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Federal Member for Newcastle**

**18 February 2008**

**APPROPRIATIONS BILLS (3 & 4) 2007-08**

**Ms GRIERSON** (Newcastle) (7.36 p.m.) - I rise to speak in support of the government's Appropriation Bill (No. 3) 2007-2008 and Appropriation Bill (No. 4) 2007-2008. I note the member for Dickson's comments about rewriting history and I would say to him: no, we are not rewriting history; we are just rewriting the history of the past government's economic management and putting it under the spotlight that reveals so much in terms of the lack of investment for the future. Yes, we have enjoyed over a decade of sustained growth, but it is the role of the government to make sure that that sustained growth is invested in the future so that, when times are not quite so good, we have a gentle decline rather than a major fall.

These bills seek parliamentary approval to appropriate additional money from the Consolidated Revenue Fund in order to meet the requirements that have arisen since the last budget. The total additional appropriation being sought through these additional estimates bills is \$3.3 billion, which is approximately 4.8 per cent of total annual appropriations.

Before moving to some of the detail contained within these bills, I want to acknowledge the hard work of the new Minister for Finance and Deregulation and member for Melbourne, Mr Lindsay Tanner. The work he has done in identifying savings and offsets of the previous government's spending so that they may be redirected to better and more effective program priorities will deliver great dividends to the Australian people. I would also like to put on the record my respect for the minister's competence and commitment. Having worked with him on both the economics committee and the Joint Committee of Public Accounts and Audit during the life of the last parliament, I know the considerable understanding he has of the economic issues facing this nation and his commitment to proper process instead of political rorting and spending of the Australian public's money for political gain and self preservation. That is not the way of this finance minister and I know that all of us will become appreciative of that over the next three years. I was particularly proud to have him launch my election campaign in Newcastle.

These bills are, in fact, the first instalment of the new Labor government's promise of savings. They include savings identified during the election and since the election. During the election campaign, Labor promised to deliver these savings by requiring government departments and agencies to deliver an additional two per cent efficiency dividend in the 2008-09 financial year. The first part-year instalment on that promise

will be achieved this financial year. This initiative will deliver an estimated saving in expenses against annual departmental appropriations of around \$100 million in 2007-08, which is a significant reduction and saving. A 30 per cent reduction in ministerial and opposition staff levels is also included, yielding a net saving of \$15.4 million this year.

Administrative efficiencies will also arise from the transition from AWAs to collective enterprise agreements and statutory individual contracts. As a result, the Workplace Authority will achieve a funding reduction of \$30 million in 2007-08. It is a pity that over the last two days we have had to watch some of the Work Choices promotional material - a huge waste of taxpayers' money—being disposed of at great expense to the public. These appropriations also abolish the access card project, providing a saving this year of \$250.6 million. This was always a controversial card. It always triggered privacy concerns and it certainly did not have the strong support of this parliament. It would also have been an additional compliance burden for Centrelink, and I think that was most inappropriate. I am pleased to see that one gone.

There is, though, one area of savings that I wish to make comment on, because when I saw it I had some feelings of concern myself - it relates very closely to activities being undertaken in my electorate - and that is the government's decision to reverse the FutureGen Industrial Alliance membership, at a saving of \$15 million. I note this measure in particular, because last year I had the great privilege as part of a study trip to meet with Ken Humphreys in Washington. Ken is the coordinator of the FutureGen alliance and I know how important he saw international membership of FutureGen as being. I take this opportunity in this House to personally thank Ken Humphreys for hosting my visit to meet with him in Washington and for his generosity with his knowledge and advice regarding clean coal research.

However, since we met, the US government has pulled the pin on some of the funding of this project after concern over cost blow-outs and reduced availability of investment capital for construction of new plants. FutureGen was an ambitious project which had the goal of building a new-generation clean coal power plant. However, I understand that clean coal research will continue in the US, just as it will here in Australia. In fact, Labor's commitments to clean coal research will particularly benefit my region and my electorate, where coal exports underpin our economy and where the CSIRO's energy flagship continues its standout research in post combustion capture from existing power stations. This research holds great promise for sustaining coal fired energy production. The \$15 million required for membership of the FutureGen alliance will now come from Labor's Clean Coal Fund, which is appropriate. We will not reduce our focus on developing the best research options for the Australian experience.

Labor has also rightly identified government spending as an area that grew out of control under the previous government, something I noticed that the member for Dickson denied. Contrary to the rhetoric from members on the opposition benches, Labor has inherited rather challenging economic circumstances. We have underlying inflation running at 3.6 per cent and projections from the Reserve Bank of Australia of an inflation rate of 3.5 per cent until 2010. We have had five interest rate rises over the last 18 months, with at least another one waiting in the wings, and government

spending grew by 4½ per cent in real terms. The primary commitment of this new government is to ensure that government spending is brought back under control so as not to put any additional upward pressure on inflation and interest rates. In an economy that is seeing high returns from the mining boom and experiencing sustained growth, but which is also facing constraints to that growth because of the previous government's failure to invest in skills and infrastructure, it would be grossly irresponsible to allow government spending to increase at the rate that the previous government allowed.

Eliminating wasteful spending is not hard. We need only look at the shameful spend of the Howard government on advertising in their last 16 months of office. They spent \$457 million - almost half a billion dollars - on government advertising within a space of 16 months. Just imagine what that would do for the issues facing us today - the big issues like climate change. On a calendar year basis, government advertising spending increased from \$95.6 million in 2002 to \$368.8 million in the election year of 2007. That is a 285 per cent increase, and they did not even last out the full year in 2007. And, although the former Treasurer, the member for Higgins, has at least 'fessed up that whilst Treasurer he did 'worry about the sustainability' of government spending, it seems that many of the members opposite are yet to learn from past mistakes. Labor will not indulge in wasteful spending and will instead focus on improved efficiencies and wise investments in areas of national need.

Appropriation Bill (No. 3) seeks a total appropriation of \$2.4 billion, and Appropriation Bill (No. 4) seeks an appropriation of \$898.5 million. Both of these bills include a number of election commitments and changes in the estimates of existing program expenditure. Some of the election commitments and new measures seeking additional appropriations for funding include \$100 million to establish the National Secondary School Computer Fund - thank goodness. This fund is an integral part of Labor's promise to deliver a digital education revolution. The digital education revolution will dramatically change classroom education by ensuring that all students in years 9 to 12 have access to information and communication technology.

The Rudd government believes that every Australian child deserves a world-class education. To be able to compete globally, Australia needs a world-class education system. This includes investing in our school infrastructure, including computers in schools and trade-training centres, investing in our teachers and establishing a national curriculum. The first \$100 million of the National Secondary School Computer Fund, which is provided for in this bill, will be directed to the schools most in need, by June 2008. To identify those schools, a preliminary audit is being undertaken by state and territory government education departments, the Association of Independent Schools and Catholic education offices. The audit will identify the neediest schools so that they are able to apply for the first round of funding, which will commence in early March, with applications closing in early April. Obviously schools will be preparing for that opportunity, as they are in my electorate. Applications for the second round will be open to all Australian secondary schools in July 2008.

The National Secondary School Computer Fund will be very much appreciated by secondary schools all around the country. I know that they appreciate this commitment.

Certainly for the students in the secondary schools in my electorate the benefits will be quite extreme and quite amazing. Having been a principal in schools for many years, I know how vital it is to have a real and relevant education for children. They are children of the digital age, and they deserve to have that as part of their everyday studies, not just as something that is available after school for them. The young people of today are always connected. From employing staff in my office, I know the different learning and work styles of people who have had exposure to computers all their lives. It is something that I guess we envy. My generation are computer dependent, but they certainly do not have the computer literacy skills that young people today have. Bringing skills into the real world is vital, and this policy will do that.

The appropriation bills also allow \$33.3 million for the government's Skilling Australia for the Future program, funding which in 2007-08 will deliver 20,000 vocational education and training places that are aimed at people currently outside the workforce. I think that is another area of great neglect by the previous government - that people were not given the assistance they need to be trained, to be retrained and certainly to be moving into work. This program will commence in the beginning of April 2008, and it is the first instalment of Labor's commitment to tackle the chronic skills shortages. Unfortunately, the previous government refused to address the economy's skills deficit, but the Rudd government knows that we must invest in targeted training programs to help provide much-needed labour resources to sectors experiencing chronic shortages. At the election we put forward our Skilling Australia for the Future policy, to help fund the delivery of 450,000 training places over the next four years, including 65,000 extra apprenticeships. The government estimates that this program will cost \$1.3 billion over four years. This appropriation bill covers the first 20,000 of the additional training places that will be available from April this year.

The government also announced before the election that it will establish Skills Australia as an independent statutory body to advise the government on skills shortage issues. The government recognises the urgency of the challenge and is introducing new legislation to establish Skills Australia in this very first session of the new parliament. We will also be delivering further measures in higher education to address skill shortages in maths, science, nursing and early childhood education. I am very pleased to see that so many of our policies specifically targeted maths and science. Maths and science education in this country perhaps has not had the investment it has required. Maths and science provide the building blocks for the professions that are so necessary at the moment: engineers, researchers, statisticians, doctors, economic modellers and many more professions important to this nation's future prosperity.

I take this opportunity to wish a friend and supporter, Ruth Callcott, a very bright future. Ruth is a mature age and highly skilled statistician, and she is taking up an offer from the South Australian government to complete teacher training and serve in schools in the Eyre Peninsula. It is wonderful to see such experienced, skilled and capable people as Ruth make a decision to help young people become literate in maths at a time when there is such a marked shortage of maths and science teachers in this country. So I wish Ruth very good luck and say that South Australia is fortunate to have her talents.

The Skilling Australia for the Future program will be particularly well received in my electorate of Newcastle, which has suffered from skills shortages and has a range of excellent vocational and education training providers that have a great track record. In fact, there is a completion rate of over 90 per cent in terms of apprenticeships by our own local providers. I think no Howard government program got up to a 50 per cent retention or completion rate, so I congratulate our local providers on the work they have done.

These bills also provide \$2½ million to establish Infrastructure Australia to ensure genuine accountability in infrastructure spending and to make sure that priorities are identified. There will be no regional rorts and no misuse of taxpayers' money for this government. The previous government preferred to spend taxpayers' money on short-term political fixes. The Rudd Labor government will focus on the long-term investments that our nation so badly needs. Infrastructure investments will be subject to expert analysis. If a government chooses to invest in a project for political rather than economic reasons, everyone will know about it. Infrastructure Australia will develop a national approach to tackling infrastructure bottlenecks, which is an area of particular interest to my electorate of Newcastle.

I have already been on the public record in the media urging the City of Newcastle to put its case forward to Infrastructure Australia to alert the minister to the needs of the coal chain in Newcastle, and certainly the F3 link between Sydney and Newcastle is deserving of much more attention. Getting freight off the F3, possibly through our port handling more freight and certainly through rail handling more freight, is long overdue. These are major projects that require federal government assistance, so we do look forward to investment in infrastructure that unfortunately was neglected by the previous government.

When I was in America last year a bridge collapsed in Minneapolis, killing people and shocking the nation. Having read of the infrastructure deficits in America and of the 350 airports and thousands of roads and freeways with defect notices, I find it a tragedy to come back to Australia and see a repetition of that sort of neglect of infrastructure. The Infrastructure Australia commitment by this government is one I know the public of Australia are looking forward to.

Additional funds are also proposed in these bills for the Department of Health and Ageing. Of particular note is the \$33.1 million to provide up-front capital grants and recurrent funding for the establishment of 31 GP superclinics around Australia and to provide incentive payments to GPs and allied health providers to relocate to these clinics. I know that the constituents in my neighbouring electorate of Charlton will be particularly pleased to see these funds released. The member for Charlton worked very hard during our campaign to ensure that a GP superclinic would be established in his electorate - and rightly so, as it is an area of rapid growth and high need.

These appropriation bills also provide an additional \$31.8 million for rebates to households for installing solar hot water heaters to encourage improved energy efficiency in homes and an additional \$50.8 million for the National Solar Schools Plan to encourage improved energy and water efficiency in schools. It is great to see that

being rolled out now so that our school communities can access these energy-saving options early.

Importantly, these bills also provide an additional \$189.8 million to assist people with disabilities and their families and carers. This includes annual tax-free payments of \$1,000 for each child under the age of 16 with a disability whose carer is receiving child carer allowance, and \$9 million to increase the support available to people in disability business services. This will have immense positive impacts, particularly in my electorate. At least 10,000 people in the electorate of Newcastle will benefit from this program alone.

In conclusion, I support appropriation bills Nos 3 and 4 and welcome the new direction and fresh ideas for Australia's future that these appropriations will now make possible. I also welcome the change in attitude and approach that this government is employing in government spending, making sure it is well targeted, restrained and responsible.