



Labor will look after your cash



Lindsay Tanner

It sounds a bit old-fashioned, but I really can't abide boasting.

In country Victoria, where I grew up, skiting was a serious social offence.

That's why I sometimes find Peter Costello a little hard to take.

If his description of his own performance is accurate, last week's Budget is a cross between the Ten Commandments and the Sermon on the Mount, and he's lining up for sainthood and a Nobel prize for economics.

As usual, there's a lot less to the Budget than meets the eye. It looked great on the night, but as people read the fine print, it started to fade.

Tax cuts are welcome, and for once they're not going mostly to high-income earners.

It's amazing what an election can do. An extra \$16 a week for the average worker will help, but with the cost of many basic items rising, it's hardly a bonanza.

And the tax cuts are largely about giving back money that inflation takes by pushing people higher up the tax scales.

It's also good to see John Howard belatedly discovering

higher education. After years of bashing universities as havens of elitist snobs and starving them of funding, he's finally got around to doing something.

But, once again, it's not quite as grand as it sounds.

His \$5 billion endowment fund will provide an extra \$300 million a year for our universities. That's about \$8 million per university.

Every little bit helps, of course, but when it costs \$100 million plus to build major university facilities, it's hardly earth-shattering.

The proportion of government spending devoted to education is actually going to fall over the next few years.

The mining boom is showering the Government in money and they're spending the lot, and while there are plenty of goodies for the short term, there's not much for the long term.

That's probably not surprising, because John Howard is nearing the end of his career. He doesn't have a long term.

In his Budget reply speech, Kevin Rudd made no attempt to compete with John Howard in the giveaway stakes. He set out a sober, responsible agenda to tackle the longer-term challenges facing Australia.

UILDING better workshops in schools that give kids who don't want to go to university a chance to develop valuable skills.

Teaching Asian languages to help us do business in our region. Cutting red tape that throttles businesses. Fixing

our creaking water infrastructure in our cities and towns, to help deal with the threat of climate change and drought.

No one will get a cheque from the commitments Kevin Rudd made last week. Taxes won't go up, either.

We've learned some hard lessons over the years. One of those lessons is that no matter how much people cheer individual items of government spending, more than anything they want a strong economy and sound budget.

The temptation to make big-spending promises is always very strong, but it has to be resisted.

It's vital we invest for the future, because one day the good times will end. If we live it up now and neglect the future, our kids won't thank us.

The cautious economic management that Steve Bracks and John Brumby provide at the state level shows how Labor should govern.

They provide a stable economic environment with smart intervention by government to assist business. That delivers the economic growth and strong revenues to also do good things in education and social welfare.

And that's how Kevin Rudd intends to govern nationally.

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