

**[\*\*\*CHECK AGAINST DELIVERY\*\*\*]**

**SENATOR THE HON NICK SHERRY  
ASSISTANT TREASURER**

**ADDRESS TO**

**ACROSS NATIONAL CONFERENCE**

**RYDGES LAKESIDE HOTEL, CANBERRA**

**26 MARCH 2010**

Good morning

First, I would like to acknowledge the traditional owners of the land on which we are fortunate enough to meet this morning, the Ngunnawal people.

I would like to thank Clare Martin [CEO, ACOSS] and everyone at ACOSS for the invitation to speak here today.

I would also like to acknowledge the presence my Parliamentary colleague Sussan Ley, the Shadow Assistant Treasurer.

Your National Conference is a pivotal annual event for the community and social services sectors and it's truly a great pleasure to be in a room filled with so many people who are as passionate, as I know you all are, about making a difference to the lives of those most vulnerable in our society.

ACOSS has a long history of advocating for a fairer, more inclusive Australia – that's something you should be proud of.

ACOSS is also one of the 23 foundation signatories to the National Compact with the third sector, launched just nine days ago by the Prime Minister – again, something to be proud of.

The *National Compact: working together* sets out how the Rudd Government and the sector want to work together and is an important step on continuing the path to rebuilding a new level of trust and positivity, something I think was seriously damaged over the previous decade.

Now, your theme today and yesterday is appropriately “A vote for equity”

It’s an interesting theme because in many respects that’s what the people of Australian did back in late 2007.

When they elected the Rudd Labor Government they chose a Federal Government that genuinely understands the valuable contribution you make to Australian society in a compassionate and practical way.

They voted for a new approach in which your core values – opportunity, justice and equity – had a renewed place at the centre of policy making and policy delivery.

Our values are your values, and yours are ours.

Now, what I thought I would do this morning – in the short time available – is to run through for you just how far we’ve come in the last 24 months and set a clear framework that will guide our thinking into the future.

### ***Economic adversity and recovery***

But before I do, I would mention that we – and that is a collective “we”, the Government, you in the sector and the communities we both serve – have achieved all we have in the face of great economic adversity.

The global financial crisis saw the global economy contract for the first time since the Great Depression of the 1930s.

Global economic forces have buffeted our economy and our revenue base. They've dramatically pushed up demand for welfare services and the need for support in the community.

But the Rudd Government intentionally crafted an immediate series of actions to ameliorate the worst impacts.

In the face of staunch opposition, we launched the \$42 billion National Building Plan in an effort to protect jobs and safeguard the economy.

As a result, Australia has fared relatively well.

The Government is most proud of what its stimulus package has meant for employment – Treasury estimates that it kept thousands of business in operation and more than 200,000 Australians in jobs.

This was vital.

We kept the economy growing and we kept people in jobs.

And having a job sits at the heart of social inclusion, of equity and respect in our lives.

That's 200,000 people who are better able to provide for themselves, reducing the pressure on social and welfare support provided by ACOSS organisations.

I'm proud we acted when we did and saved those jobs – I am sure you are too.

## ***Housing***

I don't have time to run through every aspect of what the stimulus achieved for those most in need, but I would point to one more example, and that's housing.

As part of the stimulus we've injected over \$5.6 billion into building 19,200 new social housing dwellings across Australia and to ramp up repairs to existing stock.

This is a massive investment for a sector that had seen resources cut year on year under the previous Government.

We've also established the \$1 billion National Rental Affordability Scheme to increase the supply of affordable housing by up to 50,000 dwellings.

And on homelessness we've embraced tough, specific goals on homeless reduction – to halve homelessness by 2020.

We've backed that up with action to ensure we get there – we've now got the National Partnership Agreement and an agreement by all levels of Government to spend \$1.1 billion over five years on support services.

So with housing what we see are real policies, being rolled out, being achieved in tough economic and budgetary times and we've done that all in just two years.

Compare that to what occurred in the previous ten years.

## ***Health reforms***

Another key reform area was brought further into stark relief this Tuesday when the Prime Minister and Opposition Leader debated health policy.

What we have on the table is the biggest reform package since the introduction of Medicare.

The reforms permanently establish the Commonwealth Government as the majority funder of hospitals; ensure our hospitals are run locally; and, provide funding to train a record number of doctors.

These reforms are essential for ensuring that we have an efficient health system – a health system that looks after people properly.

As Assistant Treasurer and with an eye to the economic benefits of social policy, I realise that a working health system not only improves people's lives, it also improves their participation and productivity at work.

## ***Indigenous Health***

Of course, a successful health strategy must include closing the gap in terms of health outcomes between Indigenous and non-Indigenous Australians.

According to the Australian Bureau of Statistics, the life expectancy of indigenous women is 9.7 years shorter than for other Australian women, while for indigenous men the gap is 11.5 years.

That's why, through COAG, \$1.6 billion over 4 years has been committed to closing the gap.

The Commonwealth's contribution of \$805 million is targeting chronic diseases which account for about two thirds of the health gap.

These recent investments equate to a 57% increase in Indigenous health funding across the Portfolio since the 2007-08 Budget – over half as much again is being allocated to close this unacceptable gap.

### ***Education Revolution***

Our Education Revolution will drive future economic growth and allow us to successfully respond to the emerging challenges.

And importantly, our Education Revolution is in line with our guiding principles of working to build an inclusive Australia.

For too long, education attainment for the children of poorer families has lagged behind those from wealthier families.

The link between education and lifetime earnings is undeniable and if we are to truly address poverty and disadvantage in Australia, education must include everyone.

This Government is committed to improving access to the education system – from early childhood education through to tertiary education.

Our first priority is early childhood development and a key plank of the Government's Education Revolution will be additional funding of nearly \$1 billion over the next five years for universal access to preschool for all four-year-old children.

By 2013, all children will have access to early childhood education, to be delivered by a four-year university trained early childhood teacher, for 15 hours a week, 40 weeks a year, in the year before formal schooling.

Our education reforms also include the largest investment in primary and secondary schooling in this nation's history.

Under the new National Education Agreement, the Commonwealth has committed to providing an additional \$1 billion in funding to government schools over five years.

The National Education Agreement will be supplemented with an extra \$1.5 billion in funding for low socio-economic status school communities.

The Government will also invest \$325 million over four years to reward tertiary institutions for attracting and retaining low socio-economic status students.

### ***A wide and active agenda for change***

So we've made major progress in protecting jobs and the economy, on housing and homelessness, on health outcomes for all Australians and on education.

We are also delivering on our commitment to introduce Australia's first paid parental leave scheme from the start of next year – not a scheme built on inequities and extraordinary welfare for the well-off.

And in revisiting these outcomes I haven't mentioned our substantial increase to the base rate of the pension, more assistance for carers or the appointment of a Minister for Social Inclusion in the person of the Deputy Prime Minister no less, among many, many other things.

But in coming back to my opening comments – we are acting in the spirit in which we were elected two years ago – we are making real and important changes based on a framework of opportunity for all, justice and equity.

This is the framework we share with ACOSS.

And it is this common framework that will guide us as we confront the big challenges ahead.

Last month, the Treasurer released the 2010 Intergenerational Report.

I'm sure many of you here this morning are familiar with the key challenges it charts for Australia.

It projects the number of Australians aged 65 to 84 years will more than double over the next 40 years and those aged over 85 will more than quadruple.

By 2050, nearly a quarter of Australia's population will be 65 and over compared to around 13 per cent now.

The funding pressures, particularly in the areas of health, aged care and pensions, are obvious.

These areas currently account for around a quarter of total Australian government spending – but that's projected to double by 2050.

Meeting this challenge will require policy reforms on a number of fronts, most importantly, tax, health and education – but again, we'll approach these challenges not forgetting the values we've spoken of this morning.

### *Tax reform*

On the note of what lies ahead, I know many of you here today are keen to hear more about the independent tax review, chaired by Dr Henry.

I know there has been extensive speculation on several issues of significant interest to you.

All I can say at this stage is that the Government is still evaluating the review and we will release an initial response by the time of the forthcoming Budget.

When we do release it, we will be encouraging a genuine national debate by approaching tax reform with an eye to the next decade and beyond.

But what I would add right now is that it should not be forgotten in the speculation on tax matters, that the Rudd Government has already delivered significant tax relief for low-income earners over the past two years and we will deliver further assistance from 1 July this year.

Low-income earners are being specifically assisted through annual increases in the Low Income Tax Offset.

As a result of these reforms, in 2010-11 a person on \$20,000 will receive an extra \$750 per annum compared with their income tax liability for 2007-08 (excluding the Medicare levy).

Similarly, a person on \$35,000 will receive an extra \$1,500 per annum.

These represent an income tax reduction of 56 and 33 per cent respectively – a great outcome for social equity and fairness.

### ***Conclusion***

To conclude I would take this final opportunity to reinforce my message this morning by pointing to the launch, in the last few weeks by Julia Gillard of the Government's Social Inclusion statement, in itself another important milestone.

It was called *A Stronger, Fairer Australia* and it encapsulates this Government's vision of a society in which all Australians feel valued and have the opportunity to participate fully.

As Julia said: "In a strong and fair nation, nobody is left behind."

We are working hard now through our tax, health and education reforms to lay the foundations to respond to the emerging pressures we will face as a community – and to make sure Australia remains strong and no-one is, indeed, left behind.

The Government is also working hard to build better and stronger relationships with the not-for-profit sector and the business community.

These relationships will be crucial in developing the policies to tackle our country's long-term challenges.

The Government is aware of the challenges and we recognise how important you in the third sector are in developing and maintaining a fair and functioning Australian society.

Thank you.