



Legislative Council

BUDGET ESTIMATES AND RELATED PAPERS

21/10/87

Financial Year 1987–88

Extract

The Hon. A. B. KELLY [2.42]: Mr President and honourable members, may I first express my gratitude to all of you, on both sides of the House and on the crossbenches, for the courtesies and assistance extended to me since I took my oath of allegiance last week. The cordiality with which I have been received has made this a very pleasant rather than a daunting experience. I would also like to thank the parliamentary officers, the staff, for their assistance and obvious efficiency.

I wish to acknowledge the support and direction given to me by my family, stemming back to my grandfather, who was president of the Wellington branch of the Australian Labor Party for some twenty-five years; my late father, who was a member of that party; and my mother, who continues to be a member of our great party. I would also like to acknowledge my father-in-law, Reynold Toyer, who was mentioned here yesterday by the Hon. Beryl Evans. He has been a stalwart of our party in the Central West for some thirty years, and has been a candidate for the State seat of Burrendong on two occasions. I should also acknowledge that without doubt it was the Christian values of these members of my family that has instilled in me a sense of concern for my fellow man, which naturally directed my preferences to the Australian Labor Party, as did my schooling at St Mary's convent school, Wellington, and St Stanislaus's College, Bathurst, a school which I also understand was the Alma Mater of the Hon. John Matthews. I should also acknowledge the effect of the events of November 11th, 1975, which convinced me of the need to be involved personally in the direction of this State and nation. These events caused me to take steps to join the party and become involved in its organization.

Mr President and honourable members, it is my intention to mention some of the items in the Budget briefly, as they are many in number. And you will see from the items that I cover that I am unashamedly a bushie. I believe that my party's nomination of me to fill the vacancy created by the Hon. Peter Watkins' resignation shows its commitment to country New South Wales, and this is further evidenced by the fact that my party now has more rural based members of the Legislative Council than both the Liberal Party and the National Party combined.

Having worked for some twenty years at Wellington shire council and until recently as that council's accountant, and having qualified through Mitchell College of Advanced Education at Bathurst as a town and shire clerk, and further being a member of both the Municipal Employees Union and the Town Clerks Society, I believe that my first remarks should be directed to areas of concern for local government. Any rural based member will know of the importance of roads to country people, and whilst it is not a great vote catcher and consequently often forgotten by politicians, it is one of those back-to-basics, bread and butter issues. So I have been pleased this week to be able to announce generous grants for road maintenance as part of the Budget to my home electorate of some \$4 million. And this included a 10 per cent increase in grant to Orange city council, a 9 per cent increase in grant to the Wellington council and in excess of 40 per cent increase to Cabonne shire council, whilst neighbouring Dubbo city council received a 24 per cent increase and Mudgee received 29.7 per cent increase in grant.

Funding for these items, I am sure, exceeds the increases in the consumer price index. Again all councils in our region will be pleased to learn that \$874,000 has been allocated in this Budget towards a program of \$1,127,000 to construct replacement bridges and approaches over the Cudgegong River at Guntawang and Yamble on the Gulgong-Parkes Road. This road is the main road access to the Newcastle area and port for Western and Central Western producers and has been a bone of contention for as long as I can remember. Those of you who have had to travel along that road will know these two not by their names but by the fact that they are single lane bridges. Whilst I mention our access from the Central West to the Newcastle area, perhaps I should also digress for a moment to mention that country people are very thankful for the tens of millions of dollars that have been spent on the railway in recent years in our area, particularly

the completion of the Sandy Hollow-Gulgong rail link as far as freight is concerned and also obviously the expenditure of the Government over recent years providing XPT services for passengers.

Of significant assistance to local government in this Budget is the \$1.6 million reduction in valuation fees payable to the Valuer-General by local government in New South Wales. One of the most annoying government charges on local government are valuation fees charged whether the service is utilized or not. Significant also is the 10 per cent increase in the allocation to councils for libraries in New South Wales, which includes \$2 million in special grants to disadvantaged areas. Most country councils are heavily involved in tourism, as they recognize the fact that during the ebbs and flows of the rural economy the tourist industry has a beneficial effect and impact on the economic viability of our towns, and maintains employment. Accordingly, I am delighted to see that the Government has increased the allocation to the Tourism Commission by some 33 per cent, giving a total grant of \$23.7 million. Included in that figure is an amount of \$10.7 million for promotion, which incidentally is an increase of 37 per cent.

My local council operates a very successful tourist department, with three tourist staff, a cave, a caravan park, and a low cost holiday accommodation units section. It eagerly awaits installation of the new computerized sales and information system announced in the Budget.

Having been a member of the Orana Industry Development Board since 1979 and chairman of that board since 1982—a board which comes under the auspices of the Hon. Peter Cox, M.P., Minister for Industry and Small Business and Minister for Energy and Technology, and covers an area in excess of 24 per cent of this State—I believe it is my duty to acquaint honourable members with the concerns of the country people in this area. A former member of this board and the owner of a business employing some 300 people in Dubbo, Macquarie Publications—which incidentally is the fourth largest magazine publisher in the Southern Hemisphere—has always impressed upon me that the best incentive that any government can give to small business is through payroll tax rebates. These rebates are of great benefit to employment in country regions, and I note with pleasure that this Government has continued them in this Budget to the extent of \$16.5 million.

I am also pleased to learn, as are small businesses not only in the country but also their city brothers, that the base exemption level for payroll tax has been lifted from \$300,000 to \$400,000 and that there has been an increase in the top of the taper from \$500,000 to \$1.4 million. This will be at a revenue cost this year of \$42 million, and in future years \$100 million. More importantly this could be viewed as a direct injection of some \$100 million into the small businesses of this State. I might also make the point that this does not only affect small businesses but also country local government, as local government councils pay payroll tax on their other funds—for example, water, sewerage and gas funds, as well as on cemetery or any other so-called trading operations.

The lifting of this threshold, in conjunction with movement in last year's Budget, will mean that many local government councils will no longer pay payroll tax. I use again my former council as an example. Last year it had budgeted for \$10,000 in payroll tax and now will not pay any. That sum represents almost 0.5 per cent of rates received by those funds in total. Obviously that is a great boon not only to the councils but also to those who pay those rates.

The assistance given by the Department of Industrial Development and Decentralization to country businessmen is significant, with officers in eleven regional centres throughout the State. Now, through this Budget, an amount of \$4.1 million has been allocated to implement the National Industries Extension Service, or NIES. At the launching of the NIES scheme in Albury earlier this year, the Minister, the Hon. Peter Cox, stated that manufacturing industries, particularly in rural areas, stand to gain most from this service.

I should also mention that country people believe that the small business train is an excellent method of disseminating information to country small businesses, and that more than 25 000 people have already visited it, some 3 000 of them coming from Dubbo. In Mudgee on Monday of this week numerous people told me they thought it was a great service and that it is a shame that it had been politicized as it had been recently.

Obviously further support for New South Wales small business is achieved by increased staffing levels in the Department of Industrial Development and Decentralisation, with some twenty-three new positions announced just prior to the Budget and a further eighteen allowed for in this Budget, giving a total increase of forty-one positions in all. Close to my home and near Gulgong and Mudgee is situated the Ulan coalmine which, I am told by Jon Turner, the Manager of the mine and member of the Orana Industry Development Board, is rated as the most efficient mine in Australia, and the fourth most efficient in the world. The mine management advises me that relations with their employees and the union are excellent and that they have no complaints whatsoever regarding restrictive work practices. The employees have, in recent times, voluntarily reduced their productivity bonus by half, thus contributing to reducing costs. They are, however, in financial trouble due to the world price reductions for coal and increased competition from a lower than anticipated market. As this mine employs over 400 people, I am pleased to see that this Government has included in the Budget a package of concessions to the coal industry of \$82 million in the 1987-88 financial year.

I turn now to the Australian Labor Party's continued commitment to rural people and in particular to agriculture. Leaving aside on this occasion the great work done by the former Labor Premier, the late J. B. Renshaw, who incidentally was the only other politician born in my home town, I would like to briefly mention the formation of the Soil Conservation Service. When legislation was brought before this Parliament for the introduction of the Soil Conservation Service by the United Australia Party coalition Government in 1938, it was supported by the Labor Opposition and opposed by the Country Party. The bill was passed, and some three years later one token soil conservation research station was opened in Cowra. In that year, 1941, Sir William McKell led the Labor Party to victory and immediately proceeded to establish five more research stations. One of those is in Wellington. I am pleased to see this Labor Government's continued commitment to these matters in this Budget, which allows for the completion of a regional workshop at the Wellington station to maintain the soil conservation plant operating in the region stretching from Lithgow to Gilgandra and from Coolah to Condbolin.

The Government's allocation of some \$461 million to agriculture—an increase of some 18 per cent—in this Budget further proves the Labor Party's continued commitment to agriculture. As the owner of an irrigation property on the Bell River Flats in Wellington, I commend the Government for its work and support for the Murray Darling Basin, which for those of you who are not familiar, extends from southern Queensland, through New South Wales, to Victoria and South Australia. After some twenty years of work, the governments of New South Wales, Victoria and South Australia, and the federal Government are finally working in unison on the problems of the basin, and last year formed the Murray Darling Ministerial Council. This council immediately put their shoulder to the task and formed a community advisory committee, on which I serve as a regional representative. The aim of the council is to solve the immense problems of salination and degradation in the basin, exacerbated to a large degree by poor farming practices. The council has commissioned various studies which are now being finalized, and has proceeded to the announcement of the formation of a Murray-Darling Basin Commission, a decision applauded by most people involved in the industry.

Earlier this year I was selected to travel to the United States of America as part of a political exchange delegation between the Australian political exchange program and the American council of young political leaders. This delegation comprised members of the four major political parties. One thing that I became aware of was the devastating effect that enormous subsidies to inefficient farmers is having on their own farmers. Each taxpayer in the United States reportedly contributes on average an amount of \$700 per annum to farm subsidies. One farmer in particular last year received in excess of \$25 million in subsidies under the United States farm bill from the United States Government. President Reagan has realized that the country can no longer afford such subsidies and has vowed to eliminate them over the next twelve years. However, most observers believe that they cannot afford to continue for that long because President Reagan now has a deficit of \$240 billion, compared with a surplus of \$160 billion when he took office. It is my belief that these excessive subsidies have allowed many American farmers to continue to operate uneconomic farms and conversely, when these huge subsidies in the United States of America and the European Economic Community are discontinued, which they will be, the Australian farmer will emerge triumphant, having been conditioned to operate more efficiently and to survive in leaner times.

This trip also afforded me the opportunity to compare those back-to-basics issues such as law and

order, education and health, between the two countries. I returned with a deep commitment that our standards in these areas must be maintained at all costs. This year seven people died on the Los Angeles highways, not through car accidents, but due to gunshot wounds. This is because guns are freely available and carried by many people. Thus, when emotions run high, some settle their differences with whatever means are at their fingertips. The Texans could not understand why we could not bring back to Australia Smith and Wesson revolvers and M I6's which were offered to us as gifts. I am pleased to see that this Budget continues the Government's thrust against lawlessness and includes measures which will effectively put 1 000 extra police on New South Wales streets, and that overall there is a 13 per cent increase in the Budget allocations in the law and order sector. The vast differences in the standards of education in the public schools in the United States of America, because they are not effectively funded by State governments but rather by local taxes which vary according to the wealth of the area, astonished all members of our all-party delegation; as did the cost that each student has to be able to provide to go to university, an amount in the order of \$35,000. As I said earlier, I returned to Australia with a personal commitment to see that our system is maintained, and I am therefore pleased to see an increase of \$126 million in recurrent funding for education which includes a 13 per cent increase for technical and further education and allows some relief from face-to-face teaching for primary school teachers. The Budget also allows for an 11 per cent increase in capital funding for education.

Similarly, the ability for anyone in this country to receive good health care regardless of their financial status is something that is just not available to United States citizens. Some two-thirds of Americans can afford health insurance, the rest are not covered. Consequently, when hospital costs can amount to \$10,000 per week, effective health care is out of the reach of many. Again I notice that this Government has increased the recurrent health budget by 9 per cent and the health capital works budget by some 14 per cent. Education and health account for almost half the State budget, an amount which seems massive but, having seen the alternative, I believe the expenditure is justified. Bearing in mind these foregoing comments, I wish to support this Budget as proposed. In conclusion, I would take this opportunity to recall to those present the concluding remark of a man who has contributed enormously to the affairs of this State in the last decade. In his maiden speech to this Chamber the former Premier, Mr Neville Wran, said:

I thank you, Mr President, and Honourable Members, for the indulgence I have been afforded in my being allowed to address you without interruption—an indulgence I know I shall not receive again.