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**INTEREST RATES STABLE:
TIME TO BALANCE SUPPLY & DEMAND**

Today's interest rates announcement is welcome news for people in Newcastle and the Hunter and shows that the inflationary demand fuelled by the Howard Government's \$66 billion election spending spree may be finally slowing down.

The previous interest rate increase, higher petrol prices, and private health insurance hikes have certainly reduced spending.

The Howard Government must now focus on fixing the supply side of the economy - particularly the growing skills and knowledge crisis - in the upcoming Federal Budget.

The opportunity is now there for the Howard Government to invest in the future of our economy by helping build the skills base and knowledge infrastructure we need to sustain ongoing prosperity in our region.

With revelations that under the Government's New Apprenticeship scheme around forty percent of apprentices never complete their training, the Government should adopt **Labor's policy of providing a \$2,000 bonus to every apprentice who completes their training.**

At the higher end of the skills ladder, the Government should immediately intervene to stop 450 job losses at the University of Newcastle by offering a special assistance package.

I call on the Government to immediately reinstate Newcastle University's regional status and the \$3.7 million per year funding that goes with it, to waive the \$13 million 'overpayment' debt to the Education Department and to begin negotiations with the University on a rescue package that will repair the rip in the fabric of our knowledge economy.

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