

27 May 2009

Main Committee

APPROPRIATION BILL (NO. 1) 2009-2010 APPROPRIATION BILL (NO. 2) 2009-2010 - APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (NO. 1) 2009-2010

Second Reading

Mr BRADBURY (Lindsay) (5:18 PM)—I rise to support Appropriation Bill (No. 1) 2009-2010 and Appropriation Bill (No. 2) 2009-2010 and the range of measures that are contained within the budget that was handed down by the Treasurer—the second budget of the Rudd government. This is a budget that is about nation building for the recovery. It is about acting now to support jobs and provide an investment in the infrastructure that our nation will need into the future. It forms a part of the government's overall economic strategy, which can best be described as being a three-tiered approach. The first tier was about providing the short-term stimulus involved in providing income support, in particular to those who needed it most. That came in the form of cash payments that began to flow in December last year and continued to flow in the early months of this year. The second tier of the approach was an investment in shovel-ready infrastructure. For many communities around the country, that meant an investment in local projects in their community. I for one was very pleased to see \$1.7 million secured for Penrith City Council to undertake urgent works, shovel-ready works, in the local community to deliver infrastructure that our community has been crying for many years.

In relation to where that money was spent, I can detail some of the projects, but it was largely spent on improving community facilities—childcare centres, neighbourhood centres and other community facilities that previously did not receive sufficient funding, or for which the council did not have the capacity to deliver the investment that their upkeep required.

In addition, out of the Community Infrastructure Program, a fund that councils could apply to, \$5 million was secured for a commuter car park at Penrith station. This is a project that I have been very passionate about and have campaigned for a very long time. It is not just about securing \$5 million for a commuter car park. Some 800 cars will be parked on the north side of Penrith station on any given day, and they are currently parked in an informal way. There is no formalised car park. People currently park on a site that is owned by the Department of Defence, but there are no formal arrangements in place. Not only have we secured \$5 million out of the Community Infrastructure Program but we have also secured an additional \$5 million from the New South Wales state government to put \$10 million on the table towards the development of a 1,000-space multideck commuter car park.

The significance of this car park is not just that it will provide for the parking needs of those hundreds and thousands of commuters who come to Penrith station each day and travel outside of the area of their employment. Clearly, they will be beneficiaries, but that is not all it is about. The most significant impact of delivering that car park, if that can be achieved—and we are still working through some elements of the process—is that it will unlock the development potential of the North Penrith Army land site. It is a 50-hectare greenfields development site adjacent to Penrith station. Penrith, under the New South Wales government's metropolitan strategy, is a regional centre. So here we have a 50-hectare site adjacent to a train station—infrastructure already in place. We have the opportunity to deliver a mixed-use development on that site whose value is estimated to be in the vicinity of half a billion dollars.

So we are talking about a project that might otherwise not have been able to get off the ground. But, as a result of \$5 million from the federal government and \$5 million from the state government and subject to the Department of Defence working very closely with the New South Wales government and Landcom on the issue of a priority sale, it could be achieved. And if it can then we will see as a result of that contribution not just \$5 million worth of investment but the unlocking of half-a-billion-dollars investment in our local community. It is a huge project and it shows the

economic dividend that investment in local community infrastructure can yield.

So that is their second tier, the second phase—local community projects. Also tied into that component is the investment that we are making in schools, the largest modernisation of schools in Australia's history. We are seeing all our primary schools—in my electorate, some 43 schools—entitled to funding of up to \$3 million to deliver, on their premises, a school hall, library or multipurpose facility. This is a measure that has been acclaimed throughout my community, and I am sure that reaction is representative of the feelings of school communities right across this country. It is a once-in-a-generation opportunity to make a serious contribution towards the education revolution that this government has been so passionately chipping away at putting in place since we came to office. The schools in my electorate have embraced the opportunities that come with this funding.

In addition, we have the National School Pride program, where not only our primary schools but our secondary schools, government and non-government, are able to access funding for repair and maintenance work—all those jobs that are on a list that every school principal in this country has but that very few have had the capacity to deliver. We are now giving that capacity to those principals, to those school communities, to those P&Cs, to deliver those projects and improvements to their local communities.

I have to say that a very large proportion of the work that has been generated by this particular program has gone to local contractors, local tradies and local workers within my community. I held a forum under the banner of 'Keeping Penrith working'. We had over 200 people come together—a large collection of local businesspeople, local community leaders and tradies. It was an opportunity to make people aware of the funding that had been made available to schools and to try and bring schools and local business together so that partnerships could ensue—in order that we could deliver not only the education revolution that we are spending this money on in our schools but also that stimulus to our local economy. I can report that that has occurred.

The second tier of the stimulus also involves the contribution that we have made through public housing, social housing. There have been many reports in the papers—the Daily Telegraph in particular in the last couple of days—about some of the homelessness and housing stress issues that people in Western Sydney are facing. I can tell you that the plight of some people will not be addressed overnight. In fact, many people that are facing some of those accommodation challenges will not have their issues addressed overnight. But what we see in the range of measures that this government has introduced, both prior to the economic stimulus and within the economic stimulus, will take us a lot closer to where we need to be in delivering affordable housing, social housing, and facilities and services that homeless people require.

These are great advances: the money that is being spent on social housing; the money that is being spent on the National Rental Affordability Scheme, from which a number of allocations have been made to organisations within my community; and the Housing Affordability Fund. When we put all of these measures together, we are seeing a government that has taken its role in the housing market very seriously, and that is not to mention the impact of the first home owners boost and what it has done to stimulate activity within the local real estate market.

All of these measures together show, for the first time in a very long time, a federal government that takes its responsibilities in housing seriously. The former government did not even have a housing minister. It was not a priority—not on the agenda. I say to those people facing accommodation difficulties that we do not have an overnight solution. We will not be delivering it overnight. But we are working very hard towards delivering an improvement in the situation for those seeking housing as a result of whatever circumstances have befallen them. We will continue to push ahead passionately to achieve outcomes on that front.

All of these things form part of that second tier. But then in the budget we started to see some of the third tier—the serious, long-term infrastructure. We have been supporting local jobs and supporting jobs today, but the serious infrastructure that has come through in the spending in the budget will deliver, along with some of those other measures, the prosperity that our nation aspires to. It is about taking advantage, setting ourselves up and preparing for the recovery. We are doing that.

I can report one example from my electorate of where we are spending some money in a very significant way through the Health and Hospitals Fund. We are spending \$96 million towards the upgrade of the Nepean Hospital. This is a significant contribution and it will be a significant redevelopment. Currently the Nepean Hospital has a north block, a south block and a west block. When this money is invested in our local community, we will have an east block as well. That is a significant improvement in local health infrastructure.

But that is not all that the budget did for local health infrastructure in my electorate. I am a very passionate supporter of clinical research and a passionate supporter of the fact that our hospital—the Nepean Hospital—is a teaching hospital. The University of Sydney uses Nepean Hospital as a base for some of its teaching activities for medical students. Many benefits flow from that for our local community. But one of the things that we have been missing in our community has been a dedicated facility for the medical school and for clinical research. As a result of a \$17.2 million contribution out of the Health

and Hospitals Fund, adjacent to the Nepean Hospital, across the road, on land already acquired by the University of Sydney, we will be seeing delivered a clinical school—the Nepean Clinical School.

The benefits that will flow from this will be tremendous for our local community. Apart from the fact that it is a major health workforce initiative, it will go a long way towards helping us to attract and to retain some of the best clinicians in the country—many of whom we already have, but that is always a challenge for hospitals in outer metropolitan and regional areas. One of the elements of this proposal is that free space will be provided to specialists on the basis that they meet two conditions: the first one being they have to allow medical students to sit in and observe them during their consultations; and, secondly and most importantly, they will be required as a condition of the free rental to deliver bulk-billed specialist services. This is a very innovative approach. Clearly the demand for those services will be much greater than any one facility can meet, but there will be many people in my community that will benefit from bulk-billed specialist services as a result of this initiative. I congratulate the University of Sydney for their efforts and in particular Professor Michael Peek for the work that he put in to developing this proposal—a proposal that I think will be of tremendous benefit to my local community.

In addition to that, we will have an expanded and enhanced research capability at Nepean Hospital. While that is a good thing in itself, clearly the access to medical trials and to cutting-edge research—the benefits of those activities will be felt directly by local residents. This is about acting now to generate that local activity to support jobs so we can deliver the infrastructure that our nation will need into the future. These examples are very good examples of where that is occurring.

We are also seeing some money out of the higher education fund being invested over at the Hawkesbury campus of the University of Western Sydney. This will be a very significant project in the form of a \$40 million contribution for a Climate Change and Energy Research Centre. In relation to some of the capital works announced in the budget, more than \$2 million was allocated for capital works at the Defence Establishment Orchard Hills, which will provide a further stimulus to our local economy, and of course there is the \$91 million contribution for planning and environmental assessments for the Sydney West Metro.

I should also mention some of the other initiatives that are complementary to the suite of initiatives that have fallen in that first, second and third tranche of the stimulus. I make the point that, of the stimulus measures that the government has embarked upon, 70 per cent of those measures are in direct infrastructure. That is an important fact and figure. If we look at our newspapers or watch television, the airtime that has been given to the various components of the economic stimulus package is not a 70:30 split. The cash payments have received much more attention than the quantum involved requires. That is why this government is determined to make sure that the Australian people—who do require an investment in infrastructure and who have been calling out for a government to undertake the sort of nation building that we are undertaking—are aware of what we are doing and what we are planning to do.

Not by advertising, by knocking on people's doors. The member for Kooyong can come into my electorate at any time and join me as I go around shouting from every hilltop in my electorate and knocking on every door I can, disseminating this important message.

I note that when the Leader of the Opposition handed down his budget-in-reply speech he did not even mention 'global economic recession' in the entire speech. The reference to the global economic recession just could not be found in that speech. A lot has been said on the other side about the Treasurer's omission in relation to the deficit. Let us put this in context: this global economic recession is the most serious economic downturn that we have faced since the Great Depression.

Let us not engage in hyperbole; let us look at the facts—let us look at global growth. This is the first time that global growth has contracted in annual terms in 60 years. These are unprecedented circumstances. There has been an 11 per cent drop in world trade. In addition to that, eight of our 10 most significant trading partners will be in recession and, of course, China and India are experiencing very rapid declines in growth—of course coming off a base that would warrant some growth in any event.

These are very serious economic circumstances and that is why the government has acted decisively and with such strength. We hear about the cash splash; we hear about the measures that have been taken to this point; we hear about modelling of all sorts. Let us look at the Treasury modelling. I have to say that the Treasury modelling in relation to the jobs that have been supported has not been contradicted. If there is an economist out there who is willing to put their name towards a piece of work that contradicts this, then let them come forward. But, to this point, the Treasury modelling clearly says that 200,000 jobs have been supported by the stimulus measures.

The alternative to acting decisively and with the strength that the government showed would be to abandon those 200,000 workers. When it comes to the issue of debt, a number of members of the opposition have said that they support the infrastructure spending—especially when it is in their electorates, I must say. There is much photographic and other evidence to that effect. They support infrastructure investment when it suits them, but they did not vote for it, and they now

attribute the debt and deficit to that spending without acknowledging that revenue has been written down as a result of the global recession and the fall in commodity prices to the tune of \$210 billion in four years. That means that one out of every five dollars of Commonwealth revenue has just evaporated, not because of anything the Rudd government has done but because of the global downturn and the fall in commodity prices. If you are managing your household budget and for every five dollars you lose one dollar of income due to a factor beyond your control, it makes it quite challenging to manage your budget. Sometimes you might even have to go into deficit. You might have to carry some short-term temporary debt. That is what we intend to do.

The important thing is to see what we are doing. We are acknowledging and absorbing the impact of that write-down in revenue, but we are investing in the sort of nation building that will set our country up for prosperity in the future. We need to make sure that we are ready to make the most of the recovery when it starts to kick in. It will kick in sooner in this country than in other countries because of the action that we have taken. We have been affected less than other countries because of the action that we have taken. That does not mean that we will not suffer adverse consequences, but in the end history will judge us on our actions and will judge the opposition on their calls for inaction. This is a good budget. It is a budget that supports jobs today and delivers the investment in infrastructure that our nation requires into the future.