

F3 link set to lift

Government faces Senate defeat on health rebate row

LABOR faces defeat over its plans to cut the private health insurance rebate with the Opposition saying it will block the budget measure.

But in a bid to dodge being tagged as constantly negative, Opposition Leader Malcolm Turnbull has offered the Government a trade-off.

The Opposition is offering to replace the forecast \$1.9 billion in savings that would come from paring back access to the private health insurance rebate with a 12.5 per cent increase in the tobacco excise, a tax of three cents a cigarette.

"Tobacco is the single most preventable cause of ill health and death in Australia," Mr Turnbull said in his budget reply speech last night.

He said Labor's budget measure to means test access to the private health insurance rebate for singles earning more than \$74,000 and families with combined incomes of \$150,000 would put public hospitals under increased pressure and make health more expensive.

According to budget papers, the rebate will be means tested once an individual earns more than \$75,001 and a couple earns more than \$150,001 and will decrease on a sliding scale.

It cuts out once an individual earns \$120,001 and couples earn \$240,001.

In a double-whammy, the Medicare levy surcharge aimed at those people who do not take out private health insurance will go from 1 per cent to 1.25 or 1.5 per cent, depending on a person's income.

The Government must win the votes of balance-of-power senators to get the cut to the private health

Racing to the dream

THE Federal Government's more generous first home owners grant scheme has been a success and is helping keep construction workers employed, Housing Minister Tanya Plibersek says.

Data released yesterday backed the claim, with housing finance loans to build new homes surging 15.4 per cent in March to a record high.

New lending commitments for housing, personal, commercial and lease finance jumped 12 per cent in March, the biggest rise in 21 months, Australian Bureau of Statistics data showed.

"Vacant blocks of land are being snapped up," said Craig James, Commonwealth Securities chief economist.

In just seven months, loans to build new homes have risen by 42 per cent to record highs, he said.

The boost to the first home buyers scheme, which was introduced as part of the Government's stimulus package announced in October, was extended in Tuesday's budget.

insurance rebate measure through Parliament.

But it is clear the path for the Government to secure support from Family First's Steve Fielding and independent senator Nick Xenophon will be arduous.

Mr Turnbull attacked the spiralling levels of debt forecast in the budget and run up



BUDGET REPLY: Malcolm Turnbull in Parliament last night. — Picture by Glen McCartney

Agents gleeful over city interest

BUDGET 2009



By GABRIEL WINGATE-PEARSE

SYDNEY'S finance sector is showing an interest in Hunter Valley property values in the wake of the Federal Government's commitment to finance the F3 link to Branxton.

The link, dubbed the Hunter Expressway, will make the Hunter Valley 25 minutes closer to Sydney by cutting the time it takes to travel from Wallisend to Branxton.

Bob Dupont, of Newcastle-based valuation and property research company Duponts, said bankers were asking questions about the impact on property after an Australian Property Institute meeting held yesterday.

"Interest has already been shown by the finance sector in Sydney," Mr Dupont said.

"As a general rule, property development and price generally follows infrastructure, it generally has a positive effect on property value.

"It's obviously going to help the vineyards, especially the northern end and places like Kurri and possibly Singleton, and it would also have an effect on those places on the highway, around Maitland and Ashtonfield and

by Labor with profligate spending on two economic stimulus packages.

Mr Turnbull said Labor had increased debt levels by \$124 billion since its election in November 2007.

He dismissed Tuesday night's budget with its \$57.6 billion deficit and forecast of a return to growth in

two years and to surplus in six years as unbelievable.

"There will come a time when Australians will look wistfully at \$120 billion of debt and ask not when our debt will rise to that peak but when it will descend to it," Mr Turnbull told Parliament.

He said that within two or three years debt levels would

increase to \$250 billion or even \$300 billion.

Mr Turnbull said that if elected the Liberal-Nationals Coalition would increase scrutiny of Government finances and the budget process by forming a Commission for Sustainable Finances to review spending

property values



LEFT: Prime Minister Kevin Rudd, gesturing, with Premier Nathan Rees, far left, yesterday. — Picture by Darren Pateman

PM hitches national recovery to expressway

By JULIANNE STRACHAN

THE new Hunter Expressway would help to improve the nation's economic efficiency, Prime Minister Kevin Rudd said yesterday.

He visited Whittingham, near Singleton, accompanied by NSW Premier Nathan Rees, to talk about the F3 link from Seahampton to Branxton and

to turn the first sod for the Minimbah third rail track project.

The Prime Minister said he wanted the expressway to be opened as soon as possible.

The NSW Government will provide \$200 million for the project.

Mr Rudd said the Federal Government was contributing about \$1 billion

to the Australian Rail Track Corporation in the Hunter.

The Minimbah third rail track project from the corporation will cost \$134 million.

It was one of six projects in the Hunter announced last year as part of the Government's nation building statement.

The track will be

10.8 kilometres long and is expected to support up to 150 jobs during construction.

The rail line, together with other improvements, is expected to improve coal capacity from about 107 million tonnes a year to 165 million tonnes a year.

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Thornton north, which will no longer be so congested, which makes them a nicer place to live.

"So it's a win-win situation for people directly connected to the F3 and people living on the highway."

The real effect on property will be felt when the project begins in earnest.

"The real push begins when the bulldozers start, when

people see that something is really going to happen, and this is a four-year project so we have got a long lead time," Mr Dupont said.

Real estate agents who paid close attention to the federal budget report said the F3 funding announcement has started to have some effect.

Hunter Valley Real Estate owner Felisha Marshall said she had kept investors and

landlords up to date.

"I have had one who was thinking of selling but he's decided not to," she said.

"It does mean that the value of property will go up, in Kurri especially as it will be close to the off-loading and on-loading ramp, so it will become so much closer to Newcastle, which will be of interest to people who work in Newcastle and Maitland."