming from the government. But just hold on a minute. By the end of the financial year that family will be able to obtain the benefit of another \$1,000 in the form of a tax refund under the education tax refund. So that family can actually secure a \$2,000 benefit and turn it into a \$3,000 benefit. They are delivering an enhancement of the educational opportunities of their children whilst at the same time doing their patriotic and national duty to ensure that our economy continues to tick over. I call on families to seriously consider this as an option. I think it achieves not only their own private and personal domestic aspirations; it can be very much a central part of us moving closer to achieving that education revolution that we want while at the same time bolstering our economy.

Returning to some of the key elements of the package, the Economic Security Strategy has also placed some emphasis on first home owners grants and the need to provide further stimulus into the economy by kick-starting the housing market. The differential treatment of new dwellings compared to purchasing existing dwellings is an obvious example of how a government incentive can stoke along a little bit more activity in the housing market. The \$21,000 grant that will be available to first home owners who acquire a newly constructed dwelling will be something that I believe will allow us to get the housing market moving. People talk about supply difficulties. In my local community there are several thousand lots ready to be developed. They are ready to be developed, the planning approvals have occurred, but the blocks are not moving. They are not being sold for the simple reason that at the moment people

do not have the capacity to enter the market. I know that local developers and local real estate agents in my community have been glowing in their praise for this initiative, and I think that it will make a real difference. I hope that it will provide the spark that is needed to get our housing market moving again.

I will quote from one of my local papers, the Western Weekender, on Friday, 17 October. Let us bear in mind that it was only the Tuesday prior to that that the government made the announcement in relation to the ESS. Greg Taylor, principal of Stanton and Taylor in Penrith, said that local residents were already responding to the additional assistance. He was quoted as saying that on the Wednesday after the announcement was made, and it was reported on the Friday. He said:

We have already noticed today—

Wednesday—

an increase in inquiries from people who will be eligible to acquire the grant.

That is good news from Mr Taylor. In the Penrith Press on 21 October, Ralph Saporita from Glenmore Park Realty said:

We have had an unbelievable response since the announcement of the grant. We had been experiencing a downturn before the grant but I can see a 15% increase in the number of potential buyers.

Paul Dukes of Morris Dukes Real Estate was also delighted with the positive response, saying:

It's been phenomenal the past weekend, with Saturday being just amazing. Around 90% of the inquiries have been from first-home buyers. We have seen about a 70% rise in inquiries and we hope to sell about five or six properties by this week.

There you have it. Let us not be distracted by the machinations of those on the other side that we have been observing in this place. Let us have a good hard look at how these initiatives are playing out on the ground in communities such as mine. The down payment on long-term pension reform will make a significant difference when the money comes through to those recipients within my electorate. As I said earlier, there are a significant number of them—some 17,278 pensioners. Let us make the point that this includes the full array of pensioners and not just those pensioners that those on the other side sought to include within their ham-fisted attempt to come up with some pension reform.

On the other hand, we have the payments to those families that are eligible for family tax benefit A. There are 13,786 families within my electorate who will be eligible, providing further stimulus—\$1,000 per child. That is in addition to the relief for pensioners, with single pensioners receiving \$1,400 and couples receiving \$2,100. In addition to that, in recognition of the difficult circumstances that we are facing, Commonwealth seniors card holders will also be provided with a lump sum of \$1,400 for singles and \$2,100 for couples. In the same way, we have seen those recipients of the carers allowance entitled to a \$1,000 payment. So we are talking about a significant amount of stimulus being injected into the economy.

If there is any lesson to be learned from the history of economics, not just in this country but internationally, it is that, when steep and marked economic decline is about to occur, the faster we can

act the more likely we will weather the storm. If there is a criticism levelled at the policymakers that steered this country through the last downturn in the late eighties and early nineties, it is that they acted too slowly—too little, too late. I do not think that sort of criticism is likely to be levelled at the Rudd government for the decisive action that has been taken.

I have to say that those on the other side who say that they are not quibbling, who say that they support the package, have consistently been making all these implications such as, 'Isn't this a little bit too much money? Isn't this potentially going to stoke up inflation and create an inflationary problem?' As with most of their commentary on the decisive measures that this government has taken, they want to hedge their bets, because the real game in town for the opposition is not about delivering a better economic outcome for the national economy or for households—it is much more simple than that; it is about trying to get a better political outcome. For them, the best political outcome is to hedge their bets and leave the options open so that they have as many positions on record as possible so that if the economy runs into trouble—and, inevitably, we are in for more difficult times—they can claim, 'We told you so.'

I issue a challenge to those on the other side to tell us so now. If you believe that there is an alternative strategy that should be employed, come forward and tell us what it is. Just as the Hansard records my comments today, it will also note the absence of any alternative proposals being brought forward by the opposition. They are quibbling with a capital Q but offering no alternatives at all. They have become bankrupt when it comes to policy ideas. We have seen from the shadow Treasurer just how bankrupt they have become. Writing a chapter for a book on the future of the conservative parties you would have thought would be something that would be inspired by genuine belief about the direction of public policy in the country. But, rather than that, we see that it was plagiarised.