



Senator
Steve Fielding
Leader of Family First



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Second Reading Speech

Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008

24 November 2008

It has been a long time coming, but finally Australia's four million pensioners, carers and seniors will get some help they so desperately need.

Family First supports the Social Security and Other Legislation Amendment (Economic Security Strategy) Bill 2008, which provides a \$10.4 billion stimulus to the Australian economy by giving Australia's pensioners, carers and seniors and two million families bonus lump-sum payments early next month.

Pensioners receiving one of the range of payments like age pension, disability support pension, carers payment and others will receive \$1,400 for those on single payment and \$2,100 for couples. Families receiving family tax benefit part A will receive \$1,000 for each eligible child. People receiving carer allowance will receive \$1,000 for each person they care for.

It is crazy to think it has taken a global financial crisis to put a rocket under the Rudd government to give pensioners a fair go. Pensioners have been overlooked for too long. This pension bonus is an important first step, but the government is on notice that it must follow through and provide Australian pensioners with enough to live on to allow for a reasonable quality of life and the dignity they so deserve. Put simply, they need a fairer go.

It is not good enough that pensioners have to live on a bag of rice for a week, mixed in with a can of baked beans. They deserve better.

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And do not forget that this bonus payment works nicely for the government. The government is only giving pensioners extra money because it will stimulate the Australian economy and lessen the impact of the world economic downturn; at the same time, the government is trying to appease a vocal bunch of very unhappy pensioners, angry that their incomes have fallen behind and that they have to struggle fortnight to fortnight.

The government's hope, of course, is that pensioners and families spend this money sensibly and quickly to give a boost to the economy. Family First hopes that happens too. But Family First is also calling on those looking to spend this bonus to consider turbocharging the effect of their spending on the local economy by buying Australian-made goods and produce wherever possible.

Buying Australian made supports local employment and gives a boost to businesses—especially small businesses—maximising the benefit for Australians. Buying Australian is an investment in Australia's economic future.

During this time of economic strife, the federal government should also consider changing its procurement policies so that preference is given to Australian-made goods when they are of equal quality to goods made elsewhere. This would maximise the impact of federal government spending in shoring up our economy in times of financial crisis and lead the way for others to spend these bonus payments on Australian-made goods where they can.

People don't want a government that acts like a company, spending just to get the best deal but not caring where the purchase comes from. They want a government that cares about local jobs and acts accordingly, commanding respect, loyalty and pride.

The question remains, though, whether the Australians who receive the \$10.4 billion in bonuses will spend the money or save it. Many pensioners find lump-sum payments useful as it helps them to buy larger items they would otherwise have difficulty saving for with their limited means—items like a new fridge or washing machine to replace ones continually breaking down. Because of the increasing cost of living, families too often find it difficult to scrape together a lump sum of cash for work around the house or to replace the failing fridge. But no-one would blame pensioners and families for using the money to pay off debt or for putting it aside to save it for a rainy day.

I want to take a moment to consider how we have got to this point where the world is in a financial crisis and we need to spend half the budget surplus on a massive stimulus package. It is easy to point to a lot of dodgy home loans in the United States,

where people were lent money they could not possibly afford to pay back. But underlying this is a broader cultural change. Like the United States, we have moved to an economy characterised much more by consumption than by production.

In my first speech in this chamber, I made the comment that the free-market mantra of choice, competition and consumerism is in conflict with family and community. The \$10.4 billion plan recognises the change in our economy towards consumerism and asks pensioners and families to spend to save the economy. It is based on encouraging consumerism rather than production.

That reflects changes in our economy over the past 10, 20 or more years, where the emphasis has been on spending and consumerism rather than on the more traditional approach of saving up for purchases. Today, if we want it, we buy it and put it on the never-never. That is a very big change from past years and one that has contributed to our current situation.

In 1990, Australian household debt as a proportion of average household disposable income was about 50 per cent. Today, it is more than triple that amount: 160 per cent. Over the past 10 years, the ratio of interest payments on housing and other personal debt as a proportion of household gross disposable income has doubled. We need to think about reclaiming a savings culture so we can avoid these problems reoccurring in the future. We should refocus on living within our means. But a savings culture means a drop in consumer spending, so it has to be a gradual adjustment.

One of the difficulties of economics today is that it tends to dominate and define our culture rather than our cultural values dominating and defining the economy. In our market-driven world, we are constantly told we are individuals and that we have choices. We are told that we make rational decisions in our own interests. Consumerism is accompanied by and encouraged by a belief in the individual and autonomy rather than in family and community.

We should aspire to more than consuming. I do not claim to be immune from this bug that we have all caught, but we do need to realise that consuming in itself is not the way to a fulfilling life.

Fulfilment comes from family and children, from creating a supportive and encouraging community of Australians who look beyond what they can buy to instead focus on who they are and what they want their country to be: a country that recognises the work of its older citizens and ensures they live a life of dignity—not one of scrimping to pay for their next meal.