



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**Main Committee**

**APPROPRIATION BILL (NO. 5) 2008-2009**

**APPROPRIATION BILL (NO. 6) 2008-2009**

**Second Reading**

**SPEECH**

**Monday, 16 March 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Mr SIDEBOTTOM** (Braddon) (4.15 pm)—I too am very happy to support Appropriation Bill (No. 5) 2008-2009 and Appropriation Bill (No. 6) 2008-2009. These bills appropriate approximately \$2.2 billion, or about 2.7 per cent of the total annual appropriations. They support and enhance this government's attempts to stimulate and sustain the Australian economy both now and in the future by both short-term and longer term stimuli, particularly in relation to social and economic infrastructure. The total additional appropriation being sought through additional estimates is \$2.2 billion, which I have mentioned, of which \$384 million is being sought in Appropriation Bill (No. 5). In effect this is

to support and secure the jobs and training of apprentices, trainees and adult workers who are vulnerable to redundancy during this economic downturn and to provide assistance to workers who have recently been retrenched. In that the Department of Education, Employment and Workplace Relations will be provided with funding for a range of measures. This is intended not only try to support those who are unfortunate enough to be made redundant, whether they be apprentices or indeed full-time employees, but also to try to invest in the maintenance of the necessary skills that will be required when we come out of this economic downturn. That is a very important part of preparing for our future.

As I have mentioned, some of the funding will provide for a range of measures, including an additional \$43.7 million to provide for an increase in the commencements and completion claims under the Australian apprenticeship system, which provides financial support for employers and their apprentices. This is a very important component of the funding. An additional \$38.8 million will be provided to assist apprentices and trainees to return to the workforce and maintain their training. Employers and training organisations will also be encouraged to retain apprentices and trainees through an additional payment provided on completion of training. So this is an added incentive, where a disincentive for an employer to put off an apprentice or a trainee may exist because of the economic downturn, for instance. It is an additional incentive to try to retain them so that they can complete their training.

An additional \$43 million will be provided to keep the 241 ABC Learning Centres open until 31 March 2009, and that date is fast looming. I congratulate this government and the minister for taking the steps to at least provide the continuation of these important services, not just for the families who have been seriously affected by this highly unregulated example of an industry provider but also for the jobs of those people who were involved with those ABC centres, including one located in Devonport, in my own electorate of Braddon. The receiver has assessed these centres to be unviable under the ABC Learning business model.

An additional \$36.8 million will be provided to ensure any Australian worker made redundant will receive immediate and personalised assistance to help them get back into the workforce. Rather than having to wait at least three months to receive intensive customised assistance, all newly redundant workers will be entitled to receive this support immediately to try and help them through a very difficult period or seek new skills and, hopefully, find new employment. This is a very important contribution towards helping with that.

There is an additional \$70 million to meet an anticipated increase in expenditure against the General Employee Entitlements and Redundancy Scheme. I understand the scheme assists employees who have lost their employment due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements. The scheme will require this additional amount before May 2009.

So they are some of the appropriations in relation to the Department of Employment and Workplace Relations, and there are other major provisions of funding in relation to transport, regional development and local government which I will not go into here, as well as in relation to the Department of Families, Housing, Community Services and Indigenous Affairs, and the Department of Foreign Affairs and Trade.

Appropriation Bill (No. 6) has an appropriation amount of \$1.83 billion. Under this package, the government proposes to bring forward \$711 million to invest in building better roads. The Department of Infrastructure, Transport, Regional Development and Local Government will be provided with \$392 million in 2008-09 for payment to the state and territory and local governments to accelerate the commencement of a number of

important projects on the national network and other strategic roads. One of these is the Brighton bypass, which straddles the electorates of Franklin and Lyons, on the Midland Highway, so Tasmania will benefit from these appropriations.

These appropriations are part and parcel of appropriations designed to sustain and stimulate our economy. Nobody doubts that our economy is under great stress, even more so when you humanise and localise that into families and individuals who are facing the stress of the economic downturn, and the businesses that employ them. They are part and parcel of a long-term strategy to try and deal with this economic downturn—a downturn that many people denied we could see happening, one being the current Leader of the Opposition, who then claimed that we should have known about it anyway. Of course, his inability to craft the architecture for an economic security strategy of the opposition's own has left them divided on this issue. At least we have tried to get on with the task, warts and all. We do not claim to have a foolproof way of dealing with this economic downturn that is unprecedented, certainly in the memories of most people in this House. At least it is an attempt to strategically work our way through the difficulties that we face.

We must remember, Madam Deputy Speaker, that worldwide the crisis has caused more than 30 banks to collapse or be bailed out; major economies like those of the US, the UK, Germany and Japan to fall into recession; and unemployment to rise in practically every country—unfortunately, in many other countries, higher than our own. We hope that some of the stimulus packages that other countries are setting out, like our own, bring some kind of a halt to these figures. We know that Australia is not immune and that the situation may well get worse before it gets better. That is not talking the economy down; that is a fact, and we have got to deal with that, as this government has sought to do.

Six out of 10 of our trading partners are now in recession. Growth in China and Japan—our two largest export markets—has slowed dramatically and in December China recorded its slowest growth in seven years. I was heartened recently to see that China is embarking on a massive stimulus package or series of packages of its own. Japan had its largest contraction since the 1974 oil shock and the Japanese economy has shrunk by 4.6 per cent over the year. That is a massive reduction. These are our leading trading partners. That has to affect our economy and unfortunately has.

Some time ago we set out to protect our financial system and tackle some of these issues and, in order to avoid the collapse of banks that we saw falling like ninepins overseas and the loss of thousands of jobs, we moved quickly to guarantee bank deposit accounts and the term funding of our banks, building societies and credit unions, seeking to maintain the stability of our financial system and to protect people's savings. We also set up the Australian business investment partnership with the Australian banks and the purpose of this was to provide credit to commercial property projects which, due to the financial crisis, would have been forced to retrench thousands of employees. These were attempts to maintain what is and what was on the drawing books so that employment could be sustained.

In relation to the guaranteed bank deposit accounts it is disturbing to hear that a bank like the ANZ is prepared to offshore 500 jobs to India at this time.

**Ms Grierson**—They are reconsidering.

**Mr SIDEBOTTOM**—I hope they are reconsidering because I am sure there is going to be pressure in both caucus rooms, and in both houses of this parliament, to bring pressure to bear on the ANZ and any other banks which make similar decisions to offshore jobs. I am

sure other members in this place have had some very angry ANZ customers contact them. I had one today who told me they are withdrawing their funds. They know that on an individual level it may not register with the bank, but I assured them that we will try to register their disquiet over the decision by ANZ in this place.

We all know that late last year we introduced our Economic Security Strategy to maintain and try to sustain jobs particularly over the last quarter and we set out to try and stimulate the economy. Those opposite are happy to call it a 'cash splash' and I would like to remind them where that cash went. It was not a splash at all. It was strategically targeted and the results show it had its effects. Whilst other countries had a decline particularly in their consumer index over the same quarter, Australia's increased—much to the support of the retail industry in particular. We had the one-off pension payments gratefully accepted by those who are struggling but opposed by those opposite. We had one-off carers payments gratefully accepted but opposed by those opposite. We had one-off seniors payments to Commonwealth seniors health card holders and eligible veterans gold card holders gratefully accepted but opposed by those opposite. We had family tax benefit A payments of \$1,000 per eligible child gratefully accepted but opposed by those opposite. On top of this, the Productivity Places Program expanded

the number of trainee places. Again, it was gratefully accepted and needed in our economy but opposed by those opposite.

The first home owners boost—additional payments between October 2008 and June 2009—has been very gratefully accepted, as has been our able economic management in keeping interest rates down. That has stimulated the building industry and the home and real estate industries. We know that the boost is fuelling that industry now. It certainly is in my home state and it certainly is in my electorate of Braddon. It has been gratefully accepted by all those that benefit from it—not just the buyers and sellers but all those who are involved in the building industry. It has been gratefully accepted by them but opposed by those opposite.

You would have thought that after that lesson those opposite might have analysed the results and been supportive of further stimulus packages to try to keep and sustain jobs and to maintain our economy. Indeed the \$42 billion stimulus package of the Nation Building and Jobs Plan, by its nature, has a short-term and longer-term objective, just as the Economic Security Strategy did, particularly in shoring up those infrastructure funds for health and education, and major transport and other infrastructure. Unfortunately it was voted against by those opposite.

You would have thought they would support the \$42 billion stimulus package which is now rolling out throughout Australia and throughout our electorates. Part of that was the short-term stimulus of \$12.2 billion to low- and middle-income families, couples and singles, students, the unemployed and drought-affected farmers that has been gratefully accepted. It was opposed by those opposite. It is quite extraordinary.

I can tell you that the \$14.7 billion that has been allocated to education is most gratefully accepted. It will not only help enhance the education revolution that we started some time ago—and also help with the improvement of teaching and learning in all our schools by stimulating better conditions for teaching and learning, which is so important to us—but also stimulate the construction industry and all those service industries that are going to provide their services and their materials for this massive amount of construction.

New school libraries, multipurpose halls and classrooms will be upgraded in primary schools. It will be a record investment in primary education. I am sure everyone in this room has seen their primary schools jumping for joy and saying: 'Thank you very much. This is how we want to stimulate our teaching and learning and improve it. It will also help stimulate our local economy.' But it was voted against by those opposite, and they have the gall to come into the House and criticise us for it.

**Ms Grierson**—And talk down the economy.

new public housing: 20,000 public and DHA homes. There was \$400 million for repairs and maintenance to existing public buildings and \$250 million for the DHA to build an extra 802 residences. Of course that is not stimulating the economy, is it!

**Mr SIDEBOTTOM**—They talk down the economy. And in the building industry—just cop this figure while you are playing with your Treo, Member for Tangney! —\$6.7 billion was allocated for the construction of

Day in and day out, when they are not worrying about their own internal affairs, we have the mob opposite—it is rather gory, isn't it?, that they are playing around with their own internal affairs—who have the gall to criticise us for stimulating the economy with a massive building program in public housing and defence housing. They have the cheek to criticise us—and not only that; but they voted against it. But they will go to the openings, won't they? Of course they will; they know it is good stuff.

What about the environment? We have allocated \$3.9 billion to increase the rebates of \$1,600 to install solar and heat pump hot-water systems, and free ceiling insulation of up to \$1,600 to eligible owner-occupiers and up to \$1,000 for rental properties—meaning possible savings of \$200 per year on those costs. That is pretty good. I know you are smiling over there, Member for Tangney, because you do not believe any of this is necessary. I have heard and read your speeches—unbelievable stuff! You make the Luddites look progressive, Mate, I can tell you. Not only that, just for your edification, we are going to support local stormwater harvesting projects and accelerate water buybacks in South Australia.

Road and local infrastructure, something we all do need, is something you opposed. But we are providing \$650 million to fund regional road maintenance in Australia and another \$500 million on top of that to help local councils build town halls, libraries, and community and sports centres. You know, it is so unpopular that it was oversubscribed by \$1.2 billion—cop that! (*Time expired*)