



Amanda Rishworth MP

Member for Kingston

Economic Security Strategy Bill 2008

12 November 2008

I rise today to support the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008, the Appropriation (Economic Security Strategy) Bill (No. 1) 2008-2009 and the Appropriation (Economic Security Strategy) Bill (No. 2) 2008-2009. Unlike the opposition, I rise to support these bills and to also speak in favour these bills. These bills put in place key components of the government's \$10.4 billion economic security package as part of its response to the global financial crisis.

Over the last few months we have seen an upheaval in the world's financial markets which has resulted in the deterioration of global financial conditions. Originating from the subprime mortgage crisis in the United States, this crisis has had rippling effects across the globe. As a result of the financial crisis we have seen developed economies around the world experiencing a slowdown that is filtering through and impacting our economy. (*Quorum formed*) Despite the Australian financial system being in a strong position, Australian institutions have not been immune from global events and this has had an effect on financial institutions and has resulted in flow-on effects to our real economy.

It has not only been the developed economies around the world that have been affected by the global financial crisis. Developing economies are also being affected. An example of this is China. In recent days China has taken action to stimulate their economy with a package worth more than \$8 billion. In response to the worsening economic conditions around the globe, the Rudd government has acted quickly and decisively to put in place fiscal policy designed to strengthen the Australian economy, to create new jobs, to stimulate the housing market and to help those most in need. Part of the government's swift response has been the introduction of a \$10.4 billion stimulus package, of which these bills are a key component. This package is designed to strengthen the Australian economy but also to provide financial assistance to those in our community who need it most. The Rudd government's \$10.4 billion Economic Security Strategy has five key measures. The first is a \$4.8 billion immediate down payment for pensioners; the second is a \$3.9 billion support payment for low- and middle-income families; the third is a \$1.5 billion investment to help first home buyers to purchase a home; the fourth is \$187 million to create new training places; and the fifth is an acceleration of the implementation of the three nation-building funds.

This package is a significant economic response to deal with extraordinary economic times. The government has been able to fund this package through the surplus it built into the 2008-09 budget. In May the Rudd government made tough decisions to ensure that there was a strong budget surplus to act as a buffer in tough economic times. This decision has allowed it to respond to these emerging difficult economic times. Let us not forget that many of the budget measures that consolidated this surplus were opposed by the opposition, who wanted to play cheap politics with the budget process. The budget surplus has ensured that the Rudd government has the capacity to act quickly to implement our economic security package.

As I have mentioned previously, the government has targeted its economic stimulus package at those in our community who need financial assistance the most. Our pensioners, carers and families will all receive financial assistance through a one-off lump sum payment to be delivered from 8 December this year. I know that pensioners are doing it tough and through this Economic Security Strategy this government is providing immediate financial help. However, this initial down payment does not detract from the commitment of the Rudd government to long-term pension reform. Unlike the previous government's lump sum payments, no group of pensioners will be missing out. Many disability pensioners and other groups of pensioners were very annoyed when they were not included in the coalition's proposal to increase the rate of the single age pension. It seemed to them that the coalition did not understand that all pensioners were doing it tough. I, along with the rest of this government, have listened to those pensioners and understand that pensioners such as disability support pensioners deserve assistance too. I am therefore pleased that this government will be providing lump sum payments of \$1,400 to single pensioners and \$2,100 to pensioner couples. In addition, recipients of carers allowance will receive \$1,000 for each eligible person in their care.

Providing assistance to families is also a priority for the government and as part of the Economic Security Package we are providing \$1,000 for each eligible child to families who receive family tax benefit A. Additionally, families and dependent children who receive Youth Allowance, ABSTUDY or benefits from the veterans' children scheme will get a \$1,000 one-off payment. In my electorate of Kingston over 43,000 residents will receive assistance through these lump sum payments. This includes: over 15,000 age pensioners and self-funded retirees; over 7,000 recipients of the disability support pension; and over 1,000 recipients of carers payments. In addition, in my electorate almost 4,000 recipients of the carers allowance will be assisted with \$1,000 for each person in their care. (*Quorum formed*)

I am disappointed that the opposition does not want to hear about all the families in my electorate of Kingston who are going to benefit significantly from this very important package. In total, more than 15,000 families in my electorate will receive the payment of \$1,000 for each of their children. These announcements have been warmly welcomed by my constituents and could not have come at a better time.

I know from going around my electorate speaking to pensioners that they have been finding it difficult to make ends meet as, week by week, the cost of living and accommodation prices have been steadily on the rise. I received a letter from Mr and Mrs Snowden of Hallett Cove, who wrote to say that they are delighted with the \$2,100 payment to be received in December. They told me that they will spend this money on clothing, which they say they have been unable to afford on their current pension rate. Mrs Snowden writes that, with the rising cost of food and utilities, they end up spending their entire pension each fortnight, and now they will be able to afford to buy some new clothes. They are looking forward to the lump sum payment and are further looking forward to the pension review which will be carried out in February 2009.

I have also received overwhelming support from families in my electorate who have welcomed the announcement of these payments. Many parents have commented to me that, because of the increased cost-of-living pressures, Christmas celebrations this year were looking quite bleak. This boost will provide some assistance at this expensive time of year. Other parents have indicated they will use the money to get their kids prepared for the next school year by buying books, uniforms, shoes and stationery.

A central element of the Rudd government's economic security package is a boost for first home buyers designed to stimulate housing activity and provide first home buyers with a better chance of entering the housing market. First home buyers are set to benefit enormously from the package, which doubles the first home owners grant to \$14,000 for established homes and triples the grant to \$21,000 for newly constructed homes. The housing sector is a critical part of the Australian economy, and it is estimated that this boost will help more than 150,000 first home buyers enter the housing market. This announcement has been welcomed by developers in my electorate whom I spoke with last week. They indicated that they have already seen this measure really improving their business.

I recently spoke in parliament about the crisis in housing affordability in my electorate and right around Australia. Housing affordability is an issue that is brought up with me all the time. Many people have found that the prospect of achieving that great Australian dream of owning their own home is out of their grasp. Parents also bring up this issue with me, with many concerned that their adult children and their grandchildren will not be able to afford to buy a house. This homebuyers measure as part of our economic security package, in conjunction with the Rudd government's other housing policies, is targeted directly at helping more Australians own their own home.

The Rudd government's economic security package provides \$187 million to create 56,000 new productivity training places. These places will provide training and retraining opportunities for many workers to gain certificates II, III and IV in areas of skills shortages. Finally, our economic security package includes fast-tracking our nation-building agenda and accelerating the implementation of our three nation-building funds in the areas of education and research; health and hospitals; and transport and communications.

In the face of this global financial crisis, the Rudd government is taking decisive and responsible action. This is in stark contrast to the actions of the opposition. The Leader of the Opposition's immediate response to the financial crisis was that it was 'hyped up'. The opposition now say that they want to take a bipartisan approach to the global financial crisis and support the government's actions, but at the same time they continually criticise and talk down every part of our approach. Whether it is criticism of the government's guarantee for bank deposits or of our economic security package, as we have seen in this debate in the House today, or the latest criticism which I read today in the *Adelaide Advertiser* where the Leader of the Opposition now opposes the lump sum payments that have been warmly welcomed by people in my electorate, or the attacks we have seen on the independent financial regulators—it all points to one fact: the opposition want to have it both ways. They want to say they support this package because they believe it is the right thing to do, but they want to snipe and criticise every part of this package because they want to gain political points. At no time have the opposition provided an alternative solution or suggestion. We have heard in this debate that they have been making suggestions and raising ideas. However, I have yet to see any of those suggestions or ideas put down on the table. This all points to the fact—

Ms Marino —Mr Deputy Speaker, I draw your attention to the state of the House.

The bells being rung—

Mr Price —Mr Deputy Speaker, on a point of order: a distinguished predecessor of yours, the then member for Page, Mr Causley, ruled that there could only be two quorums called on any one speaker on the basis that insufficient time would have passed. I draw to your attention that, if you are to be consistent with Deputy Speaker Causley's ruling—which was not objected to, I might say, by the opposition at the time—then this calling of the quorum traverses that ruling of Deputy Speaker Causley and you are setting a new precedent.

The DEPUTY SPEAKER (Hon. BC Scott)—I have heard the Chief Government Whip's comments. I would suggest that I am not setting a new precedent, but I will check the record and I will check the comments of the former Deputy Speaker.

(Quorum formed)

Mr Price —I appreciate that you will check it. Although members attempted to call a quorum, Deputy Speaker Causley declined to accept that request— notwithstanding the fact that the quorum was not present.

The DEPUTY SPEAKER —I thank the Chief Government Whip for his comments.

Ms «RISHWORTH» —I am going to be very short and finish off. However, I would like to make the point that, unlike the opposition—who say they are going to vote for this but at the same time say that it is a bad piece of public policy, all to gain political points and try to have it both ways—the Rudd government takes this financial crisis incredibly seriously. Part of our response has been the development of the \$10.4 billion security strategy. These bills before the House today are an important part of the government strategy and therefore I commend these bills to the House.