

FEDERAL BUDGET

Statement

HON LOUISE PRATT (East Metropolitan) [3.52 pm]: I rise to express my disappointment in the federal budget.

Hon Norman Moore: Didn't you get a pay rise either?

Hon LOUISE PRATT: Indeed, I did. I did get a tax cut.

Hon Norman Moore: You can give it away if you don't like it.

Hon LOUISE PRATT: I would much prefer that the tax cut went to people earning less than, rather than those earning more than, \$52 000 a year. The federal Government and Treasurer have their tax cuts completely arse about in that sense.

Hon Bruce Donaldson: What about the superannuation co-payment and the family allowances given?

Hon LOUISE PRATT: I will go into detail on those aspects. The tax cuts ignore most ordinary workers in this country. I refer to sales representatives, shop assistants, labourers, technicians and nurses. Many people earning \$52 000 a year did not receive a tax cut. People earning \$1 000 a week receive no tax relief in this budget, although those people had their hopes raised by the pre-election comments that were bandied around. Eighty per cent of taxpayers are on the low tax rates of 30 per cent or less, although some of those people will move into the higher tax bracket. It must be remembered that, these days, all these workers and their families pay the goods and services tax. Since 1996 the average Australian household has been paying an extra \$9 000 in federal taxes.

Hon Peter Foss: Are you counting reductions in wholesale sales tax? It doesn't sound like it.

Hon LOUISE PRATT: The calculations I refer to are for \$9 000.

Hon Peter Foss: That leaves out reductions in wholesale sales tax and a reduction in prices, too. It's a bit simplistic, isn't it?

Hon LOUISE PRATT: The member cannot argue that the tax cuts in this budget have not been skewed towards the rich.

Hon Peter Foss: The rich!

Hon LOUISE PRATT: They are skewed to people who are richer than others in our community. I received a \$2 000 tax cut, and those earning less than \$52 000 a year got none. Hon Bruce Donaldson asked about improved family benefits and the like. Under the system, many families must predict their future earnings before lodging their claim for family tax benefits, and many of those families currently have debts to the federal Government. Up to 600 000 Australian families will not see that money, and may never see their lump sum payment because it will be eaten up immediately in paying debts to the federal government.

I am disappointed with the federal budget in that there is no allocation for the national dental program and there is no plan to save bulk-billing. Of particular concern to me is that there is no relief from university fees and higher education contribution scheme increases. The University of Western Australia has just increased its HECS fees. Many students who graduate from university will not earn \$52 000 a year.

Hon Peter Foss: Why do you make them pay guild fees?

Hon LOUISE PRATT: They have been confronted with considerable tax hikes in this budget.

Hon Peter Foss: Yes, guild fees included.

Hon LOUISE PRATT: I hardly think that is comparable with the increase in HECS debts that people will experience.

Hon Peter Foss: They didn't want to be taxed. You made them pay it so that they can be members of a union.

Hon LOUISE PRATT: There is a corresponding increase in services with the payment of guild fees.

Hon Peter Foss: No, there isn't. They are forced to join something they don't necessarily want to.

Hon LOUISE PRATT: The HECS debt is a burden on the student, when the federal Government should be making a greater contribution to students' education. I want to consider in particular the situation that junior employees might be in. Junior employees would have average weekly earnings of about \$384. They are a long way from earning \$52 000. Those young people are working to support themselves, pay off their HECS debt, potentially save for a house and put money away for the future. Housing affordability in this nation is at its lowest ebb in 10 years. More than ever first home buyers have been cut out of the housing market.

Hon Peter Foss: Partly due to your stamp duty. All the Labor people have stuck stamp duty on the buying of houses, and that has made it really expensive.

Hon LOUISE PRATT: I am very pleased to comment on the state budget as well. We have provided that tax relief for first home buyers.

Another item missing from the federal budget was funding for the pneumococcal vaccine. That vaccine should be freely available. The Government's expert panel, which is meant to advise the Government on the vaccines that should be made available, said that the vaccine should be made available along with the chicken pox and polio vaccines. This recommendation was before the Government and still it was not acted on. In the past handful of years about 150 children have died from this disease and many hundreds have been affected by it.

I will further touch on education. The 2.25 million young Australians in government schools will receive no new money beyond indexation in this budget. The country has forgotten children. Funding for government schools -

Hon Peter Foss: Is done by the States.

Hon LOUISE PRATT: Yes, but a contribution is made by the federal Government to both government and non-government schools.

Hon Peter Foss: The principal responsibility is with the States.

Hon LOUISE PRATT: The federal Howard Government has an unfair funding system for schools. Funding to government schools has increased by indexation, or 27 per cent, while funding to independent schools has increased by 47 per cent. We all know that the neediest schools in our community are overwhelmingly government schools, and they do not get the funding they deserve.

Hon Peter Foss: Why should they increase the funding for something that we are meant to fund?

Hon LOUISE PRATT: We do fund government schools.

Hon Norman Moore: Are you saying that they are not getting enough?

Hon Peter Foss: If the State is not giving them enough, you should give them more.

Hon LOUISE PRATT: Yes, we fund those schools to the best of our capacity. Why would the federal Government seek to intervene to increase the disparity in the school education system?

Hon Peter Foss: They are not even responsible for state schools; that is our job. Why on earth should they put anything at all into that?

Hon LOUISE PRATT: Okay. What if the federal Government took out all the funding and gave that money to non-government schools? Is that a good idea? I do not think so. Members should then think about the level of inequity in education there would be in this nation. If the federal Government has control of these funds, it should redirect them to state education.

This budget also fails the 20 000 eligible Australians who are turned away from university each year because the Howard Government has not funded enough university places. The Howard Government's higher education contribution scheme increases will now cost the average university student an extra \$25 a week, which is driving university students a further \$90 million into debt. On top of that, a 20 per cent penalty applies when they take out a loan to pay fees.

In conclusion, I am extremely disappointed with the way the federal Government has wasted an opportunity to provide an equitable outcome for our nation and for Australian families. I am looking forward to a change of federal government.