



Speech by

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ECONOMIC EFFECTS OF FEDERAL GOVERNMENT CUTS

Mr REYNOLDS (Townsville—ALP) (7.25 p.m.): Over the past two to three years the Federal Government's savage withdrawal of funding in the most critical areas of society has created poverty and hardship unheard of under previous administrations. Our success as a nation and as individuals is dependent upon a balanced and responsible approach to every aspect of Government.

This includes a strong focus on essential humanitarian services such as health, education, housing and child care. However, all of these have been callously decimated and disregarded by John Howard and his entourage in their relentless wooing of wealth and the pursuit of elitism. Not only has the Howard Government withdrawn funding in vital humanitarian areas, but service delivery in all of them has also suffered.

One typical means of short-circuiting service delivery is to set up one-off programs, leaving State Governments to maintain projects once they have been established. The Queensland Government is constantly striving against the ever-increasing tide of such discarded responsibilities in meeting Federal economic and service shortfalls.

The current child-care crisis is a perfect example of John Howard's total disregard for the majority of Australian families. He appears oblivious to the barrage of recent media coverage condemning the almost \$1 billion cut in Federal child-care funding, spiralling costs, resulting hardships and massive public outcry. Under his elitist regime which favours only the privileged, work force parents are being forced to seek dubious backyard child minding alternatives or leave their children alone and unattended.

The current chaos in the child-care industry has forced women out of the work force; children are being withdrawn from child-care centres; child-care centres are being forced to close; the quality of care is lowered as staff and services are cut and the welfare of children is being put at risk. The result is that those who are most affected are those who most urgently need assistance.

Of the \$1 billion cuts over the past two years, \$95m a year has been taken out of income-tested child-care assistance payments to working families. On average, the real out-of-pocket cost of long day care for these families went up by \$10 a week per child. Some were faced with as much as a \$30 per child per week increase. The Government has removed the operational subsidy for community-based, long day care centres, forcing them to raise fees by up to \$25 a week, just as assistance to families is falling. Children are being withdrawn from child-care centres with the result that parents, children and child-care centre operators all suffer.

The Howard Government is forcing centres to close, even where they are most needed. This especially applies to outside school hours care. Estimates are that one in five of these facilities will close. The Government has also abolished capital grants for new community-based long day care centres which were the chief tool for providing a balance of private and community-based centre care. In effect, it has completely reversed the efficient and compassionate system set up under Labor.

Unfortunately, it is the average Australian family—the bulk of the nation—who bears the brunt of the Howard Government's slash and burn approach. These days, families find the cost of health, education and child-care expenses are higher but they have less money in their pockets to meet these expenses. Howard's funding cuts to hospitals, child-care centres and schools, combined with a failure to

deliver job opportunities and decent wages, condemn many Australians to an increasing spiral of poverty and hardship.

The crisis in the public health system, created through an \$800m cut from the hospitals budget, gets worse day by day. The average family has also found private health insurance premiums have risen by up to \$5 per week. University fees have doubled and the number of places have been slashed by 20,000. This is a ridiculous situation. If children are not properly educated, they are unlikely to get decent jobs.

Housing policy—a crucial aspect of a compassionate society—receives scant attention from the Howard Government, except when it comes to slashing funds. The Commonwealth/State Housing Agreement is in disarray; \$50m has been cut from housing; rent assistance to the most needy has been cut off; buying a home is harder because of job insecurity; nothing has been done to stimulate the private rental market and urban planning and management has been totally abandoned by the Howard Federal Government.

The Howard Government has dismantled programs which stimulated research and export development in the housing industry. In the long run, these policies will not save public funds as the need for rent assistance will only blow out the social security budget.

While I am confident that the chances of re-election of the inept, irresponsible and uncaring Howard Government are slim, the social and economic costs of its regime to date can only be described as catastrophic. What is even more worrying is just how much more social and economic damage will be inflicted before the Howard Government is rightly thrown out.
