



**DEBATES**

OF THE

LEGISLATIVE ASSEMBLY

FOR THE

AUSTRALIAN CAPITAL TERRITORY

**HANSARD**

3 April 1990

**Tuesday, 3 April 1990**

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**Tuesday, 3 April 1990**

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**MR SPEAKER** (Mr Prowse) took the chair at 10.30 am and read the prayer.

**SUSPENSION OF STANDING ORDERS**

Motion (by **Mr Humphries**) agreed to:

That so much of standing orders be suspended as would allow the Leader of Opposition speaking for a period of time not exceeding 41 minutes.

**BUDGET STRATEGY STATEMENT**  
**Ministerial Statement and Paper**

Debate resumed from 29 March 1990, on motion by **Mr Kaine**:

That the Assembly takes note of the papers.

**MS FOLLETT** (Leader of the Opposition) (10.32): I thank the Assembly for giving me the opportunity to respond. Mr Speaker, the statement made by the Chief Minister last Thursday was one which all Canberra had waited for with great anticipation. This was, after all, to be a momentous occasion - a statement so important that it was the first initiative announced by the Chief Minister when he outlined his Government's objectives and program in this Assembly on 7 December 1989.

At that time we heard talk of "a comprehensive five-year financial plan, clearly spelling out to the community the Government's priorities and intentions"; talk of an economic strategy. But I would ask, Mr Speaker, what has this Government given to the people of Canberra? No more do we hear talk of comprehensive financial plans. In fact, the closest we have come to a five-year analysis is the standard three-year forward estimates - estimates necessarily based on a no-change scenario.

The statement that Mr Kaine has presented to the people of Canberra is a thinly-veiled ideological attack on the public sector. It is an attack on the lifestyle of the people of Canberra. What we are looking at is across the board budget cuts. The Chief Minister said, "No sector of government operations is being spared".

Mr Kaine's statement leaves no doubt that the so-called "Alliance" is in fact an ultra-conservative, capital "L" Liberal Government. Where is the Rally's call in 1989 for

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increased expenditure, at least on education? Where is Mr Duby's impassioned call last year for an expansionary budget achieved by borrowing an extra \$100m or so? Last year's rhetoric by the Liberals' junior partners has been silenced without a struggle, and I notice that neither Mr Collaery nor Mr Duby is here in the chamber today.

Mr Speaker, it is quite clear that with continuing tight Commonwealth financial policies the ACT is facing a difficult financial time. It was my realisation that we face these difficult decisions which convinced me of the need for the people of Canberra to have a say. It is a major reason why I supported not only self-government, but also open, accountable self-government. I believe that the people of Canberra should have a say in the decisions which affect them.

This is apparently not the view of the Chief Minister and his look-alike partners. They have entered politics simply to exercise power, not to work for the people. What consultative processes are mentioned in the budget strategy statement? There are none. The word consultation is mentioned only once, and then in the context of consultation on the implementation of the Government's predetermined plan. The closest thing this Government has come to consultation is the establishment of the Priorities Review Board. This is consultation the Alliance Government way - a few business mates behind closed doors.

Mr Speaker, setting Government priorities cannot be done solely within an accounting framework. Government is about people. It is about reflecting the wishes of the people. But how can you expect a group of people who so poorly reflect the make-up of our community to reflect that community's views? The Kaine approach is simply an exercise of conservative paternalism. The bosses know best.

The only other outside influence in this Government's budget process is the Grants Commission, whose findings are being used selectively to support conservative ideology. On those rare occasions when we do hear the word consultation spoken by this Government, it does not mean involvement in decision-making, but consultation on the implementation of decisions passed down from on high. Consultation only on the implementation of government decisions and not on the decisions themselves is a cop-out - a cop-out by a Government which has lost touch with the people.

The budget statement made by Mr Kaine talks about the need for cooperation from all sectors of the community. But how can you expect cooperation when there is no involvement? The Kaine budget process is a recipe for confrontation.

Mr Speaker, last year in the run up to the election, I adopted a revolutionary approach to budget development. This process involved the release of detailed budget

proposals, which in many ways amounted to an entire budget, for public comment and consultation prior to the formal budget. I will not say that this process was flawless. I will say that it was a first step towards giving the community some real input into decision-making.

There was one major difficulty in our budget process last year - the timing of our Government coming to office prevented a consultative process prior to the release of the initial budget statement. Mr Kaine faced no such difficulty; he had ample time to consult, yet he chose not to do so.

The ACT budget directly affects the lives of the people of Canberra. It affects them at least as much as the Federal budget. It determines the type of education our children receive, the type of public health system we have, and the whole range of municipal services provided. People have a right to have a direct say in decisions which affect them directly - not once every three years at elections, but continually while the decisions are being taken.

The Government needs to discuss with the users and providers of public services their needs and their expectations. This type of community involvement is not only the right way to go, it is the only way to go. Particularly when a government wants to make massive changes, as this one does, effective consultation is the only way to achieve community acceptance of decisions which fundamentally affect them. Government by edict is no longer acceptable to the people.

Let us take a look at the Chief Minister's statement, this so-called budget strategy. I submit that there is no strategy. We have been given some indications of what is in store. We know that health expenditure will be cut by the Alliance Government. We know that education expenditure will be cut. We know that TAFE expenditure will be cut. We know that municipal expenditures will be cut. We know that the Alliance Government will introduce across the board cuts. That is hardly news.

Mr Speaker, the people of Canberra did not require a budget strategy statement to know that the Alliance Government was going to attack the public sector. Since its cynical power grab in December last year, it has talked of little else. What many of us expected in the Chief Minister's budget statement was at least a little bit of detail, some idea of precisely what was in store. What we have seen instead is a classic example of political kite flying.

The Chief Minister has indicated that there will be expenditure cuts between \$27m and \$37m, but the details of how this is to be achieved are scant. The Chief Minister spoke of savings through hospital restructuring, but already the shadow health Minister has shown that the Government's figures are rubbery at best, if not intentionally misleading. The people of Canberra are

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starting to realise why Royal Canberra Hospital is being closed. Statements by Mr Kaine's business mates are making that clear. The Liberal Alliance wants to give Acton Peninsula, a community asset, to the property developers.

There is vague talk of school closures, and I warn Mr Kaine to tread very warily in this direction. Our neighbourhood school system has produced a sense of community surrounding the local school which does not exist elsewhere. The closure of a school is not simply an education decision; it is a community decision.

The Chief Minister also talks of "substantial savings" being required from TAFE, some of which are to be achieved by reducing the number of courses. The details of all of these cost savings are to be worked out by the Priorities Review Board. It is this group rather than the community who will be determining the quality of public health and education. It is this group whom the Government will be consulting about public sector priorities. Yet this group includes no public sector representative, no work force representative, no community representative. Mr Speaker, I reject that approach.

I have said much over recent months about the need to have a balanced approach to the budget - the need not only to look at the expenditure side of the ledger, but also at the revenue side. The Chief Minister usually only talks about expenditure cuts. Whenever he talks of the Grants Commission assessed overfunding, he talks only of overspending. The Chief Minister appears to be determined to mislead the people of Canberra. The fact is that the Grants Commission found that some 40 per cent of our assessed overfunding related to a less than standard revenue effort.

Why is the Chief Minister blind to this aspect of the Grants Commission's work? It is obviously not because he is concerned that the average citizen is suffering under too high a tax burden. In fact, there is only one occasion in the entire budget strategy statement where the Chief Minister indicates that a tax increase is in store. And where is that? It is the tax which most directly affects the average citizen, municipal rates.

During the election last year, both Mr Kaine and I gave a commitment that we would not increase rates in our first term. I stuck by this commitment by simply indexing rate revenue after the property revaluations last year. Mr Kaine, on the other hand, has wasted no time in indicating that he has no intention of doing the same.

The Chief Minister couches his comments in terms of some artificial distinction between municipal and Territorial expenditure. That may be a useful accounting distinction, but it serves little other useful purpose. It is in fact just another flimsy excuse for yet another broken promise.

Our expectation, however, should not have been high. We just need to look at where the Grants Commission states that our revenue effort is lacking. It is on land taxes, payroll tax and stamp duties. The Chief Minister is committed to implementing the Grants Commission findings on expenditure and remains determinedly blind to its findings on the revenue side. And why is that? Because to act on these findings will affect the profits of the Government's business mates. No matter how much the Chief Minister wraps up his package in the discredited supply side economics of Thatcher and Reagan, his bottom line is that he is willing to let the household ratepayer subsidise ACT businesses.

As I said earlier, there is little strategy in the Kaine approach, only ideology. It is clear from reading the statement that the approach which Mr Kaine intends to follow is the true conservative approach. This is an approach which has been rejected by the people of Canberra at election after election, but one which will now be forced upon them by this two-year interim Government.

The Liberal philosophy comes across clearly. It says government is a business and should be run as a business. Privatisation is the theme of this strategy. Privatised education, privatised health and privatised transport.

Mr Speaker, I believe that government is about providing services to the whole community. This Liberal Alliance believes that government is about providing services to those who can afford to pay. What is required is an approach to Territorial budgeting which reflects the needs and aspirations of the community. Territorial government is, after all, primarily about the delivery of services.

As I have said earlier, in order to reflect these needs and aspirations, the budget must be formulated from the grass roots up, not delivered down by edict. It is not my wish to pre-empt such community views. What I do want is to prevent the destruction by this Government of so much that is good about Canberra.

Most fundamentally, I do not believe that Canberrans will accept a reduction in the standard of our education system. I am not saying that our system is perfect. It is clearly not. But changes should not be based solely on economics and accounting. If the budget is the sole determinant of our education system, then we will end up with a second-class system. Other parts of Australia see our quality of education as something to strive for. Why does this Government seem so intent on meeting them half way?

After the completion of last year's budget process, my colleagues and I came to the firm conclusion that further expenditure savings in public education were not possible without an unacceptable reduction in the standard of services provided. I cannot support the cuts which Mr Kaine now contemplates.

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In terms of the Public Service as a whole, I accept that restructuring is required; efficiencies can be achieved. But the aim should not be to bring in some private sector consultants to show us how the public sector can be run on a more commercial footing. Private sector management techniques do not necessarily translate well to the public sector. In general, there is no innate reason why public sector activities would operate efficiently if private sector management practices were introduced.

I believe that restructuring and efficiencies can be achieved, but not by simply giving higher salaries to senior executives and performance-based pay to everyone else. What is required is an increase in the non-pecuniary rewards from work. There must be a major delegation of power within the workplace. We must see a change so that the people doing the work have a real say in how that work is done. Like all other decisions, efficiencies should not be imposed but negotiated. That does mean that change will take time, but it is the only way to ensure that the changes and resultant efficiencies are sustainable.

I accept that the ACT is facing a period of tight finances. I accept that this will require a tight rein on spending. But spending cuts should not stand alone. A balanced approach to financial adjustment is required. We need to look at the revenue side of the ledger as well, as I have said. This was the approach being taken by my Government last year.

One of our proposals was a business franchise fee on the X-rated video industry. We all know that this proposal was rejected by the Assembly. However, I would just like to point out that if that tax had been passed, it would have financed the entire cut to education that the Chief Minister appears to be proposing this year - and all of this through a tax paid overwhelmingly by non-ACT residents.

Thus, on the one hand we tried to be innovative in revenue raising, and on the other we were trying to improve the effectiveness by which existing taxes were being collected and address some of the Grants Commission assessed problems. Every one of these revenue proposals we introduced into the Assembly was opposed by the Liberal leaders of this current Government. Their statements since seizing office have further indicated that they have no intention of pursuing a balanced approach.

The Budget statement itself clearly alludes to the Government's removing some of the tax reforms that we introduced last year. More expenditure cuts are all we hear. As I stated earlier, we should not look at the budget as simply an exercise in accounting, but nor should we look at it as solely a service delivery exercise. The budget also affects the performance of our economy.



Tight Commonwealth fiscal policies and the downturn in construction are having a dramatic effect on the ACT. Our economic prospects are not good. Is it reasonable to compound the difficulties with excessive cuts of our own? I think not.

In delivering the budget last year, I said that our selective savings and revenue measures were part of a strategy of transition to State-type funding levels. I envisaged that transition as a gradual process of adjustment that would take some years - a transition that would continue after the Commonwealth financial guarantee ends. My attempt to manage a gradual transition with the least possible impact on the Canberra community stands in stark contrast to Mr Kaine's short, sharp attack. The sudden and massive cuts which he promises will destabilise our economy and devastate our community services.

Mr Kaine talked about how his policies would produce 3,000 new jobs per year in order to prevent an increase in unemployment. He said this would be achieved by providing the right environment for private sector job creation. Well, I ask Mr Kaine to tell me how this will be achieved, given that he is proposing to cut somewhere around 1,000 ACT government jobs per year. That means he will require private sector employment growth of at least 4,000 jobs per year, without even considering the flow-on effects of his public sector cuts.

I do not believe that Mr Kaine can achieve this type of job growth with contractionary policies. We must look at the demand side of the economy as well as the supply side. This is just another small hindrance to his ideologically based approach to attacking the public sector and protecting his well-off mates. I do not accept that these archaic economic policies are responsible and I believe that the people of Canberra will reject them as well. We need economic policies which will not only stimulate job creation, but will also help us ride out the rough patches in our economy, such as the one we presently face.

Mr Speaker, this budget strategy is not a budget strategy for the people of Canberra. It attacks a great lifestyle which people want protected. This approach will not be accepted by the people of Canberra. The strategy has no balance. It is based on blind ideology. It is an attack on those least able to defend themselves and it protects those most well off. It is, in fact, a true Liberal Party strategy.

The outcome of Mr Kaine's budget approach is all too clear. More Canberra people will face poverty. More Canberra people will find work impossible to come by. More will have to take out private health insurance. More will choose to send their children to private schools because of the uncertainty in the government school system. On top of that, we will face rate rises as well.

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This is the fait accompli that the Chief Minister is attempting to impose on the people of Canberra. He then says that he will consult with the community on its implementation. This is not open government. It is the unashamed abuse of power. I reject that approach, just as the people of Canberra will in time reject this Government.

Debate adjourned.

#### **DAY OF NEXT MEETING**

Motion (by **Mr Humphries**) agreed to:

That the Assembly, at its rising, adjourn until Tuesday, 24 April 1990, at 2.30 pm, unless the Speaker fixes an alternative day or hour of meeting on receipt of a request in writing from an absolute majority of members.

**Assembly adjourned at 10.54 am until Tuesday, 24 April 1990, at 2.30 pm**

**ANSWERS TO QUESTIONS**

**MINISTER FOR HOUSING AND COMMUNITY SERVICES  
LEGISLATIVE ASSEMBLY QUESTION  
QUESTION NO 104**

**Public Housing Waiting Lists**

Ms Follett - asked the Minister for Housing and Community Services - on 29 March 1990:

- (1) At 5 December 1989, how many persons were registered on the waiting list for each of the following categories of public housing: (a) bedsitters, (b) 1 bedroom flats, (c) 2 or more bedroom flats, (d) 2 bedroom houses, (e) 3 bedroom houses, (f) 4 or more bedroom houses, (g) aged persons' units, and (h) each other category, including special programs, for which separate waiting lists are kept.
- (2) How many persons in each category at (1) above were considered to be priority applicants.
- (3) What was the estimated waiting time for (a) applicants and (b) priority applicants joining the waiting list at 5 December 1989 for each of the categories outlined at (1) above.

Mr Collaery: the answer to the Member's question is as follows:

- (1) (a) 202  
(b) 900  
(c) 672  
(d) 531  
(e) 1058  
(f) 195  
(g) 594  
(h) No other separate waiting lists are kept.
- (2) (a) 0  
(b) 12  
(c) 20  
(d) 13

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(e) 40

(f) 9

(g) 0

(3) Waiting times for applicants;

(a) 4-6 months

(b) 30-36 months

(c) 6-18 months

(d) 24-30 months

(e) 12-18 months

(f) 12-24 months

(g) 24-60 months (one bedroom garden flat)

18 months (two bedroom garden flat)

Waiting times for priority applicants;

(a) Approx 6 weeks

(b) 8-12 weeks

(c) 6-8 weeks

(d) 6-8 weeks

(e) 6-8 weeks

(f) 6-8 weeks

(g) 2-6 months (one bedroom garden flat)

2-6 months (two bedroom garden flat)

**APPENDIX 1 - (Incorporated in Hansard On 29 March, 1990 at page 1070)**

**THE CANBERRA TIMES - 29 MARCH 1990**

**Concessions  
on trains**

*Received March 26*

RESIDENTS of NSW who are 60 years of age or more and not engaged in full-time employment and not a holder of a TC 1 (traveller's concession) card issued by the Department of Social Security or the Department of Veterans' Affairs eligible for a Concession Authority card which entitles them to Pensioner Excursion Tickets and half fare on the SRA and various other govt services.

ACT residents are not allowed this concession eVen though we use the SRA trains etc.

Queanbeyan "concession" travellers pay \$27.70 while Canbern residents, a few kilometres away, have to pay \$55.40 for a return rail ticket to Sydney. Is this fair'?

In spite of repeated request to the local Assembly and Members of Parliament, nothing has been done to rectify this obvious injustice.

J. P. WILSON  
Turner