

Inquiry into the Nation Building and Jobs Plan

Submission

Saturday, 7 February, 2009

The suite of legislation that comprises the Nation Building and Jobs Plan contains several positive initiatives. Among these are improvements to educational infrastructure; provision of free ceiling insulation to existing homes; and an increased solar hot water system rebate for certain households.

However there is also a lot of room to improve the economic stimulus package.

Taxpayers who receive up to \$950 via the Tax Bonus For Working Australian Bill may well be spend the cash “bonus” on consumer items that have a high environmental cost. For example – the money could be spent on holiday airfares, or contribute to buying a plasma TV, both of which would contribute to extra carbon pollution. Since the plasma TV would be manufactured overseas, its purchase would make a minimal contribution to employment in Australia. The government would do better to instead spend the money on initiatives that have definite environmental or social benefits, such as public transport or improving healthcare services. Rather than handing out more cash to middle income earners, the government should increase regular support payments to those who really need them such as the unemployed, pensioners, and those on very low incomes.

Taxpayers' money should be spent on transforming Australia into a low-carbon, more sustainable society. This could include new investment in renewable energy research; training workers and students for green jobs; support for organic farming; and funding public transport and bike-ways, instead of roads.

Another major issue is the absence of funding for health and aged care infrastructure and services. As the Australian Medical Association submission to this inquiry points out, public hospital and health infrastructure has been allowed to run down over the past few years. The looming recession is already placing extra strain on already stressed public health services, as people move from private to public healthcare, and face extra stress from downgraded employment and financial status.

In summary, as a taxpayer, I see a lot of my money being spent on “economic stimulus packages”. In return, I'd like to see definite environmental and social benefits to the whole of society. Another benefit of this approach is that extra spending on environmentally-linked or healthcare projects will create new or maintain existing employment. Conversely, there is no guarantee that cash handouts to taxpayers will support employment. For example, my husband and I put our last \$1000 cash handout (just before Christmas) into a trust account for our young son. Though that money will assist our son in the long term, it provided no immediate flow-on benefits for Australia's workers whose jobs are at risk with a recession looming.

Yours sincerely,

NICOLE RANKIN