



APPROPRIATIONS BILLS 2006-07 Second Reading 31 May 2006

Ms GRIERSON (Newcastle) (12.20 p.m.)—I rise today to speak on the appropriation bills, which give effect to the 2006-07 federal budget. In doing so, I must say that the previous speaker, the member for Barker, shows a very selective approach, as do his government colleagues, to debt. Boasting about retiring debt while we have the highest foreign debt and personal debt levels this country has ever experienced is, indeed, an embarrassment. I also support the amendment moved by the member for Lilley condemning this government for failing to secure Australia's long-term economic fundamentals, despite record high commodity prices and rising levels of taxation. This budget was another wasted opportunity for a complacent and lazy government to make some real investments in sustaining the future prosperity of this nation. It was another attempt to get away with doing as little economic and strategic work as possible while still pretending to have some sort of economic credibility with voters.

Rather than strutting and smirking, perhaps the Treasurer should consider that anyone can look good when a resources boom drops \$160 billion into your pocket. The real test is what you do with that \$160 billion and what you do with your \$17 billion surplus to make sure that those benefits continue to make this nation prosper. But apparently, if you are a Liberal Party Treasurer, what you actually do is squander that. You give a small tax cut, keep the National Party rump happy—or in some states, anyway—with a few dollars for roads and superciliously say, 'Well, my work here is done.' That is not really a good enough response to the needs of this nation. What is needed is a real commitment to investing in the skills and infrastructure our country needs and to redressing the levels of foreign debt and the imbalance in our balance of trade.

The economists also know that the budget is not a good enough response to the needs of this nation. That is why Alan Mitchell said:

Economists have expressed disappointment that the government did not use the massive revenue generated by the terms of trade boom to do more to facilitate the reform of infrastructure, to cut effective marginal tax rates, to strengthen education, vocational training and child care.

Now we see that the people of Australia know that the budget is not a good enough response to the needs of this nation either. That is why in a post-budget poll they overwhelmingly rejected this very hollow budget. According to that poll, the people

of Australia are telling the government that they actually want some real investment in services in this country, not just tax cuts.

Yes, tax cuts are welcome and I will be voting with the opposition to support them. In fact, they are long overdue and vital for Australian families who are battling against the Howard government's delivery of a high cost of living to the people. But the interest rate increase in early May means that the repayments on an average mortgage increased by around \$500 a year. In reality, it is actually a lot more than that for most people. The average Australian family's fuel bill has risen by \$400 a year over the past two years. Private health insurance premiums for the average family rose by another \$139 a year in April. Child-care fees in long day care centres rose by over \$500 a year over the last two years. So you do not need to be a mathematician or an economist to know that these tax cuts are desperately needed; all you need to be doing is trying to make ends meet. But they will only go a very small way to giving some relief from John Howard's high cost of living, especially for those people on middle incomes, who received only a \$10 a week tax cut. My electorate of Newcastle is certainly middle Australia in terms of its middle-income range, with an average income of \$45,000 a year.

But these tax cuts will give no comfort to those Australian workers who fear losing their jobs now that unfair dismissal protections have been obliterated by Work Choices, because no tax cut can compensate for losing your job. What people are actually saying, what Labor is saying and what the economists are saying—what everyone apparently apart from the Treasurer is saying—is that tax cuts are only a very small part of the equation. The major part of the equation is actually long-term investment in infrastructure and services. Real investment in these services would actually address the issues of rising costs rather than just playing catch-up by giving tax cuts.

For example, the government's promise of more child-care places is an unplanned, market based gamble that does not guarantee a single extra place or guarantee that child-care will be a single cent cheaper. It seems the member for Lindsay is well aware of that. By contrast Labor has committed to building 260 new child-care centres at schools and on community land in areas where they are needed most and where parents, obviously, want them to be. That is the kind of investment that would not only bring relief to our families but also sustain economic growth and the growth of that industry.

As Ross Gittins has written, fixing child care is as much about economics as it is about social concerns. That is because when child care is accessible and affordable women can get back into the workforce. At a time of huge skills shortages, it is unacceptable that we have such a relatively low level of labour force participation by women because of the barriers placed in their way. If you do fix child care and marginal tax rates, you can actually start doing something real about fixing the skills crisis. You can certainly do a lot more than this government is doing. Even the government's business lobby fan club said that more should have been done to deal with skills shortages in the budget. Heather Ridout of the Australian Industry Group said:

We're disappointed there wasn't more progress ... made in some of the big nation-building areas, particularly skills, which really was fairly underdone in the Budget.

'Fairly underdone' might be the biggest understatement of the year. 'Completely ignored' would be more appropriate.

I note in my region we still await a technical college. We are not producing any apprentices or other skilled people for the future. The government's only response to the skills crisis seems to be to import overseas workers while driving down wages, cutting back penalty rates and threatening weekends, holidays and family life with its Work Choices package for local Australian workers. Worst of all, Work Choices completely removes the right of workers to be protected from being sacked unfairly. It makes Australian workers even more likely to be ripped off under unfair individual contracts, as answers from the Employment Advocate in estimates this week show. The Employment Advocate confirmed what the Australian people and Labor's IR task force around the country are already finding out: 100 per cent of AWAs under Work Choices excluded at least one protected award condition, 16 per cent excluded all award conditions, 64 per cent removed leave loading, 63 per cent removed penalty rates and 52 per cent removed shiftwork loading. Take those together and you are looking at a major reduction in people's wages. This is the inescapable truth of Work Choices—less pay, fewer conditions and no protection from the sack.

That is why in his budget reply the Leader of the Opposition, Kim Beazley, once again restated Labor's absolute commitment to tearing up the government's one-sided and extreme changes, to protecting workers from unfair dismissal and to restoring balance to the system. Labor has also offered solutions in its training and skills policy to begin repairing the skills black hole that 10 years of Howard government and industry neglect has created. These are real, practical measures to stop the rot that has been allowed to seep into our national skills base, the rot that sees about 40 per cent of apprentices not even completing their training. I applaud the recent ACT initiatives to introduce a new model and a new approach, with industry support and education and training support, that sees shorter and more industry focused apprenticeships.

The Howard government stands condemned for not just a lack of investment in the skills of our people but also a lack of imagination and vision in building the physical infrastructure of our nation, which gives a competitive edge to regions like mine. The only vision that the Howard government has for infrastructure is perhaps roads, roads, roads and a little bit more pork-barrelling with projects in their favoured electorates. That rather short-sighted political approach might buy votes but it certainly does not secure the future of this nation. By contrast, it could have a look at Labor's proposal for a national high-speed broadband network, which would give 95 per cent of Australians top quality internet access. I know this would be of great interest to the residents of Newcastle suburbs like Shortland, Birmingham Gardens, Fletcher and Jesmond, who are still not guaranteed broadband internet access. That is a dreadful disadvantage for the productivity of people in small business.

We discovered in estimates last week that the Howard government is seemingly okay with Telstra's plan for a new high-speed network that will be restricted to capital cities only. That is cheap, that is lazy and it certainly puts regions like mine, and regions all around this country, even further behind. And some people call themselves

the National Party. What is needed is a comprehensive approach to national infrastructure development driven by an objective analysis of the needs of each region.

Labor's approach is just as I have described. We saw this in the set of policies for Newcastle, a regional approach, that Labor took to the last election. Under Labor the completion of our Energy Australia Stadium would have been supported, bringing jobs to our tourism and recreation sectors and giving our sporting teams a world-class venue in which to compete. Under Labor our GP access after-hours service would have had secure, long-term funding so that they do not have to go begging to the health minister every 12 months. But perhaps that is so the member for Paterson can announce every year a great saving, how he has saved a service that would not be there without him. Stop the nonsense and just assure them of some long-term funding. Under Labor our university, University of Newcastle, would have already had 40 extra medical places in place to train the doctors our region so desperately needs and would now be bidding for extra places in the latest round. Under Labor our university would have had its regional funding reinstated, putting back \$3.75 million a year, but this government has been ripping us off. Under Labor the review of cancer scanning would be completed—my goodness, I feel old just thinking about how many years it will be before we will get that review announced—and a decision would have been made on Medicare funding for the Mater PET scanner. After five years of Howard government dithering, we are still no further ahead.

Under this Howard-Costello budget none of those things have happened. Since the election, though, my Labor colleagues in the Hunter region and I have kept the pressure on the Howard government over these issues. But there is one member of parliament in our region who is not pulling his weight, and that is the Liberal member for Paterson. This is the MP who will not stick up for his region by advocating for these vital projects and other projects, like the proper resourcing of our Family Court registry.

So this budget is very hollow for the people of Newcastle and the Hunter region, just as it is very hollow for the rest of Australia. Like the Treasurer himself, this budget was all show and no substance. When the bells and whistles died down, there was an eerie silence, and that silence was the Australian people thinking, 'So what?' It was the Australian people thinking: 'They spent \$11.2 billion and what did we get? What has this government built that is actually going to last?' That goes to the heart of this budget. It is the Howard government finally giving up on even pretending that it cares about the future any further than just perhaps slithering through another election.

I think the government's confidence is slipping, though, and rightly so. The public are always providing a deeper test to this government than a one-year quick-fix budget can provide. They are perhaps measuring 10 years of performance. They must face their nightly news with such horror every evening. After four years we are still bogged down in Iraq, a war without end, it seems, while our region becomes even more unstable. The East Timor developments distress everyone. On top of West Papua, the Solomon Islands and unrest in Fiji, they certainly point to a strong failure in foreign affairs policy—and, one would think, a failure in intelligence as well.

But with my electorate I understand how political instability to the north of our country, in our own region, affects our nation. It tragically affected my community of Newcastle with the bombings in Bali in October last year. That reminded us that our emphasis should always be in our own region—and that is what our region keeps dragging us back to after neglecting the fundamentals, which unfortunately sees disasters recurring. It reminded us that sending Australian troops to Iraq never has, and never will, stop a suicide bomber on a beach at Jimbaran Bay. If anything, it increased that risk.

Even close to home it seems that the Howard government is a world away. I refer to those problems that are besetting our Indigenous communities. I do look at a possibly well-intentioned minister—and I am being generous—who seems to have just discovered the realities of Indigenous communities in isolated and regional Australia. I had the great privilege of going to Yuendumu last year as part of an inquiry. In visiting that community it was easy to be deceived. Male members of that delegation were deceived and came away with a very different view to mine. I had met with the women of that community. That community was very strongly taking social justice into their own hands by putting in place safe houses for women. When I asked, ‘Do you really need that barbed wire?’ they said, ‘We need it electrified, if we could.’ They know the realities and they are trying very hard. When they say it is a ‘dry’ community, it means that people drink 12 kilometres out of the township, and that means that people try to come into town. That is why you need a men’s night patrol that keeps the men under control and a women’s night patrol that gives protection and safety and takes women and children to the safe houses. That visit was for the Indigenous justice inquiry. I note that the government has put \$23.6 million extra into services. That will not be enough. The community was pleading for the full protection of Australia’s legal system as well as some understanding that they should be supported in domestic violence programs, in Indigenous legal services programs and in trying their methods as well.

When we look at mental health around this nation, we must look at 10 years of neglect. We hear our magistrates saying that the courts are being swamped. I will quote a lecturer of law at the University of Queensland, Tamara Walsh. She said, ‘There’s no doubt the courts are being swamped by mentally ill defenders. One in six will mention that they’re mentally ill, but the figure is much higher.’ Taking 10 years to discover that mental health has a social cost, a human cost and an economic cost is unacceptable in a developed country. It is appalling that this government has taken so long and has allowed things to deteriorate so far.

This government’s approach is to stand side by side with the President of the United States. The Prime Minister returned to announce that he wants to explore building nuclear power stations in Australia. That is another wasted opportunity while we watch energy efficiency and investment in renewables reduce in this country. What does George W Bush expect of us this time? That we are just a waste dump for the rest of the world? What role does he see us actually having?

It is hypocritical for the Prime Minister to promote nuclear power as long as it is dumped in someone else’s country. I certainly noticed that the member for Paterson, when his electorate was highlighted as a possible nuclear plant location, became very distressed indeed.

Mr Barresi interjecting—

Ms GRIERSON—Are you saying that the member for Paterson would love one? That is probably so. He does support nuclear energy—he is on the record as saying so—as long as it is not in his backyard. There are big national issues that the Howard government needs to start attending to before the rot continues further, particularly in foreign affairs and certainly in some of our social domestic policies and energy and water debates. It needs to look at how its policies of neglect have affected our local communities, but, after 10 years, it appears that it is too arrogant to even try.