Kate Chaney MP

FEDERAL MEMBER FOR CURTIN



May 2023 Newsletter

Hello!

I am writing this from chilly Canberra after a long night of Budget papers and analysis. In a sea of budget puns, I've decided my summary is: if the last budget was 'bread and butter', this one is wholemeal rye. It's pretty good for you, but it's not super exciting (apologies to the rye-lovers!)

I've had a great few weeks in Curtin, with ANZAC services throughout the electorate, a community catch-up at Lake Jualbup, a mobile office at Moline House aged care facility in Karrinyup and lots of meetings with Curtin constituents who are doing fantastic things in our community.

Our five Pathway to Net Zero Working Groups have commenced and are identifying their community projects.

I had some time off over Easter which was very much appreciated and spent time with family and even did some walking on the Cape to Cape track.

Keep warm as the nights get chilly and happy reading on the Budget!

Kate

Budget update from Canberra

Budget 2023

In the lead up to Budget Night, we heard a lot from the Treasurer about "responsible economic management" and "budget repair".

And that is largely what we got in last night's Budget.

The headliners are as expected: the Budget intends to provide cost-of-living relief, strengthen Medicare and address disadvantage in communities, all within a slowing global economy that is suffering from high inflation and interest rates and financial sector strains.

For the first time in 15 years, we have a small budget surplus, thanks largely to strong labour market and commodity prices. Despite a lot of pressure to provide cost of living relief, the Government has chosen to return 82% of revenue upgrades to the bottom line to reduce debt. There is also a further \$17.8 billion in savings and spending reprioritisations.

Real payments are only expected to increase 0.6% per year until 2027. So in summary, the Government has been lucky to raise more revenue than it expected, but is not spending much of the windfall, to minimise inflationary impact and repair the Budget.

Economic conditions: easing inflation and low unemployment

Apart from the GFC and the pandemic, the next two years are forecast to have the weakest global growth in two decades, driven by inflation, interest rates and tighter financial conditions. The Government forecasts that Australia will outperform all major advanced economies, but GDP growth will be only 1.5% in 2023-24, improving to 2.25% in the next year.

Inflation is our biggest issue. But the Government expects inflation to ease and return to target in 2024-25.

Unemployment is expected to stay historically low, with wages growth at 4% this year.

Economic reform: No significant long term changes

This year's surplus is a blip and deficits are forecast again after this year. Over the long term, it is estimated that we have about a 2% structural deficit. This year's Budget shows this declining to 1% over the forward estimates. This is good news, but a broader review of our tax system is still needed to ensure that we can continue to pay for the things Australians expect over the next few decades.

We remain too reliant on personal income tax and need to consider shifting the balance towards other sources, including consumption tax and alternative approaches to resource taxes. The Budget doesn't address any of these longer term structural changes.

The Budget does include discussions of the opportunities and challenges presented by long term structural shifts: the growth of the care economy, our expanding use of data and net zero transition. It identifies the need for education, labour markets, investment in enabling public infrastructure and a stable policy environment to lay the foundations for a stronger economy. These broader trends will inform policy and spending in coming years.

Climate: household energy upgrades, fuel efficiency and hydrogen The good parts

It's refreshing to see a level-headed discussion about the risks and opportunities presented by climate change.

There's a \$1.3 billion commitment to Household Energy Upgrades over the next four years, which includes \$1 billion going to the Clean Energy Finance Corporation to provide low-cost finance and mortgages for home upgrades to save energy for up to 111,000 households . This could include solar panels, double glazing, hot water systems or stove tops, and will be welcome news to our Curtin Energy Working Group.

There's also \$300 million for upgrades to social housing and \$37 million to develop further initiatives to improve energy performance.

There is also a \$2 billion commitment to accelerate development of Australia's hydrogen industry, which should ensure we don't lose capital to US hydrogen projects.

Other commitments include:

- \$214.1 million on the Nature Positive Plan, creating a nature repair market and establishing Environment Protection Australia;

- An additional \$150 million to improve the quality of water flowing to the Great Barrier Reef;

- \$20.9 million for initiatives to decarbonise transport and infrastructure sectors;

- 117 fast electric vehicle chargers;

- \$11.9 million for recycling infrastructure in WA;
- \$7.4 million to support the introduction of Fuel Efficiency Standards; and
- Australia's first national Electric Vehicle Strategy.

The less good parts

There have been some minor improvements to the Petroleum Resources Rent Tax, but we have missed the opportunity for greater reform. This means that future gas projects that are marginal economically (and disastrous for climate change) may still get up.

Fuel tax credits remain in the top 20 programs by expense, costing us \$9.6 billion this year. We need to start transitioning these to renewables wherever possible.

Cost of living: energy relief, cheaper medicines

With relatively high inflation, housing and supply chain pressures, many people are struggling with cost of living. The Budget contains cost of living relief in the following areas.

Power Bills

Eligible households in WA will be entitled to \$350 off their power bill (plus relief for small businesses), with \$82.9 million of the \$3 billion total allocated to Western Australians.

The Government is also investing \$1 billion to help provide low cost loans for double glazing, solar panels and other home improvements to reduce energy costs (see above).

Jobseeker

The Budget contains an increase for JobSeeker recipients from \$49/day to \$52/day at a cost of \$4.9 billion, as well as those on Youth Allowance, Austudy and other income support payments. While any increase is welcome, this increase is much lower than hoped and will not move people above the poverty line, despite advocacy from community groups, business groups and the Economic Inclusion Committee for an increase to 90% of the pension (~\$63/day). This is a missed opportunity – a 4% increase in our welfare payments could change the lives of nearly a million people.

The higher rate (\$6/day extra) for long term unemployed people aged over 60 has been extended to those over 55.

Health

The good news is that the Budget contains a bulk billing boost of \$3.5 billion that will help GPs provide free consultations to around 11.6 million eligible Australians, which includes children under 16, pensioners and other Commonwealth concession card holders. There is also \$2.2 billion to increase access to new medicines through the PBS.

From September 2023, Australians with common, chronic illnesses will be able to get 2 months' worth of scripts for more than 300 different medicines. This will save many people time by cutting the number of visits to a pharmacy and GP, as well as money, with savings of up to \$180/year. This does have consequences for the viability of pharmacists and some savings should be reallocated to ensure pharmacies can continue providing essential health services, beyond the \$114.1 million committed to pharmacists over 4 years in the National Immunisation Program.

As many of you will be aware, since I came to office I have been strongly advocating for reforms in the regulation of vaping, especially as it applies to young people. It is an issue that many of you have written to me about. So it is pleasing to see that in this Budget, the Government has confirmed its recent announcement to take action to reduce smoking and vaping. The government is proposing stronger regulation of e-cigarettes including controls over their importation, contents and packaging. The Budget also provides \$63.4 million for national public health campaigns and \$29.5 million to enhance supports to quit.

The government is raising the tax on tobacco by 5% each year for three years from 1 September 2023. It is also investing \$263.8 million over four years to establish and maintain a national lung cancer screening program.

Single Parent Payment

Single parents will now be eligible to the Parenting Payment until their youngest child turns 14, which will assist 57,000 families (90% mums).

Housing

Housing is a major issue in Australia at the moment and this Budget will not fix the problem. On housing supply, the Budget refers to the aspirational National Housing Accord, aiming to build a million homes, with some incentives for buildto-rent projects and some support for community housing providers. But this is not a magic fix. On the upside, you can now get the First Home Guarantee with a friend or family member, not just a spouse.

There is some relief for Commonwealth Rent Assistance recipients, with an increase in the maximum rates of \$31 extra a fortnight. This will directly impact some of my constituents who have contacted me recently concerned about the rental increases they have been experiencing.

Aged Care Wages

I am pleased to see that the government has delivered on its promise to recognise the important work of aged care workers. This Budget provides \$11.3 billion to fund a 15% increase in award wages for more than 250,000 aged care workers to retain a stable workforce.

Childcare

Many of my Curtin constituents have written to me about their concerns with the cost of child care. The government has promised cheaper child care, cutting the costs of care for around 1.2 million families. It is also investing \$72.4 million in building the skills of early childhood educators.

Further, the government has committed to a more flexible Paid Parental Leave Scheme, combining Parental Leave Pay and Dad and Partner Pay into a single 20 week payment.

Inclusive Communities: Small investment in addressing disadvantage The increase to Jobseeker was disappointing, but there are some initiatives in the Budget aimed at reducing disadvantage. These include \$200 million being invested to address entrenched disadvantage through place-based partnerships between government and philanthropy.

First Nations health received an additional \$561.1 million and \$38.4 million was committed to remote education for First Nations communities.

The Voice referendum will cost \$364.6 million, which includes public civics education, mental health supports and AEC to deliver yes and no pamphlets. The Government has also focused on advancing gender equality, with the changes to the single parenting payment and childcare disproportionately benefitting women.

Despite regular advocacy, and it being a pre-election promise, there is no additional money for humanitarian refugee resettlement.

WA economy transition: critical minerals, renewables and hydrogen

Other than the \$2 billion hydrogen investment, there are a few other investments that will assist in transitioning WA to a forward-looking green economy. These include:

- \$57.1 million to develop strategic critical minerals commercial partnerships; and - \$14.8 million for the Powering Australia Industry Growth Centre- for businesses looking to manufacture, commercialise and adopt renewable technologies.

Community infrastructure

The Budget includes a \$200 million Thriving Suburbs fund for urban and suburban infrastructure and community projects. We don't know anything about eligibility criteria yet, but it will be an open and competitive merit-based process and there are some worthy Curtin projects, so hopefully some good news here.

Road safety in Curtin

Funding has been allocated to five dangerous crash sites in Curtin. These are Vincent St Nedlands, Derby Rd Shenton Park, Salvado Rd Subiaco, Heytesbury Rd Subiaco and Granthan St Wembley.

Saving your trees!

A number of constituents have lost trees recently due to the polyphagous shot hole borer. The Budget refers to an agreed response, so hopefully the funding committed will reduce future tree losses.

Summary

If the last budget was 'bread and butter', this one is wholemeal rye. It's pretty good for you, but it's not super exciting (apologies to the rye-lovers!).

And maybe that's ok for a budget. It's good to see a surplus, and recognition that this windfall should be treated responsibly. But it would have been good to see more compassion on Jobseeker, a bolder fix to the PRRT and longer term thinking on addressing the structural deficit.

Our next exciting bit of economic news will be in a few months when Jim Chalmers releases the first Measuring What Matters Statement, looking at broader ways to measure progress beyond economic indicators. This will be informed by the Curtin community submission we are preparing following our event last week.

Measuring What Matters

Late last year, I spoke with the Treasurer about how important community consultation is in order to inform the Wellbeing Economy. A Wellbeing Economy is the idea of re-framing the way that we view success as a country- measuring success beyond GDP.

Last Tuesday, 60 people from the Curtin community gathered to discuss what we think a successful society looks like, and how we could measure what actually matters. Participants identified a broad range of ideas which were grouped under the themes: prosperous; inclusive; sustainable; cohesive; and healthy.

It was a fascinating (and fun) evening and I thank all the participants for attending. The data collected from the event is currently being collated into the Curtin Community Submission to the Measuring What Matters consultation process and will be submitted to Treasury.

We also met with our Youth Advisory Group (a group of Curtin year 11 students) to receive their input into what makes a successful society.

The most frequently mentioned priority was access to life's essentials, specifically access to health care and secure housing. Both physical and mental health were also high priorities for those who attended. Interestingly, the students' highest priorities were the environment, physical safety and mental/physical health. If you would like to read our Measuring What Matters submission, it will be up on our website next week.

If you were unable to attend this event, please feel free to hold your own or provide input directly to the Treasury. If you would like to do this, please see <u>Measuring what matters — second consultation process | Treasury.gov.au</u> for more information. This consultation will be open until 26 May 2023.



Events

Community Catch-Up

Date: Saturday 13 May

Time: 9am-10am Location: Mt Claremont Farmers Market

Community catch-ups are my opportunity to hear from you on a broad range of issues.

If you know of any Curtin residents who would like to share their views or concerns please encourage them to come along.

Canberra Debrief - UPDATED LOCATION

Date: Tuesday 16 May Time: 5.30pm - 6.30pm Location: Doubleview Bowling Club, 17 Shearn Cres, Doubleview

I hope you can join me for a debrief of the most recent sitting weeks in Canberra.

Voice to Parliament: Your Questions Answered

Date: Thursday 18 May Time: 5.30-7.00pm Location: Wesfarmers Lecture Theatre, UWA Business School

I am hosting a discussion on the Voice to Parliament referendum.

We'll hear the perspectives of former WA Treasurer **Ben Wyatt** *and founding cochair of Reconciliation Australia* **Fred Chaney AO**.

Please bring along your questions and any friends who want to learn more about the Voice.

Book your tickets to this FREE EVENT through my website.

Curtin Sustainability Fair

Date: Saturday 24 June Time: 10am - 4pm Location: Jim Webster Pavilion, Claremont Showground

A day long exhibition of the ideas, products, businesses, advocacy and education that are promoting a broad range of sustainability solutions.

As we transition to Net Zero, we will all need to make changes and this event is designed to give you some tips on how to play your part.

There will be demonstrations about waste, recycling, energy, fashion, and food consumption as well as activities for kids.



Net Zero project underway

We had a good response to our call for volunteers to join our **Curtin Pathway to Net Zero** working groups.

Last week we started with discussions on Transport and Energy; what it would take to get to Net Zero and how we as a community in Curtin can help.

This week the working groups focussing on Built Form, Greening, Waste and Sustainable Consumption will meet to brainstorm their ideas.

It's not too late to join a working group, if you are interested, please email <u>Kate.Chaney.MP@aph.gov.au</u>

Social Media

Don't forget to follow me on social media. It's the best way to keep up-to-date and find out about upcoming events.







Support your independent voice in Parliament

Donate to help keep an independent voice in Parliament. Your donation won't buy influence or access but will assist me to continue doing politics differently. You can donate here.



We acknowledge the Whadjuk Noongar people as the Traditional Custodians of this land and pay our respects to their Elders past and present.

Contact Us

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