



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Main Committee

APPROPRIATION BILL (NO. 1) 2009-2010

APPROPRIATION BILL (NO. 2) 2009-2010

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

Second Reading

SPEECH

Wednesday, 3 June 2009

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Wednesday, 3 June 2009
Page 5615
Questioner
Speaker Georganas, Steve, MP

Source House
Proof No
Responder
Question No.

Mr GEORGANAS (Hindmarsh) (4.02 pm)—I rise to speak today on the Appropriation Bill (No. 1) 2009-2010 and cognate bills. Australia is facing its greatest economic challenge in our lifetime. These are the most challenging global economic conditions since the Great Depression. This budget is about ensuring that we keep stimulating the economy by investing for the long term and supporting jobs while also ensuring that we restore the budget to a surplus after the global recession is over. The Rudd government has stepped up to the plate to tackle this unprecedented crisis.

I would like to outline what this budget and economic stimulus funding means on a local level to a community such as the electorate of Hindmarsh, which I am honoured to represent. On 20 May a local newspaper in my area, the *Guardian Messenger*, had a story about local construction companies and the contracts that they have been winning to build new libraries, halls and classrooms under round 1 of the federal government's Primary Schools for the 21st Century program. As the story stated:

Dozens of jobs will be supported in the southwest over the next two years through major construction projects at Adelaide primary schools.

The article went on to outline the proprietors of these companies saying how many more people they have been able to retain and employ to undertake these school building projects and that they are very optimistic about winning further contracts employing more people in the near future. Another story in the *Guardian Messenger* 'Trade jobs boost for south-west' outlines a similar positive story about apprentices. A spokesman in the paper, Mr Atwell, who is an apprentice broker, said:

... the \$15 million in the federal grants for major building works at local primary schools ... coupled with such projects as the ... desalination plant would help maintain demand for building, carpentry, plumbing and electrical apprentices in the region.

He went on:

It [the stimulus funding] is giving the smaller construction companies confidence to take on an apprentice because they know there is going to be a lot of work.

Youth Employment Alliance general manager, Martin Threadgold, said in the same article that construction was driving demand for apprentices in the south-west and he backed Mr Atwell's prediction that the industry would continue to flourish as major infrastructure projects commence. These two examples are exactly what the economic stimulus package funding is all about. It is about supporting jobs and providing infrastructure for the future, and those are small examples of exactly what is taking place in my electorate.

I will go on to outline the more detailed economic stimulus plan funding in my electorate of Hindmarsh. The Building the Education Revolution funding has supported a total of 70 projects in 41 schools with funding of over \$22 million. This is comprised of the National School Pride Program, supporting 59 projects in 41 schools with funding of nearly \$6 million, and the Primary Schools for the 21st Century program, supporting 11 projects in seven of my schools at over \$16 million. These projects not only support the great schools and school communities in the area but also provide local jobs and support the local companies that are taking those contracts.

Another area is social housing. In the electorate of Hindmarsh 19 social housing units to the value of \$5.3 million have been approved. Construction for those housing units will commence in 2009—that is, this year—with dwellings to be completed by 30 June 2010. On top of the 19 social housing units, 22 social housing units in Hindmarsh will undergo repairs and maintenance to the value of \$1.8 million. Again, that will create local jobs in the area. From a previous announcement, 65 new affordable rental homes will be built in the electorate of Hindmarsh for low- and middle-income families under the National Rental Affordability Scheme, including 58 Adelaide workmen's homes in Richmond. I will have the pleasure next week of going to a function to celebrate the commencement of those units in my electorate. This is an excellent outcome for households in Hindmarsh on

low to moderate incomes, including for key workers who meet the eligibility requirements to rent these affordable rental homes. The National Rental Affordability Scheme aims to improve affordability in the private rental sector by requiring that the rent charged is at least 20 per cent below the market rate. Offering incentives for new homes to be built for rent to Australians on low and middle incomes is a win-win situation for tenants as well as for people working within the construction and building industry. Low to moderate income workers such as those in child care, retail and hospitality who live in properties built under the scheme will be able to afford to live in the area where their skills are needed.

There is also the Black Spot Program. The Black Spot Program targets dangerous sections of local roads through funding safety improvements such as traffic signals and roundabouts. The following local projects will be delivered during the 2009-10 year, with funding totalling nearly \$2.234 million. Every council in my electorate has received funding. The City of Charles Sturt is gaining \$844,000, the City of Holdfast Bay \$271,000, the City of West Torrens \$438,839 and the Corporation of the City of Marion \$680,683—giving us a total of \$2,234,000. There is also support for local communities through the Community Infrastructure Program. The \$800 million Community Infrastructure Program is the largest ever one-off federal investment in local infrastructure across Australia. Every local council is receiving funding from the program for projects of their choice. This totals \$1.157 million in my electorate. Again, the City of Holdfast Bay Council is receiving \$196,000, the Marion City Council \$325,000, the City of Charles Sturt Council \$386,000 and the West Torrens City Council \$250,000—giving us a total of \$1.57 billion that will be spent on small projects in the electorate of Hindmarsh, which will create local jobs.

Pensioners also benefit from this budget. Pensioners will benefit from reforms the Rudd government has put in place. The Rudd government's budget has ensured that local single pensioners will receive the increased support that they deserve. Single pensioners in the electorate of Hindmarsh will receive increases of up to \$32.49 a week as part of the government's secure and sustainable pension reforms. We all know that pensioners thoroughly deserve this extra support. It is great that, even in the hardest of economic times, the Rudd government has delivered for pensioners.

The reforms will improve the pension system by making it simpler and more sustainable into the future as the population ages. Having one of the seats with an older demographic, I welcome these changes—they have been a long time coming. They deliver a stronger and fairer pension system which will serve pensioners and Australia well into the future. Pensioners in Hindmarsh can look forward to these increases from 20 September 2009. In my electorate, this will mean increased support for 19,695 age pensioners, 5,540 disability support pensioners, 8,793 families in receipt of family tax benefit part A and 750 people who receive carer payment.

Another measure I have been very pleased to see in this budget is support for the Export Market Development Grant scheme. I had the pleasure this week of hosting a forum in Adelaide with exporters from my electorate. At a meeting in the electorate last week exporters—some of them successful recipients of those grants—met with the Minister for Trade, the Hon. Simon Crean. The former government promised to make this scheme easier and then failed to fund it. The Rudd government has delivered an extra \$50 million this year to help small- and medium-sized exporters through the global recession. The extra \$50 million will provide a much needed stimulus to exporters, to protect jobs and increase market share. The extra funding will be paid to an estimated 1,800 Australian companies, which employ more than 34,000 workers across the country.

Minister Crean has stated that Australia's recent trade performance has been one of the very effective cushions enabling Australia to weather the global financial crisis far better than others. World trade has not been a cause of the global financial crisis but it has been impacted by it. The most recent prediction is that there will be a drop in world trade by approximately 11 per cent. I am advised that Australia has continued to put in an important and strong trade performance with eight consecutive monthly trade surpluses. It was not until the government came to office that we highlighted the importance of focusing on service exports.

At this point the opposition have no plan to deal with the global recession and they are out of touch with the effects it is having on working families and their jobs. The opposition are opportunists who, in the midst of this global recession, are putting their short-term political interests before the national interest. We saw examples in my own electorate of jobs being created and contracts being won, and builders and contractors talking about the infrastructure projects and the school projects, saying how they have created jobs and ensured that their companies have plenty of work for their employees looking into the future. One of the companies is to employ extra staff because of the infrastructure programs and the school programs. Yet the opposition refuses to listen and is looking at political opportunities to talk the economy down, instead of talking it up and getting it back

on track. When put under pressure about whether they would increase taxes or cut services, they admit that they would borrow for the \$200 billion collapse in revenues.

This government's stimulus package is working and the quotes from builders and contractors in my electorate proves it—I am sure thousands of others in electorates all around Australia say the same. It is working and that is one of the reasons Australia is doing better than most other developed countries. In the December quarter of 2008, Australia contracted by 0.05 per cent. However, we grew through the year by 0.03 per cent. This was a much better result than for 10 comparable countries. Japan had a negative growth of 3.2 per cent in the December quarter of 2008 and the US had a negative annualised growth rate for the March quarter of 6.1 per cent. Retail trade remains 4.5 per cent higher than it was in November 2008 before the stimulus. This compares to falls of 3.1 per cent in Japan, 2.5 per cent in the US, 1.7 per cent in New Zealand and 3.1 per cent in Canada. As an example, Westfield's results show an increase in retail sales of 1.5 per cent in the March quarter. By contrast, Westfield's sales in the US fell by 3.2 per cent. While unemployment is increasing in Australia, we are still travelling far better than any other developed country. In the UK the unemployment rate is 7.1 per cent, in Canada it is eight per cent and in the USA it is 8.9 per cent.

To prevent the full burden of the global recession falling on the shoulders of Australian families and small businesses during economic downturns like this, the government must act decisively and step in to stimulate the economy and support jobs. The global recession has wiped close to \$200 billion from our revenue, and the main cause of this deficit is the end of the mining boom. It has meant a collapse in company tax and mining royalties.

The Rudd government remains committed to returning the budget to surplus once the crisis passes. Budget estimates show a return to budget surplus in six years. The government's borrowings are responsible. The Commonwealth Treasury has estimated that, without our efforts to stimulate the economy and support jobs, up to 210,000 more jobs would have been lost. While some decisions are not popular, the Prime Minister is putting our national economic interest first. This is a decisive and sensible budget that will support jobs and small businesses today by investing in nation-building infrastructure while charting a course to return the budget to surplus once the global financial crisis is over.

This is a nation-building budget focused on roads, rail, ports, clean energy and universities across Australia, including in my electorate of Hindmarsh, as can be seen from the articles in the paper that I referred to earlier, quoting builders, contractors and apprentices. The budget will enable Australia to recover from the global recession faster than most other advanced economies. It stimulates the economy and helps cushion Australia from the full impact of the global recession while also laying the foundations for a stronger and more prosperous future. I commend these bills to the House.