

Additional Comments by the Australian Greens

The seriousness of the economic situation in Australia, and the need for a stimulus package is widely recognised. It is also widely recognised that job creation and job preservation is a top challenge for government.

The package is significant and creates a substantial government debt which will be a burden on tax payers for a considerable time. We welcome the inclusion of community and education infrastructure projects in the package but have concerns about the expenditure on short term cash payments.

The limited timeframe and process for the introduction of the package

The time which the Senate, and the community at large, has been given to consider and agree to this package is too short.

Given the amount of money and preparation time in the stimulus package, it is reasonable to expect that preliminary information could have been provided prior to its introduction to the House of Representatives on the 4th February 2009. Parliament could have been recalled earlier to allow greater scrutiny and public participation in the process.

There are concerns that the community has not had sufficient time to adequately respond to the package. Over the last few days a range of groups and individuals have presented valuable suggestions on how the package could be more effectively structured. The Government would be well advised to give greater opportunities to tap this wisdom and creativity of the nation.

Missed opportunities for promoting transition to a green economy

The Australian Greens welcome the energy efficiency measures in the package such as the ceiling insulation or solar hot water initiative. But, overall, it is a missed opportunity to put in place the key investments for Australia to meet the urgent challenges of climate change.

Some 'green economy' investments that require much better government consideration are:

- Expanding energy efficiency measures to other cost-effective technologies (e.g. wall insulation) and to other types of buildings (e.g. commercial buildings).
- Strengthening of incentives for landlords to invest in energy efficiency on behalf of tenants.
- Investments in public transport or other sustainable forms of transport.
- Ensuring infrastructure investments in schools comply with energy efficiency standards.

- Investing in research and development and infrastructure to support the green industries of the future.
- Education and training to create the green collar workforce of the future.
- Investment in renewable energy or electricity grid infrastructure

Equity Issues

There are concerns that a number of low income groups have missed out on the Tax Bonus and may be ineligible to receive a bonus payment under the other bonuses. In particular this relates to:

- Unemployed people with no children
- Pensioners with no eligible children
- People with no net tax liability (e.g. low income earners or those earning less than \$6000).

It is recognised that some of these groups may receive or have received bonuses in other ways in either the earlier Economic Security Strategy or this plan.

Better resources could be targeted to people who are expected to lose their jobs in the forthcoming economic downturn. In particular the low rates of unemployment benefits and the liquid and real assets tests will work against those temporary unemployed as they search for new jobs.

It is also noted that other countries such as the UK, US and Canada are using income support payments as part of their stimulus package . An increase in the base rate of the Newstart Allowance would provide the needed stimulatory effect on the economy and ensure that people reliant on this very low income support payment would be better able to manage in the current economic situation. As more Australians become unemployed as a result of the global financial downturn, it is important that they have access to fair and adequate income support.

Key areas not included in package

A number of areas of social policy, and investments in social infrastructure, have been excluded from this stimulus package and which will require government action. These include:

- Aged health care sector (residential and community care)
- Public health infrastructure
- The tertiary education sector, excluding individual payment to students

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- Incentives for employers to maintain jobs through subsidies or grants.
 - Economic development opportunities for Indigenous Australians

Alternative areas to target the Stimulus Package

The Committee has evidence that the resources in the Package could be better directed towards:

- Further investments in energy efficiency technologies, including for new buildings constructed under this Stimulus Package, and renewable energy commercialisation.
- Additional resources to the social service sector to address unmet need and cope with growing demand.
- Financial incentives for employment creation in the local government and community sector.
- Suspending the de-funding of Community Development and Employment Projects (CDEP) programs and restoring funding to de-funded CDEP programs with a proven track record.
- Extending Tax Bonus payments to those currently ineligible because of the 'net tax liability' rule.
- Suspending liquid and real asset tests for those applying for Newstart
- Using the primary school infrastructure investment to develop Community Hubs that provide wrap-around support services in areas of greatest and emerging need

Senator Bob Brown

