

19 November 2009

Appropriation (Water Entitlements and Home Insulation) Bill 2009-2010

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Second Reading

Mr BRADBURY (Lindsay) (10.10am) — I rise in support of the [Appropriation \(Water Entitlements and Home Insulation\) Bill 2009-2010](#). I think the contribution from the member for Dunkley in so many ways represents the somewhat 'schizophrenic' approach of the opposition when it comes to the stimulus package and in particular the measures we are looking at under this appropriations bill. When it comes to the insulation component of the stimulus measures, we see the member for Dunkley getting hot and getting cold. He supports it but then he does not support it. It is low-hanging fruit but low-hanging fruit that someone else needs to pick.

When we look at this program, it is true to suggest that the take-up rate has far exceeded what the government had estimated. But that is not a bad thing; that is a good thing. That is a profoundly good thing. It is a good thing because it means that more and more households across this country are taking up the opportunity that this program presents, and that is an opportunity to ensure that their home is installed with insulation to derive the benefits that come from that in lower cooling and heating costs. It is estimated that by installing insulation in your home you can reduce those heating and cooling costs by 40 per cent. That is a significant cut in energy costs for households. I know that many households in my electorate are taking advantage of this opportunity because they recognise the need for us to be taking action on climate change at the local level—indeed at the household level—but they also recognise the upfront costs of being able to invest in the measures that will reduce their emissions and, indeed, the costs associated with the energy of running their household.

I do not see it as being a problem, but there was one aspect of the program that the member for Dunkley failed to address at all and that was the issue of jobs. We heard the Leader of the Opposition say not all that long ago—a lot of water has passed under the bridge in that time—that this was about jobs, jobs, jobs. You do not hear a lot of talk from the opposition about jobs any more. But let us talk about jobs when it comes to this program, the Home Insulation program. When it comes to this program, it is estimated that some 4,000 jobs are going to be created. These are jobs that span across the manufacturing of the batts, the installation of the insulation and, indeed, also all of the associated logistics that are required in order to fund and support this industry.

The member for Dunkley spoke about the modern-day gold rush. I think he is getting a little bit carried away. If there is a modern-day gold rush, I would think that description is more appropriately labelled towards the need for labour to be shifting towards the resources sector in this country. We have seen that, and I do not think that in itself is something that we should be critical of, but in suggesting that there is a modern-day gold rush the first point to make is that I would rather be talking about gold rushes than great depressions and that is where we were six months ago, as indeed all countries in the world were.

The second point I would make is that right throughout the country, but in particular in my region in Western Sydney, I am seeing many people who were not able to keep on making a decent living in their own trades turn their hand to trying to support this emerging industry, this industry the government has invested in. You see it very often. You just have to drive along the M4 out in Western Sydney or the Great Western Highway, anywhere, and you see ute after ute with pink batts stacked on the back. One of the things that I notice as I drive through my community is

that sometimes the ute is one that has just been leased and you can tell that this is someone who has moved into the industry in more recent times. Sometimes you see that the signage on the ute actually reflects that the tradesperson now installing the insulation was previously a tradesperson in some other sector. That is not a bad thing at all. The member for Dunkley suggests that somehow we should be disturbed by this. The disturbing thing from my perspective is this: had the government not acted with programs like the household insulation program then those people driving those utes who were in other trades where they were noticing the effects of the downturn and were struggling to get the business that they needed in order to pay their household expenses and meet the demands of raising families in communities like mine would not have had the financial capacity to continue to support their businesses and their families. This program is delivering that financial support to people such as those that I see driving around in the utes, that support for their jobs that is necessary in order for them to continue to make a decent living. So, far from being disturbed about this like the member for Dunkley, I see it as being a very positive thing.

I turn my attention to some of the detail of the bills, but in particular I want to address the Appropriation (Water Entitlements and Home Insulation) Bill. This bill provides urgent funding to cover, firstly, the rebate payments made under the government's successful Home Insulation Program but, secondly, to cover the increased departmental costs associated with the acceleration of the water buyback scheme within the Murray-Darling Basin system. I want to make a few specific points on the Home Insulation Program. The Midyear Economic and Fiscal Outlook 2009-10, MYEFO, included the bringing forward of some \$985.8 million to ensure that the very successful Home Insulation Program could continue and would have sufficient funds to continue to keep up with demand. Of that \$985.8 million, this bill urgently brings forward \$695.8 million. The remaining \$290 million will be included in the 2009-10 additional appropriation bill. It is important that these measures pass now, and the member for Dunkley alluded to the urgency of this. And it is important to have a look at the take-up rates and the practical difficulties associated with ensuring that the money is available in a timely fashion.

The first point that should be made is that the program has experienced unprecedented demand. In my view, that is unprecedented success. The member for Dunkley's view is that that is somehow a measure of failure, but in my view this is a measure of success. We have already seen half a million homes insulated under this program, so 500,000 homes insulated in a very short space of time. Think of the energy cost savings for the households that are benefiting from this particular measure. I would make as an aside a point that I think is not often made. I notice in my community that often people who have older houses who do not have the financial capacity to buy into the new housing estates are the ones who benefit most from these proposals. Proposals like this are not necessarily assisting those who have moved into the brand-new home—that already has insulation. They are very much targeted towards people looking to retrofit existing dwellings. I have to say that by and large in my community the benefit of this program has been delivered to those that we would deem to be more in need from a financial perspective. I think that is a point worth making.

To return to the take-up rates, the original take-up rate was estimated to be approximately 90,000 households per month. What we have seen since the implementation of this program is that the rate of households under the program has now reached 135,000 houses per month having insulation installed. So from 90,000 up to 135,000 per month—once again, a measure of the success of the program. Based on the current take-up rate, the 2009-10 appropriation will be exhausted by late December. That is why we are debating this bill as a matter of urgency. It is not because of some bungling, as the member for Dunkley would suggest. It is about ensuring that sufficient funds are brought forward, funds that are already budgeted for, to make sure that a very successful government program can continue, to ensure that funds are available to allow that program to continue. Normally additional funding of this type would be dealt with through the additional estimates process, but to do so would not allow those funds to be made available before April next year. So it is imperative that we deal with this as a matter of urgency, and that is why the government has brought this forward in the fashion in which it has been brought forward.

I would like to make some more general points in terms of the success of the stimulus measures. Apart from the success in this particular case, the Home Insulation Program, I know that right throughout my community many households and many individuals are telling me that they have personally benefited from the stimulus measures. Many of them are telling me that they would not have been able to sustain the levels of income that they currently have, would not have secured the work orders that they currently have or maintain the client base and they currently have, had it not been for the stimulus measures.

Recently, I was very pleased to see some real life examples of this when I visited a local tradesman, Mr David Barry. David runs his own business, DB Carpentry, and is based in Emu Plains in my electorate—currently the business has four carpenters and two apprentices. I visited David Barry with the Parliamentary Secretary for Employment and we had a good chat out on site with Mr Barry, who was a living, breathing, walking, talking advertisement for the stimulus. It started with the cash payments. He recited specific orders that he had taken, at a time when business was starting to slow down quite markedly, and specific examples of individuals and households that had sought his services as a carpenter using the cash payments that had been made available to them. He said that often these were the small jobs, but they were jobs that corresponded with the amount of money that had been made available through the cash payments. He said that at the time he did not make the connection but, now that he has been asked about, he recalled quite clearly that there was a

pickup in a number of those small jobs from households who had received a cash payment under the stimulus measures and were looking for a way in which they could spend that money and support local jobs. That was the first example.

Mr Barry also told me about how, as a subcontractor, he was involved in a number of the local community infrastructure programs that were funded by the Commonwealth government to Penrith City Council under the stimulus measures. Indeed, as we had a good chat about his involvement in the community infrastructure program, I became aware that Mr Barry and his business had been involved in undertaking some of the works that led to the improvements at the Penrith Quarterdeck function centre, which is based at the Penrith Swimming Centre. I am very familiar with this project because I was recently at the opening. In my view, this is one of the great examples—a localised example but one of the great examples—of what the stimulus has been delivering. If you listen to the opposition, who chose not to vote for the stimulus, the stimulus is something of a two-headed monster. But out there in communities such as mine, far from being a two-headed monster the stimulus is delivering real improvements to local communities and supporting jobs and local economic activity at the same time.

Let us have a look at the example of the Quarterdeck function centre. A number of improvements were secured as a result of the \$150,000 that was allocated by Penrith City Council—money received from the Commonwealth government. I take the opportunity to acknowledge the Mayor, Councillor Kevin Crameri, who officiated at the opening, and his councillor colleagues. The council showed leadership in spending the funds in this way. The \$150,000 was allocated to improvements that included providing disabled access and improving amenities as well as to a general refurbishment and some shade structure provision. The significance of this was not lost on the people who were there at the opening, one of whom was Sherrille Stephens. Sherrille Stephens is a local disability advocate in our community. She is wheelchair bound—she has her own disabilities to deal with—but she is a great advocate for people with disabilities. She is a great Australian in my view. Sherrille Stephens told me the story of how two years earlier she had attended an annual general meeting that was held at the Quarterdeck, the facility that has now been improved and includes disability access as a result of the stimulus. Mrs Stevens told me that two years ago she could not access the venue in her wheelchair. A group of about five people had to lift her up to try to get her to the top of the stairs so that she could get into the venue for this annual general meeting. She raised the issue, as the advocate that she is, with Penrith City Council. They acknowledged it to be an issue but could not fund it out of their existing provisions. They put it on the list of priority works to be undertaken but they could not fund it because they did not have the money. As soon as the stimulus payments came in, in the form of the community infrastructure program, the council, wisely in my view, used those funds to deliver improvements to disability access. And there on the day of the opening was Sherrille Stephens, someone who had virtually been denied access to this facility two years earlier, recognising the work that had been undertaken by so many to deliver improvements in access to this facility. That is what the programs have achieved on a human level and at the community level.

I return to Mr Barry who as a carpenter was involved in some of the works. That is but one of the projects under the community infrastructure program that he and his business have benefited from. Other measures that Mr Barry and his business have benefited from include the government's investment in educational improvements to Nepean Community College—he has undertaken some of the work at that facility. He has also undertaken some work in our local schools as part of the Building the Education Revolution. He told me that he has taken advantage of the small business investment allowance. He bought a new vehicle, some new plant and some equipment because the investment allowance provided him with an opportunity to invest in the future of his business and receive some upfront tax relief in doing so. He also drew to my attention that he is intending to take advantage of the Apprentice Kickstart initiative, which the government has recently announced. Here we see at the micro level, in one business in one community, the impact that the stimulus is having. It is having an impact not just in supporting jobs and cushioning the Australian economy from the impact of the world recession but in delivering community facilities; delivering infrastructure that our country needs today and will continue to need tomorrow. That is why it is so critical that we maintain the measures that have been announced.

The measures set out in the other bill which is being debated today, the [Appropriation \(Water Entitlements\) Bill 2009-2010](#), will enable \$650 million for water buybacks to be brought forward from later years under Water for the Future. As with the earlier bill, these measures are urgent because of the time considerations. The minister has brought these matters before the parliament in a very timely fashion, given when MYEFO was announced. These measures are now before the House. Hopefully, if I am interpreting the member for Dunkley's comments correctly, this will receive the support of the opposition and make passage through this House and the Senate in a timely fashion to deliver the funds needed to continue these programs. I support the bills.