



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**  
**MATTERS OF PUBLIC IMPORTANCE**

**Cost of Living**

**SPEECH**

**Wednesday, 22 August 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Questioner**  
**Speaker** Zappia, Tony, MP

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**Mr ZAPPIA** (Makin) (16:43): I am pleased to speak on this matter of public importance and to talk about the government's track record of assisting Australian people with living costs. Can I say before I get onto my other remarks that I was just listening to the member for Gippsland—and he spoke for 10 minutes—and he hardly referred to the motion at all. He spent all his time attacking the PM and talking about a carbon tax. There is a lot more to living than the matters that the member for Gippsland was referring to.

Contrary to the assertions of those opposite, the government does care about living costs. Whilst members opposite might selectively refer to matters to try and support their arguments, the fact of the matter is that the cost of living is about a total package of living costs. It is not about any one single item.

What is clear from today's MPI is that the opposition leader came into the chamber and spoke in relation to the MPI as a way of diverting attention away from himself, away from his dismal performance of late and away from the problems that he is undoubtedly facing. This is simply nothing more than an MPI to divert attention from the opposition leader and try to put the spotlight back onto the price of carbon.

If we are going to talk about the cost of living, then, quite frankly, let us stick to the facts. If we stick to the facts we will see an entirely different picture emerge to that that has been portrayed by opposition speakers today. Let me start by talking about inflation. When this government came to office at the end of 2007, headline inflation was three per cent. The last figure I have—June 2012—is 1.2 per cent, which is a significant drop. Inflation is usually the indicator that tells you whether costs are going up or not. Those costs are generally reflected in the cost of living in all sectors.

Let us also look at interest rates. When this government came to office interest rates were 6.75 per cent. A couple of months after the government took office the rates went to over seven per cent. Interest rates today are 3.5 per cent; that is the Reserve Bank cash rate. They are half of what they were when we came to office. Even if you look at the variable rate, it is significantly lower than it was when this government came to office. That, in my view, is doing something for families—bringing interest rates down—because in my electorate, for the 21,600 home owners who have a mortgage—and I assume most mortgages across the country sit at around a couple of hundred thousand dollars—that means something in the order of \$6,000 or \$7,000 less payments in interest being made each year. That is real money that families had to fork out which they are now able to reduce because interest rates have come down.

Let us also look at tax cuts because tax cuts are all about assisting families with real money in your pocket in order to meet the cost of living. Since this government has come to office, a person on around \$50,000 a year is now paying around \$2,000 a year less in tax. I put it to the House that that is substantial savings in the amount of tax being paid by wage earners around the country. That \$2,000 will go a long way to offsetting some of the costs that householders have to meet. In fact, by increasing the tax threshold from \$6,000 to \$18,000, it has meant that just about every taxpayer has made a minimum of about \$300—simply as a result of that move alone. Today there are about one million taxpayers around the country who do not even have to lodge a tax return—a tax return which, again, probably cost them money because they had to go to a tax accountant in order to lodge it.

One of the most significant areas where this government have acted to assist with the cost of living has been with respect to the support that we have provided pensioners. We have spoken in this House about this matter time and time again. After almost 12 years whilst the opposition were in government they did nothing to assist pensioners around this country. We came to office and have since increased the single pension by about \$154 a fortnight and for couples combined by \$156. We have increased the utilities allowance by around \$400 and, today, a single pensioner gets an income of about \$19,600 and couples combined get \$29,600. In addition to that, we changed the pensioner cost-of-living index to better reflect the real costs of living—which is the matter we are talking about—for pensioners throughout this country. Further to that we have also increased the amount to \$10,400 that pensioners can earn and still claim their maximum pensions.

Let us turn to families and have a look at what we have done. Paid parental leave was brought in by this government. It is all right for the Leader of the Opposition to come in now and say how he is going to do it one better. The reality is that they did nothing about it whilst they were in government and, in fact, my understanding is that the Leader of the Opposition personally opposed the introduction of paid parental leave. This government did bring it in and, today, that means \$606 a week for someone who is on paid parental leave. I understand that, to date, about 160,000 families across the country have benefited from the government's 18 weeks of paid parental leave. As from 1 January 2013 there will be a dad and partner pay introduced to assist the partners and dads when children are born.

With respect to the childcare rebate, this is something that members opposite continually harp on about in regard to the fact that we have capped it at \$7,500. Can I say that we increased the rebate from 30 per cent to 50 per cent, which is a much larger amount of money that families are entitled to than they ever were under the coalition. That means that families are now entitled to \$7,500 in childcare rebate per child, which is almost \$3,000 more than they would have been entitled to had this government not been elected.

Then there is the Teen Dental Plan worth \$163 or thereabouts to each child to assist with preventive dental checks. These are real costs that real families meet on a regular basis. This government understands that and that is exactly why it has brought in a teen dental plan to assist those families. I understand that there has been something like 1.5 million check-ups funded under this program.

Lastly, in respect to children there is the Schoolkids Bonus; the \$410 that we are providing to every primary school child and the \$820 to secondary school children. That is real money that goes to the families of this country and will assist with meeting cost-of-living expenses. School fees are cost-of-living expenses and this government has, again, done something very specific about assisting families to meet those costs. In addition to that families have been supported by increasing family support by up to \$4,200 per year for each teenager that continues to live at home. From July 2013 there will be \$600 per year to family tax benefit part A payments also made available. In addition to that there is the \$600 annual carer's supplement boost. I could go on about the payments and support payments that this government has provided since coming to office to assist families with the costs of living that they incur. I want to finish on a couple of other matters and the one I will touch on is jobs.

If you really want to support families, the best thing you can do for them is ensure that people have jobs, because if they have jobs they have income and if they have income they can meet their living costs. This government, since coming to office at a time when we have endured a global economic recession, has been able to create 800,000 new jobs and keep unemployment to just over five per cent. That speaks for itself. In my view, that does more to assist families than anything else I could refer to. At a time when other Western nations in most parts of the world are confronted with double-digit unemployment figures, this country is still on just over five per cent. While people are employed, they have got income and that is the most important thing we could do for them. *(Time expired)*

The DEPUTY SPEAKER ( Ms O'Neill ): The time allotted for the MPI has expired. The discussion has concluded.