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## **An unfair budget and not a job in sight!**

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The Budget's ideological message is clear – further privatise spending through tax cuts rather than expand much needed public services.

The surprisingly high tax cuts are inequitably skewed towards high incomes and business. Average wage earners get \$6 weekly whereas someone on \$120,000 gets about \$90. Business also prospers from huge tax cuts.

Political scientists will note this beneficence directly panders to the Treasurer's key constituency in his aspirations for the top-job – the rich.

I just think it is bad economics and further entrenches Australia as an unfair society.

Australia's key problems are ignored. If skill shortages and infrastructure bottlenecks have to be ameliorated to underpin future prosperity then major public spending initiatives were needed.

The economy is faltering despite the resource boom driven by environmentally-unsustainable growth in China. While tax cuts are expansionary the growing surplus predictions indicate a continuing fiscal growth drag. Australia will continue to under-provide jobs. The growth estimates (3%) are too high. It will be closer to 2 per cent and all relevant data confirms that unemployment will start to rise well above the Budget estimates (5%).

Worryingly, the Reserve Bank is likely to interpret the tax cuts as inflationary and interest rates will rise.

The Budget's other big story is the plan to move more Australians from welfare to work. My take is simple – if you want people to work then there has to be enough jobs to go around. There are not!

The Treasurer, in denial about the lack of jobs, wants to force sole parents and people on Disability Support Pension (DSP) to increase their participation in the economy. The Budget is silent on how these people will find work and provides no job creation initiatives to ensure they can. Around 30,000 DSP recipients in the Hunter will be punished.

Hunter youth unemployment is a shameful 20% and 470 University staff are about to lose their jobs. We clearly needed jobs from this Budget. Instead there are more training courses and programs while Job Network providers get more power to punish those who fail their penurious activity tests.

The Budget contrast is that those required to fight among themselves for the scarce jobs will do it very tough while the wealthy will enjoy tax cuts and superannuation growth.

The additional child-care places while small are much needed – there is huge unmet demand. The Hunter is hugely disadvantaged in this area. Across Australia, there are 19 child care places for every 100 children aged 0-12 years while areas like Lake Macquarie, Port Stephens, Muswellbrook and Cessnock have between 7 and 11 places per 100 children.

The Budget is virtually silent on education and health despite a crisis in both in our region. The Budget fails to address the very low relative rates of bulk billing in the Hunter. Instead, it winds back the Medicare Safety Net and further disadvantages low-income families in the Region.

We needed a Budget that invested in job creation, public health and education. We got a Budget that continued to feed a Future Fund when those who are unemployed, sick and poor today need access to services and paid work. The Treasurer fails to understand that if you invest in the foundations of a good society today, the future will take care of itself.

Recent revelations that we imprison our mentally ill, force young children to spend all their formative years in detention prisons, and now even deport our own citizens suggest that harsh Government approach towards the disadvantaged. The Budget is just another part of this story. I don't like it a bit.