



Legislative Council

Budget Estimates And Related Papers

13/11/91

Hansard

Extract

The Hon. E. M. OBEID [8.15]: Allow me in my opening remarks to state that I am glad to be representing the Australian Labor Party in this historic Chamber, the mother of all Australian Parliaments, to serve the people of New South Wales. I am also deeply conscious of the traditions of this House of review and look forward to participating in its affairs. Madam Deputy-President, I would like to thank you personally, the President and all honourable members present for the warm welcome extended to me. I also express my appreciation to the Clerk of the Parliaments, Mr Evans, and all of the parliamentary staff members with whom I have come in contact, for the courtesy, co-operation and assistance that has been extended to me since my entry to the Parliament in September.

I also take this opportunity to congratulate those fellow members on both sides of the Chamber who have made their maiden speeches during this historic sitting of the Fiftieth Parliament. And I wish to acknowledge those people who have encouraged, guided and supported me privately and publicly. I especially want to acknowledge the role of my wife, Judy, and our nine children. Without them and their love, support and encouragement I would never have achieved what I have to date in my life. To my family, particularly my sister and brother-in-law, May and Vince Schibaia, my father-in-law and mother-in-law, Joseph and Martha Abood, and to friends, many of whom are sharing this moment with me from the public gallery, I thank them for their unwavering support.

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Australia is a nation of migrants who created a unique settlement over more than 200 years. We are one of the most tolerant of nations. We are one of the most compassionate. We are one of the most sharing of all nations to our people. I am a very, very proud Australian and have retained my cultural links with my motherland - Lebanon - and my Lebanese ancestry. My pride comes from being given the opportunity as a migrant to grow up understanding service to the community. For that I want to pay homage to my country of Australia, and for the fair-mindedness of the Australian people who value and treasure those virtues of community service, the strength of the family unit, and who pride themselves on the expression of the individuality of our people. I seek leave to express a phrase in my native language of Arabic, and the English translation, which best illustrates that the strength of a nation is its people. I accept that because of technical restraints the Arabic text may not appear in Hansard. Madam Deputy-President, in English the sentence reads:

Are you a politician asking what your country can do for you or a zealous one asking what you can do for your country?

Those are the words of Khalil Gibran, Lebanon's most famous poet, written some 70 years ago in his work *The New Horizon*. They were immortalised much later by the late President John F. Kennedy, and it is commonplace to see a wall plaque in many American homes which reads:

Ask not what your country can do for you, but ask what you can do for your country.

I am the son of Lebanese immigrants. I was born in Lebanon in the northern village of Matrite and after a small boat crossing from Lebanon to Alexandria in Egypt I migrated to Australia when I was six years old. I grew up in the working-class suburb of Redfern, in the postwar period when Australia was bringing in boatloads of new Australians to build up our manufacturing industries. Allow me to pay tribute at this stage to my late father and mother, Moses and Zmorad Obeid, for at this very moment they would be full of pride to know that one of their sons has achieved the ultimate position to be of service to his country. And I will always recall my father's words to me, that to be a good Lebanese you must first learn to be a good Australian.

I am a typical migrant. I grew up in a terrace home in Redfern, meeting my childhood friends on street corners, following the fortunes of South Sydney rugby league team. I recall selling newspapers on street corners, taking my turn as a Catholic altar boy, collecting the deposits on soft drink bottles, and knowing early in life the value of a job. My memories are of living in a neighbourhood where children did courtesy chores for the old folk in the street, and the old folk knew all of us by our first names and were not frightened by our presence. There was a sense of belonging to a community, a sense of mutual self-support and helping each other out. We had respect for law and order: the man in blue was a friend who only gave us a clip behind the ear or a roasting when we deserved it, and we did not fear him.

How different it is today where our schoolteachers are shocked and dismayed by appalling cases of violence, neglect and abuse; where magistrates comment on the severe lack of parenting skills in the community; where there are children who have never been stimulated, talked to, listened to or loved properly. I despair at the increasing trend in this country where our parents, when old and feeble, are too often taken off to the clinical wards of private nursing homes, rather than be cared for and cherished for their wisdom by their own children. During my adolescence I grew up in the kind of society where I did not have a chip on my shoulder, even if I was called names because I had

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black hair and brown eyes. The family unit was of absolute importance, that sense of belonging, the sense of knowing you would always be accepted, regardless of your failings or mistakes. That is the strength behind an individual. The individual overall makes up the quality of our nation.

My background has instilled in me a commitment to fight always for social justice and fair play, to fight against discrimination and inequality, wherever it may manifest itself. That same background, which I am proud to say is Lebanese-Australian, impels me to draw the attention of this House to the tragic betrayal of Lebanon by the West and to

pray that we Australians never know the sense of abandonment and despair that overwhelmed the only country in the Middle East that attempted to adopt a neutral stance in the bloody conflicts that have torn that area for decades.

On and off since Lebanon gained independence in 1943, and especially since 1975, the noble little country, whose story and culture go back to the earliest days of recorded history, has been fought over and pillaged. Its citizens have been murdered and its institutions and resources have been manipulated and exploited by hostile neighbours. Its efforts at putting down democratic roots were impeded at every turn by self-interested groups both within and outside the country. If it had been oil rich, it might well have won the sympathy and military support of the Western power brokers. Lebanon's defenders could not resist indefinitely. Unaided and not having the superior weaponry of its enemies, its true riches are historical and cultural and are not listed on the world's foreign exchanges. They lie impregnable and unviolated within the hearts and minds of its people. I put on record my admiration of and esteem for the people of Australia, who have offered refugees from this terrible and unnecessary war a home and the opportunity of a fresh start in life. As a son of Lebanon and Australia, I express my deeply felt hope, which I am sure is cherished by all honourable members of this House, that before long Lebanon will once again enjoy real freedom in taking its rightful and independent place among the nations of this world, and may be given a chance to develop the democratic traditions that have made Australia such a haven of peace and tolerance.

As a parliamentarian, my struggle and purpose will always be to help create an economic climate where the private business sector can best be assisted and encouraged to offer every Australian a job, to give all Australians a means of securing a future and to allow them to live to a standard that will preserve their dignity and make them feel proud to be Australian. The Australian Labor Party has always been a party from the people and for the people, a party committed to those ideals of social justice and equality of which I speak. It is the party which will care for the heart of our nation, the main resource of our nation - that is, the ordinary working people of our nation; the people who work in our factories and on our land; the people who have mortgages; and the people who are paying rent. These are the people who will cling to the country. They are the people who have to be looked after, unlike the affluent, whose money can make them feel at home anywhere else in the world. Any politician or government, whether State or Federal, that does not give priority to its working men and women and look after the young, the aged, and the handicapped - the people who cannot look after themselves - does not deserve support. For these reasons, I embrace the Australian Labor Party.

I pay tribute in particular to the achievements of the Whitlam Government, which cared about uplifting the individual in our society. In particular I acknowledge the sense of belonging that Gough Whitlam gave all Australians and his great care for the educational needs of our children. Back in the 1960s when I wanted to go to university, the fees were £800 per annum. That was equivalent to one and a half years of an average worker's income. It was prohibitive. The Whitlam Government introduced free

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tertiary study, among many other permanent reforms, to our society. I want to acknowledge the work in this State of the Wran Labor Government, which rebuilt the basic infrastructures of our schools, our health delivery system and our public transport. In particular Neville Wran should be marked in history as the political leader in Australia who truly delivered multiculturalism and who understood the need for interpreters, community language in our schools and recognition of our cultural heritage, which we brought as a gift to be transplanted in our new homeland of Australia.

I believe the Hawke Labor Government has surpassed the great deeds of the Chifley, Curtin and McKell Labor Governments of Australia. This national Government has given us universal health insurance, tripled the provision of child-care places and created in excess of 1.5 million new jobs since 1983. The calibre of the Hawke Cabinet Ministers has never been equalled in this country and the landmark decisions advanced in the areas of Aboriginal land rights, protection of the national estate and achievement of revolutionary reform in our economic system will be permanent hallmarks in Australia's political history. I am a strong believer in the trade union movement, which protects the weak and fights for the rights of our working people. The Labor movement and the Australian Labor Party created the great reconstruction schemes of the post-depression and post-war periods by consciously making the provision of employment their leading priority. Labor Governments introduced every social benefit enjoyed by all Australians today.

I willingly pay tribute to my colleagues in the Australian Labor Party for their unwavering support, including Senator Graham Richardson, John Johnson, Bob Carr, Neville Wran, John Della Bosca, Michael Easson, Deirdre Grusovin, Terry Sheahan, Stephen Loosley and the Speaker of the House of Representatives, Leo McLeay. I put on record my special thanks to John Jobling, the Government Whip, Keith Enderbury, Mike Egan, Jim Kaldis, Brian Vaughan and all members on both sides who have made me feel welcome in this House. I also pay tribute to my predecessor, the Hon. J. R. Hallam, who retired this year after a distinguished career of 18 years service in the Parliament. He is acknowledged to be one of the most competent Ministers for Agriculture who ever served the State of New South Wales. I thank all of them for the friendship, support and guidance that they have extended to me over many years of my involvement in the Labor movement.

Before I address my remarks to the Budget, allow me to say that any government which in harsh economic times does not incorporate two critical components in its front line agenda will be doomed to political oblivion and shall be guilty of committing a breach of trust of the Australian people. Those two components are jobs, jobs and more jobs, and exports, exports and more exports. In my view the State Government of New South Wales has been guilty of a lack of care and understanding and has displayed economic incompetence in these two important areas.

This Government was first elected in 1988 on a platform promising better economic management, better services and reduced State taxes and charges. Let us therefore look at its economic performance. In March 1988 a budget surplus of around \$300 million was left in place by the Unsworth Labor Government. In last year's Budget the Premier promised a surplus of \$34 million, and the eventual outcome was a deficit of \$1 billion. In the current estimates for the fiscal year 1991-92 the projected budget deficit is \$1.13 billion. This is a government that likes to compare its management with the running of a business enterprise. The Premier himself said before his election in 1988 that he would treat the art of politics like running a large business, and he chose the role of being managing director of New South Wales Incorporated. In 1988 the Curran

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report indicated that the gross State debt was \$24.7 billion. By June 1991 it had increased to \$27.6 billion, and by June 1992 it will rise to \$29 billion. In respect of State liabilities the Curran report found that in 1988 they were around \$46 billion. The Budget Papers indicate that this figure will reach approximately \$55 billion by June 1992. I want to remind the House that only four weeks before the last State election the Premier predicted a balanced budget this financial year. He promised in last year's Budget a surplus of \$34 million. The outcome was a \$1 billion deficit. How assured can we be, therefore, that the

projected deficit in this current Budget will not exceed \$1.1 billion?

On 24th September the Premier strongly asserted that his Budget represented the only viable economic strategy for the most difficult times this State has faced since 1931. But what did his Government have to offer for the ordinary man and woman of this State? In a total Budget of \$18 billion revenue, Mr Greiner offered a mere \$10 million as a recession support package, and even though more than 60 per cent of the State is gripped by drought, only an extra \$10 million in additional funds is provided for drought relief. The Premier has even included an additional revenue earner within his Budget projections, allowing for inflation of 4.5 per cent during 1991-92, when inflation for the year is anticipated to peak at around 3 per cent. In other words, bogus inflation adjustments will increase revenue but that revenue will not be applied to recession relief measures. Mr Greiner clearly indicated on 24th September that the integrity of his Government was critical to the future of business and consumer confidence. In the light of Moody's recently announced review of the State's triple-A financial rating, it is interesting to analyse the Premier's discussion on the triple-A rating in his Budget Speech. He predicted that any downgrading of this State's credit rating would produce a deterioration in confidence and would lead to a dramatic increase in unemployment. But that is what is happening now under the economic policies of this Government, even with the triple-A rating. Between June and October this year unemployment in New South Wales increased from 8.2 per cent to 9.7 per cent - an overall increase of 20 per cent. New South Wales is now experiencing unemployment growth of twice the national average. In fact, in recent months New South Wales has been responsible for nearly all the fall in national employment.

Let me express this in another way. New South Wales has accounted for 18,000 of the 19,000 jobs lost in Australia during October, and for the past six months this State shed 56,700 jobs while the rest of Australia has gained 28,100 jobs. The reason that New South Wales has resisted the national recession longer than the other States has absolutely nothing to do with the Greiner Government's mythical superior economic management skills. It has everything to do with the fact that, unlike other States, the Greiner Government inherited a stable financial structure which enjoyed the confidence of consumers, investors, and the market-place. The Labor administrations of Neville Wran and Barrie Unsworth protected the State's triple-A rating for 12 years. The Greiner coalition Government has taken less than four years to place it under threat. Our rates of taxes and service charges are higher than in all other Australian States and have increased in direct contrast to the assurances of this Government prior to taking office.

For those who believe that the projected \$1.1 billion deficit is the full measure of this Government's financial incompetence, I am afraid to say that by grossly mismanaging the industrial arbitration system in this State the Greiner Government is faced with the danger of unchecked wages growth and industrial disputation in the strong sectors of the New South Wales economy, while workers in the weaker or less organised sectors of the economy are facing the prospect of having their wages and working conditions decimated. It is easy to see why the business community in this State has little

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confidence in the coalition Government. Garry Brack from the New South Wales Employers Federation recently highlighted the lack of initiative in the Budget for business. There is no relief from payroll tax. There is no relief from land tax charges. The Budget offered no hope of relief.

This Government's Budget falls into an economic black hole. The Government bemoans the fact that its land tax revenue is down, predicting that receipts between 1990-91 and 1992-93 will fall by 35 per cent, but the simple truth is that in the market-place investors who were hit by large land tax charges in the late 1980s are now being forced to sell their properties to pay this outrageous impost. It will lead to a significant stock shortage in the short to medium term when this Government apparently believes a boom in housing will get this State up and running again. In plain language the Budget does not meet responsible criteria of social justice; nor does it measure up to Mr Greiner's standards of accountability that he promised before he was elected in 1988.

I am disappointed in the manner in which this Government amended the Parliamentary Electorates and Elections Act in November last year - the ticks and crosses fiasco. I can only describe the 1991 election outcome, where 10 per cent or 350,000 of this State's voters were disenfranchised, as an act of bad judgment on the part of the Government. Not only did they perpetrate this new scheme which ignores a voter's clear expression of voting intention on the ballot-paper, but to ensure complete confusion they simultaneously held a referendum which did permit a tick to be used as a voter's valid expression of intention. It was an exercise in denying the people, particularly the illiterate and the migrants of non-English speaking backgrounds, their most basic democratic right. The informal vote in seats such as Londonderry and Bankstown reached 20 per cent and in Fairfield the figure was 17 per cent. This does not measure up to my standards of social justice and equality.

This Government lacks a strategy for the long-term development of the infrastructure of this State in which the market can confidently reach forward and invest in new manufacturing plant aimed at aggressively tackling the export drive so necessary for our advancement. No better is this illustrated than in the field of education. The Labor Party believes a commitment to quality learning institutions from kindergarten through to university, and improvement in the skills of existing members of the work force, are increasingly vital. In fact, the Labor Party believes Australia's capacity to develop as a nation depends upon its ability to provide educational services of outstanding quality. Education is possibly the most important single function provided by government within Australia. It is the basis upon which our cultural heritage is built. It is the foundation upon which the future prosperity of our country is based. The education system as we see it in New South Wales has major weaknesses. It fails to prepare our children for a future world - an increasingly competitively world where the principles of relevance, excellence and equity in education must dominate. It fails to teach respect for our country and our social system. It fails to create an awareness of Australia's position within the Pacific region. And it fails to teach the important and essential business skills required to succeed in the business-based economies of the western world. A high correlation exists between the level of education and economic prosperity throughout the western world. Surely to increase the level of education will also be to increase the level of economic prosperity. As Professor Joan Rutherford said:

The answer to any economic problem is a political question. Well I say the answer to an economic problem is education, which is in itself a political question.

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We need to develop a theme within our education system which provides respect for success and builds into our children a sense of desire to succeed. We need to teach people that success is good and discourage resentment of those who have succeeded. We must provide a counterbalance to the tall poppy syndrome. We need to build confidence in our abilities and we need to teach that to be an Australian is something to be proud of. We need to bring into the education system some basic business disciplines, disciplines such as the study of human relation skills, negotiation skills, basic business principles and even a study of why people go bankrupt. Education should be taken to all Australians, regardless of their socioeconomic standing; and no barriers should be tolerated, such as fees or quotas, which preclude access to an education. We need to develop educational ties within Asia and the Middle East; and we therefore need to realise that Australia is a much envied source of education services within the Asia-Pacific region.

In only five years Australia has already developed an export education service where full fee-paying students jumped from 10,000 in 1986-87 to in excess of 60,000 last year. As an export earner, overseas students contributed over \$500 million last year, plus another \$300 million in ancillary goods and services. We have in New South Wales an unrivalled opportunity to create a multimillion dollar industry not only from the provision of education services at home but also from the export of our expertise and personnel. It is about time that our State Government treated education as a business - a business that underlines our cultural and economic future - and not as a bureaucratic nuisance which is the first to suffer the cuts that occur due to shortfalls in government funding. We need to address new subjects within the school systems - subjects such as funds management, superannuation, understanding of the business cycles and cultural backgrounds of our Asian and Middle East existing and potential markets. Even our geography courses need to be refocused so that we learn about Indonesia or Iraq rather than about Europe to the degree that we do.

In terms of adjusting our sights to the commercial viability of graduate students, while building a major new export market, too often we hear that there are not sufficient facilities, or that the issue is sensitive because Australian parents wrongly accept the notion that an overseas student might displace their children from an academic opening. In Asia and the Middle East it is commonplace to run two teaching shifts per day. Given our climatic advantages, that is a logical approach and offers the possibility to expand greatly the number of places open to Australian students. Over the past two years there has been a \$30 million wastage in the Technical and Further Education Commission, brought about by massive structural changes in administration - changes which were largely not required by the colleges or the staffs. This Government has admitted the extent of wastage that occurred. The crisis that developed within the technical and further education colleges will not easily be resolved. The Government must resolve the dilemma within the TAFE administration, which has 53 staff who are members of the senior executive service, compared with only 12 prior to the abandoned reorganisation of its administrative structure. During 1989 and 1990 it is well-documented that there was a reduction on 1988 student numbers of 101,000 places in New South Wales TAFE colleges. This year the Government claims that there are 430,000 student places available but, on its own estimate, this is still at least 44,000 places short of 1988 levels. I point out that the loss of morale has driven more than 1,000 TAFE teachers into resignation over the past two years; and this is the continuing saga facing this Government. It cannot maintain services or plan future strategy when it cannot identify market requirements.

There are many other areas of the Budget that I could touch upon today but time permits only brief discussion of three issues - the lost opportunities to increase radically

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the export of health care services and the failure to assist in the rapid expansion of the New South Wales small business and tourism industries. When a Labor government was in power in this State we were moving hospital beds from the inner city to western Sydney. This Government is not moving beds; it is removing them. Our health industry is arguably the best in the world. Certainly the interpreter services in the hospital system, introduced by the Wran Labor Government, is without peer. And yet, according to a recent Industries Commission study, fewer than 4,800 overseas patients obtained medical services in our hospitals in 1989-90, earning Australia \$31 million annually from the provision of health services to overseas patients and a further \$22 million from their accommodation and associated expenses connected with their visits. It is clear that utilisation of our hospital system in New South Wales - an area of great contention - is not targeted by this Government as an overseas export revenue earner. The bulk of patients are attracted privately.

Our international competitiveness, at an average cost of \$15,000 per patient, is unarguable. The question remains why this Government will not undertake a major marketing drive to attract overseas patients from the more populated countries in Asia and the Middle East, especially in Indonesia. It is a service industry crying out for government intervention to create a booming export market, both for health care in Australia for overseas patients and for the provision of expert teams to help to establish public health networks in countries in Asia, such as Cambodia and Laos. Our problem is that we have a State Government which lacks the drive to undertake a series of bold initiatives to create the strategic planning so essential for development of worthwhile job growth. Small businesses in this country account for 692,700 non-rural trading concerns. They produce some 40 per cent of our national wealth and employ more than 2.5 million people, or nearly 48 per cent of the total work force. For the most part, they are relatively labour intensive and often generate more jobs per unit of invested capital than larger firms. A major difficulty that they face is a lack of easy access to institutional credit and government facilities. I ask: Why are State Premiers not clamouring for a better deal for small businesses throughout Australia?

Deregulation of the Australian banking industry in the 1980s was meant to create outside competition and better opportunities for financing the growth and development of Australian industries. But what happened? Local banks cut their margins in concert with each other to eliminate foreign competition. They now seek to increase their market share to obtain increased profits. The result has been a legacy of adventurous, even cavalier, lending sprees, questionable ethics and a complete disregard for the well-being of the Australian people. The banking system in this country was the tool of the early capitalists who held a monopoly on the means of making money at the expense of consumers and small traders. The Australian banking system has never been the backbone of the Australian economy which, in retrospect, it should have been. Internal politics and the public policies of the banks have affected every individual in this country, from the top of the scale entrepreneurs like Alan Bond and Christopher Skase - and there are very few of them left - right down to the everyday consumer who is paying for the lending mistakes of our banking fraternity. They are paying dearly, with up to 30 per cent charges on their credit cards.

The real burden of current banking policies has fallen on small businesses throughout Australia. No small business anywhere throughout the world can survive on interest rate impositions of 18 per cent to 20 per cent. There is

something criminal in the fact that the banks will encourage small businesses to take out a loan on an initial interest charge of 12 per cent or 13 per cent, gear them to the hilt, then raise the interest rate, and finally bring in the receivers to sell the remaining assets for a few cents return

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in the dollar. Where is the desire to build a long-term relationship between lender and borrower? Where is the ethical practice of trying to help their clients in the short term for the mutual long-term benefit of small businesses and the banking industry? After all, if the fundamentals of a business are not present in the first place, why lend it money? We can only conclude that money was lent initially because those fundamentals were in place. I ask the banking industry these questions: Where is the long-term strategy to help Australian businesses develop and prosper? Where is the economic planning, foresight and assistance that the banks ought to provide to their clientele? When a bank considers lending capital to a new business venture or to an existing business, interest rates are the critical factor. They either make the loan work or they do not.

With all the modern technology and market information available in the financial markets, banks are making excessive profits from interest rates, options, collars and caps, and any number of additional add-on charges. I shall explain collars and caps. A large company such as BHP can negotiate a loan over a period of five years when the interest rate is pegged at 13 per cent average for the period. No small business would be granted that degree of certainty in raising capital from a bank. Why will not the banks adapt that technique or use simple fixed interest swap contracts to lock in interest rates for their small business clientele? Even when borrowers obtain finance at bank bill rates, the rates are manipulated. Why is it that one can seek a bank bill rate from all the major trading banks as a lending indicator rate on the same day and they will all vary? In my view, where banks have erred is that they have lent on businesses which they did not have the expertise or the analytical support staff to understand their own original intentions. They are guilty of not using interest rate management to look after the interests of their clients. The banks have not taken a long-term attitude in respect of their clients' short-term problems, outside of the fundamentals of their banking business. Because they have not understood their own business loans they have over-reacted when problems have occurred with loans.

What should the banks do? They should be made to understand that when they lend money they have an obligation to the lender client and to that business. They have an ethical responsibility to understand the needs of that business and to help it succeed even in difficult times. If and when such difficult times are encountered, in respect to small businesses and Australian industry in general, banks should have the right to convert debt to equity, to help reactivate the business, and they should be actively encouraged to do so. For example, I understand that this was done with the debt structure of ATN Channel 7 in Sydney. In large corporate defaults the banks have suspended interest payments, come down to a lower rate, or taken an equity stake. Therefore, why will they not shoulder some of the burden of questionable lending practices when a small business or farmer is struggling? The banks should be encouraged to lend money to business ventures that create productivity and increase employment for the overall benefit of the Australian economy.

I use small business as an example, and there can be no better example of the face of small business in Australia than our tourist industry. Tourism is Australia's major growth and export industry, accounting for 5.7 per cent of the work force, or 441,000 jobs. Total expenditure derived from tourism in this country is \$23 billion. Australians spend \$17 billion and overseas tourists account for \$6 billion. This industry now produces 10 per cent of Australia's export earnings. Overseas tourist numbers grew by 145 per cent in the decade to 1990, when there were 2.2 million arrivals. The Federal Minister for the Arts, Tourism and Territories, the Hon. David Simmonds, has produced a document entitled "Towards A National Tourism Strategy". He estimates that in the year 2000, overseas visitor arrivals will increase to between 4.8 million and 6.5 million.

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Our international hotel industry has a tremendous opportunity to develop into Australia's largest industry. But because of their past excesses, none of the banks in Australia will lend to them. It is a matter of vital national interest that all our international hotels are being bought by overseas investors, who will reap the profit of our future tourist growth because our bankers refuse to lend to our own people who are keen to invest in this country.

Where is the State Government's strategy to counter the grim fact that all our major tourist accommodation will be wholly owned by overseas speculators? No one can convince me that this practice is in the best interests of Australia. This is where the Premier of our State and the Minister for State Development should be taking a lead on behalf of the people of New South Wales. The tourist industry cannot even obtain assistance from the State Government to ensure that there are adequate roads to the Hunter Valley, to overcome council planning restrictions, or even to ensure there are adequate bus terminal bays in Sydney to meet the everincreasing demand. If the policy of the national and State Governments is to encourage tourist development, the banks should be directed to hold a percentage of their assets in this industry.

Similarly, if the national and State Governments wish to see new greenfield projects, as Bill Kely calls them, or major investments that create value-added manufactured exports, or large-scale resource developments which generate long-term increased employment, which in early years appear non-profitable, the banks should be told to take up a holding in these projects for the betterment of the country. We are not talking here of nationalisation or regimentation. The Japanese banking industry does nothing which is not inferred to it as desirable by the Japanese Ministry of Finance; whether that involves the degree of funds it lends at home or abroad, or even the types of enterprises in which it is allowed to invest overseas. In that regard Australian banks could be subsidised by the Federal Government by way of lower tax rates if they place a specified percentage of their assets in job-generating or export-enhancement projects. The banks could be directed to place a certain percentage of their assets in key areas, such as 10 per cent in new business ventures, 10 per cent in the manufacturing sector, and 5 per cent in each of the rural sector, greenfield projects, and tourism. If they refuse such a central policy direction, additional tax levies could be imposed. The banking institutions must be made to realise that they have a duty to become part of a strengthening Australian economy for the betterment of the Australian people. And, as they have forced out foreign competition, they should be brought to heel in the market-place place if necessary by the Federal and State Governments giving instructions to their banking arms - the Commonwealth Bank and the State Bank of New South Wales - to proceed as a market pacesetter in these directions.

Our Premier might say that this is a national responsibility. However, I note that the Labor Premier in Queensland has grasped the nettle. If we are to succeed as a nation we will have to become internationally competitive. Since his first days in office, the Premier of Queensland, the Hon. Wayne Goss, has been ever conscious of the need for a State strategy rather than to await Federal initiatives to get Queensland moving and to boost export earnings. Queensland has reorganised its trade and investment development operations to provide full backing for Queensland exporters. The Queensland Government has opened new offices in Hong Kong and Taiwan, and has strengthened its representation in Korea, Java and

Tokyo. Mr Goss is also an advocate of fast-tracking development projects in Australia. Like him, I believe that all governments have a very real responsibility not just to get the planning and assessments right but, in times of double digit unemployment, to get job-creating projects off the ground.

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The lack of support by Australian banks for our own international tourist industry makes one question whether they are best equipped to manage the growth of superannuation investment in this country. The key to our future economic growth will revolve around how best superannuation funds are invested. The control of these funds, the savings of the ordinary men and women in Australia, may be politically sensitive but economically essential. Some 3.7 million Australians are covered in one form or another by 150,000 superannuation schemes. The latest Australian Bureau of Statistics superannuation survey, issued two years ago, found that nearly three million Australians - workers and self-employed persons - were contributing an average \$28 weekly. The current income from superannuation is \$370 million weekly, or \$19 billion annually. By the turn of the century it will have risen to between \$500 billion and \$900 billion annually - the equivalent of three or four times our national debt. As the elected representatives of the people of this country we must not let these funds be vested only in the apparent safe havens of blue chip equity stock, prime office accommodation and government bonds.

Superannuation funds need to be used to develop Australia for the benefit of future generations. They can be utilised to provide an alternative source of both debt and equity to the prevailing banking industry. The national Government and the leaders of the States have a vested interest in ensuring that this is done. We should legislate to ensure that a percentage of the funds is invested in job-creating, viable business ventures and not in entrepreneurial dreams. We need directed investment into proven major greenfield projects which will meet proven domestic and export demand. In Queensland their Premier refers to this great wealth of accumulated assets as patient capital. I am heartened by the views of Mr Ian Salmon, Managing Director of the Australian Mutual Provident Society in an address he gave to the Securities Institute of Australia on 18th October this year. He believes the time is opportune for Australian fund managers to look more closely at their investment policies and practices. He advanced the view that the superannuation funds should aim to invest in Australia unless there was a good reason for doing otherwise. He believes that fund managers have a responsibility to behave as good citizens. Mr Salmon said:

It is not sufficient to concentrate exclusively on maximising returns to clients. We have to go the second mile and do our best to ensure that those clients can continue to inhabit a country that is worth living in. There is little point in being the richest man in the graveyard.

Like Mr Salmon and Mr Goss, I am asking the Premier of our State to heed the broader national interest and ensure that his Government is alert to the dangers created by the shortsighted investment policies of the banks, including our own State Bank. Mr Salmon is opposed to government intervention. Mr Greiner should ensure that the interests of New South Wales superannuation contributors, including this State's public servants, are harnessed to the future growth of our own infrastructure. The Premier might heed Mr Salmon's final words of advice, "Responsibility with research". Time and again in my address I have been concentrating on overall strategies that this Government should focus on to secure the future for our citizens. If there is no competition from new banks, let the superannuation industry compete with them for the provision of patient capital. The Premier and his Government should play an active part and insist that our superannuation funds are reinvested in this country and not in international stock and real estate, which has already begun to occur. It is the last great chance we will have to provide the basis of controlled investment in this country.

The Australian Labor Party believes that at the micro level, the State influence is greater in ensuring that key infrastructure services such as road, rail, ports, electricity and water are available for the future projects which this country must erect if we are to

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survive as a prosperous nation. And the State Government is also crucial in the controls it maintains through the regulation of business and the cost effectiveness of those regulations. A Labor Government in this State will ensure sustained economic development based on private sector investment while at the same time enhancing and improving living standards, and ensuring that the criteria of social justice is met. In conclusion, I hope as elected representatives of the people of New South Wales in this mother of all Australian Parliaments we should never lose sight of the fact that we are here, competing against one another, to advance constructive and progressive ideas and policies for the betterment of all Australians, so that in deed and in fact, we can truly be recognised as the clever country as we enter the twenty-first century.