

Mr BAILEY (Cornwall) - Mr President, I rise to speak in relation to the bill currently before the Council. Before doing so however may I beg your indulgence, Mr President, and the indulgence of other members to say that it has been a long-standing ambition of mine to be a member of this Council. At this time I do not know whether that ambition is ill-founded or not but I feel very humble to be a member of an institution which has existed since 1825 and which has existed in its current form since 1856. This Council has influenced the development of Tasmania since its inception.

Again with your indulgence, Mr President, I wish to take this opportunity to thank the Division of Cornwall for enabling me to fulfil the ambition to which I previously referred. I would also like to place on record my gratitude to my wife, Lynne, my four daughters, my extended family, my partners and staff of the legal firm with which I have been associated for the past 25 years and my friends and other acquaintances who assisted me during my election campaign.

As the honourable member for Mersey reflected when he made his maiden speech, I am mindful that I follow in the footsteps of former members who have held the seat of Cornwall and provided high standards of service, not only to the electorate of Cornwall but to the State of Tasmania. The seat of Cornwall was first established in 1946 and was won by William Robinson. He held the seat for two years and then Margaret McIntyre was elected. It is probably opportune to reflect on Margaret McIntyre; she was the first woman member to be elected to the Parliament of Tasmania, and I think that is a great tradition for the electorate of Cornwall to have. Unfortunately her political career was cut very short because, having been elected in May 1948, she was tragically killed in an air crash in the same year. The seat was then won by the late George Record and, in more recent years, by people with whom I can associate. Subsequently the seat was held by John Orchard, Sir Geoffrey Foot, the late Frank King, Mac Le Fevre and Robin McKendrick. I draw the members' attention to the fact that no member for Cornwall has held the seat for two consecutive terms; Sir Geoffrey Foot holds the record and that is a mere ten and a half years. When the honourable member for Mersey spoke last week, he was speaking of traditions of eighteen and perhaps twenty-four years but members for Cornwall do not have that background.

On behalf of the electors of Cornwall I wish publicly to thank Robin McKendrick for the time and effort he devoted to their interests, the interests of this honourable Council and to the people of Tasmania generally during the six-year period he held this seat. I wish him well in his new business venture and I realise - and no doubt he realises - that political life is volatile and with no guarantees, and that particularly refers, I think, to the seat of Cornwall.

I would also like to take this opportunity to thank all members of this Council and the staff associated with it for the manner in which they have assisted me since I entered politics; their welcome and their assistance has been greatly appreciated. I take this belated opportunity too, to congratulate the honourable member for Huon on his re-election as well as the honourable member for Mersey on his election and I wish him all the very best in his political career.

Returning to the bill which is currently before the Council, clause 12 had given me some concern when I first read it. It says:

'An officer shall not cause any bank account of any Agency maintained under this Division to be overdrawn, except with and subject to the approval of the Treasurer.'

At first glance that appears to be a very wide power to give any agency. The section appears to permit any agency to overdraw unlimited funds from a bank account it has established with the approval of the Treasurer. Without any safeguards this procedure would entitle that agency to borrow moneys for any purpose beyond the amount appropriated to that agency by the Parliament of Tasmania. On this basis, with the consent and approval

of only the Treasurer - who also happens to be the Premier - the parliamentary process of annual appropriation could be bypassed. In the current political climate the State is facing the potential of that situation is obviously not acceptable, either to the electors of this State or, I would presume, to the members of this honourable Council. In the difficult economic times we currently face it is absolutely essential that agencies do not exceed their appropriated budgetary amounts in this or any future financial year.

Mr President, during my election campaign - which was conducted less than three months ago - it became obvious to me that the electors of Cornwall were very concerned at the state of the economy in this State and I do not believe anything has changed since then to alter their perception. They were concerned that the Government was then, and is now, unable to provide the educational service and facilities to our children to which we had previously become accustomed. I believe that also flows on to the provision of health services, law enforcement and other services the Government provides and which, because of the current economic position, it is unable to fulfil to the standard to which we had become accustomed. I think we must ask what has caused this situation to occur and how it may be redressed.

I believe that successive previous governments have borrowed too much for too long and have annually distorted the budgetary figures to give a more politically acceptable presentation of those figures to the people of Tasmania. Recent examples of those distortions are of course the inclusion in the revenue payment in the Forestry department of some \$26 million which was shown as a dividend and was in reality funded by borrowings. I also refer to the 3 per cent payment which became effective from 1 January 1989 under the Tasmanian public sector Superannuation Accumulation Fund award where a contribution under that award was defined as a notional payment. As far as I am aware, no payment has been made with respect to the 3 per cent superannuation payment which is due and payable to State public service employees and I understand that the current liability with respect to that amount is in the order of \$35 million. I understand the Government intends to redress that situation in its Budget this year but it is an example, I believe, of past debts being carried forward to future governments.

I also believe the principle of leasing office equipment, furniture and very expensive computer equipment, and the provision of housing for agencies, has often led to a situation where those costs do not accurately reflect in the budget what really amounts to a borrowing process. Increased interest rates Commonwealth-wide have also impacted on this problem, as has the small population of Tasmania which naturally weakens the base upon which we are able to raise taxes. The most telling factor though is the reduction in Commonwealth assistance through the Grants Commission which has occurred since 1982 when it was recommended that relativities be phased in. This reduction in Commonwealth grants has greatly impacted on the debt problem. The phasing-in process has affected Tasmania since 1985, although some benefits have been paid since that financial year. As I understand it, it was not until the 1989 financial year that no special financial arrangements were made.

We must not permit our agencies to borrow on overdrawn Treasury-approved bank accounts to increase our debt problem further. To assist agencies to provide the services to the public the Government must develop positive policies and not merely rely on raising taxes and charges to provide those services. I believe that the Government must develop policies which will encourage tourism and industrial development, recognising the importance of small business. The Government must give responsible and spontaneous leadership to enable potential investors to have the confidence to invest in Tasmania. I believe it must encourage industry, mining and forestry development and, as I said before, give small business an even greater incentive to expand. It must develop environmental policies which do not impede or obstruct those developments to which I have referred or obstruct the use of our natural resources, unless the air or the waterways may be damaged or the surrounding environment visually affected on a long-term basis. In my view there is currently an imbalance with respect to the priority given to conservation. If a proper, balanced conservation policy is not adopted by the Government I believe we will have a third-rate economy and potential investors will not be encouraged to invest in this State.

It concerns me greatly that 22 per cent of the total area of Tasmania is already locked up under the provisions of the Australian Heritage Commission Act 1975 and the National Parks and Wildlife Act 1970. It also concerns me that a further 14 per cent of the total area of this State could be locked up if the draft recommendations of the Forests and Forest Industry Council are adopted. The economic loss to present generations of Tasmanians and the economic loss to the future generations of Tasmanians in mining, forestry and perhaps hydro-electric potential which may be caused by the unavailability of 36 per cent of the total area of Tasmania is alarming. I am not advocating that mining development, forestry development or Hydro development should occur within this State without any safeguards for the environment. What I am saying, however, is that 36 per cent of the total area of this State should not automatically be removed from the potential of those developments if, in the economic interests of Tasmania, they become a necessity at any future date to enable the Government of the day to provide the services which the majority of Tasmanians will require.

I refer to a report prepared by Peter Bennett and Associates Pty Ltd for the Tasmanian Chamber of Commerce in November 1989. That report concluded that the World Heritage listings, together with various aspects of the Labor Green accord and the Salamanca Agreement, are estimated to have led to employment losses - direct and indirect - of 3 770 people or jobs. That report did not take into account the draft recommendations of the Forests and Forest Industry Council nor did it take into account the mining industry.

I believe that the Government must honour contracts entered into by it or its predecessors to supply bulk electricity. Any breach by the Government of those contractual undertakings and obligations would have a disastrous effect on the future development of our State.

I believe that Australians have had it too good for too long and that we as a nation and Tasmania as a State can no longer afford to indulge ourselves with four weeks' annual leave, flexitime, long weekends, other special holidays and the 17.5 per cent holiday loading. I believe we must work harder as a nation to compete on the international market and we can no longer rely on our natural resources to earn an export dollar. We must process our natural resources downstream and produce goods in that downstream process which are internationally competitive. We only have to reflect on the situation in which Japan has found itself since 1945, the year it was physically and economically devastated. I believe that if we lock up 36 per cent of our natural resources we may become physically devastated as well. We are not economically devastated but unless we reduce our production costs we may very well be economically devastated.

As a start to reducing our production costs I believe future wages must be offset by employees agreeing to abolish first of all the 17.5 per cent holiday loading and to reduce the number of holidays by at least 25 per cent. On the Legislative Council's recent visit to the Comalco aluminium plant and the Southern Aluminium plant at Bell Bay it was obvious that the only reason why 1 100 people were employed at Comalco and 200 people were employed at Southern Aluminium was that the State was able to supply bulk electricity at a concessional rate which made the production of aluminium at George Town an economic proposition. The company would not have established at George Town - nor is it likely to continue at George Town - unless it is able to obtain bulk power at a concessional rate which makes that production economically viable.

I thought a pleasing feature of that visit was to see the downstream processing of the aluminium produced at Comalco by the Southern Aluminium plant. That company is marketing aluminium wheels which are sold on the world market. However we were told the company is only marginally competing on a worldwide basis because it has to compete against manufacturers in other parts of the world whose employees have a maximum of only two weeks' annual leave. If Australia is to become competitive on a worldwide market and take advantage of its natural resources it must be prepared to produce more for less. If we are to compete for worldwide markets through the downstream process our

economy must be stimulated which, in turn, will generate increased revenue for the Government to provide additional educational assistance, police and other services to the standard to which we had previously become accustomed.

Mr President, I refer again to the Bennett report which dealt with the effects of the failure to proceed with the Wesley Vale pulpmill. That report indicated that failure to proceed with the Wesley Vale pulpmill was estimated to have cost a total of 4 027 jobs, 759 of which would have remained in perpetuity had the mill been operating, and the remainder of which would have existed during the construction of the mill and the construction of additional housing. In addition the State economy is estimated to have lost approximately \$1.292 billion in directly and indirectly generated output. The report also referred to comparable figures with respect to the loss of the Huon Forest Products Pty Ltd development at Whale Point.

Whilst I realise the Government must take cost-cutting measures and reduce services provided by its agencies to ensure that those agencies will not be forced into an overdraft situation, I am concerned that people living in the north of the State are not being fairly treated in many instances. While, as a member of this Council, I want to see the State develop as a whole for the benefit of all Tasmanians I believe that measures taken by the Government to reduce costs and the provision of services must be done on a fair and equitable basis.

I recently wrote to the Minister for Resources and Energy with respect to the proposal to close the Division of Mines and Mineral Resources office in Launceston. Presumably that decision was taken on the advice of the acting Director of Mines but the decision will make redundant metallurgists working in the Mines department in Launceston and three other personnel, and the remaining nine staff will be transferred to the analytical section in Hobart.

The Launceston office of the Division of Mines and Mineral Resources provides analytical and metallurgical services to a number of small and larger mines, to local industries, to small exploration companies and to individual prospectors, most of whom are located in the north of the State or the north east or on the west coast.

I wrote to the minister on this issue seeking, among other things, his advice as to the estimated cost benefit of transferring personnel and equipment housed in Launceston to Hobart and for the figures upon which the perceived benefits were based. The minister replied that the decision was taken on firm business principles. No cost analysis details were made available to me and I can only assume that those details either were not calculated or, if they were calculated, may be a political embarrassment if provided to me.

I believe that the Launceston office of the Mines department should remain open, perhaps with some cuts. No doubt other cuts could be made in the Hobart office to bring the Mines department in line with government-approved spending. I believe that the personnel in Launceston have become sacrificial lambs for those who have retained or will retain their jobs and their status in the Hobart branch of the Mines department.

What concerns me most about that decision though is the detrimental effect that the transfer of nine employees from the Launceston area will have on the economy of that region. I estimate that in excess of \$300 000 will be lost to the Launceston economy when those personnel are transferred. If further government personnel are transferred from other agencies - from regional offices - to a more centralised Hobart base the economic impact on Launceston and its regions will become greater. In these circumstances I believe that the Government must relocate other sections of government departments to Launceston to redress the imbalance which is occurring. I believe that there are areas within the Department of Primary Industry, the Rivers and Waters Supply Commission and even the Mines department that could be more centrally sited if transferred to Launceston.

Another concern I have in relation to the inequities which may arise is in respect to public transport in Launceston. As I think most members are aware, public transport has stopped in Launceston on Sundays but continues to be provided in Hobart. I obtained figures from the office of the Minister for Roads and Transport and have calculated the daily loss to provide a Metropolitan Transport Trust service in Launceston on a Sunday at approximately \$1 100 whilst the Hobart average daily loss is \$5 300.

In fairness, how can the Government justify depriving the children, the aged and the disabled people of Launceston of public transport on Sundays whilst those fitting the same category and who live in Hobart can enjoy those benefits which are subsidised by all Tasmanians? I think this point was raised during debate on the school bus issue in this Chamber last night. I believe that situation is unfair; I believe it is unjust and I believe it is inequitable and I think it must be addressed by the Government. I call on the Government to reintroduce those services to the Launceston area, unless there is a decision that the Government abolish all subsidised public transport on Sundays.

I am also concerned that people living on the Bass Strait islands have been discriminated against, compared with those who either live on or visit Bruny Island. A subsidy was previously paid to the people who live on the Bass Strait islands for them to come to mainland Tasmania and return to their homes. From information I have obtained from the office of the Minister for Roads and Transport I believe that people using the Bruny Island ferry can travel at no cost. If they take a vehicle or a motorcycle a cost will be charged but if they go simply as a passenger there is no charge.

I would not advocate that the people living on the Bass Strait islands should be able to leave and return to their homes fully subsidised by the Government but I believe that there is a case to look at a comparable allowance to be paid to them when taking into account the subsidy which is given to the Bruny Island ferry. In 1987 \$553 000 was paid to subsidise that service; \$465 000 in 1988 and \$410 000 in 1989.

I would also like to touch, if I may, Mr President, on the manner in which the Queen Victoria Museum and Art Gallery has been funded and is likely to be funded in the future. The continued existence of the Queen Victoria Museum and Art Gallery is essential for the northern community. That facility provides a variety of services for Tasmanians and its exhibitions provide educational stimulus for people living in the region and for those who visit. It is in fact the largest museum and art gallery located outside a capital city in Australia. It is funded by the Launceston City Council with the help of the Tasmanian Government, and it has many fine exhibitions and collections within its precincts.

It operates many statewide services and it currently operates a comprehensive conservation facility and its conservators undertake the restoration of paintings, objets d'art and work on paper textiles. The museum also has the only taxidermy modelling and preparation facility in the State and is regarded as a leading Australian authority on freeze-drying techniques. The museum offers educational resources which I believe are unmatched in Tasmania and approximately 20 000 students, of both primary and secondary level, visit the museum each year.

Mr President, the funding of this facility however appears to be unbalanced when compared with the funding provided for the Tasmanian Museum and Art Gallery which is based in Hobart. During the past financial year the State's grant given to the Hobart-based museum was \$1.55 million; the State grant given to the Launceston-based museum was \$765 000 and to support this facility the Launceston City Council provided a further \$646 000 and charged no rates against the facilities. By comparison, the Hobart City Council contributed \$12 000 to the funding of the museum within its boundary but recouped some \$21 000 in rates and service charges. In other words, the Hobart City Council made a profit from the museum located within its municipal boundaries of more than \$9 000, while the Launceston City Council contributed \$646 000 to the museum located within its municipal boundaries.

I believe that both museums have a place in Tasmania and both are serving the needs and interests of the areas that they serve but I question the fairness of the funding of these two facilities. If the State Government is unable to redress this imbalance from its limited resources, a fair and equitable means of funding should be found. This may perhaps be done by raising the funding of those establishments throughout the State, at local government level, so that the whole of the Tasmanian community contributed to those facilities, as is the case now with the State Library and some local government services.

Mr President, on perhaps a lighter note, I also express concern at the amount of money the State Government contributed to cricket during the past financial year. From information obtained from the Department of Tourism, Sport and Recreation a total amount of \$986 000 was made available to cricket during that period. The majority of that money of course was used in developing the Bellerive Oval, and in addition the Clarence City Council was authorised to borrow \$1.158 million under the Public Bodies Assistance Act. That again was used to develop the Bellerive Oval to international standard. I am an avid cricket follower and I support and endorse the upgrading of that oval to a test match facility and I applaud those who were involved with its development.

It concerns me, however, that whilst the Government of Tasmania has either contributed or allowed an allocation to cricket of a sum exceeding \$2 million last financial year, the Australian Cricket Board has directed that interstate cricket at Sheffield Shield level shall be played in Hobart. Mr President, in the interests of people living in the northern part of the State, I would have to be very reluctant to support the allocation of any additional public funds for the development of cricket in this State unless some guarantee is given that some Sheffield Shield matches can be played in the northern part of the State in the future.

Mr President, I would like to refer to the redundancy packages which are being offered by the Government. I believe that in order for the functions of government to operate properly within the State, a great deal of care must be taken to assist those working in the public sector who will become entitled to redundancy packages. Many personnel working in the public sector who have expertise and ability would no doubt find it relatively easy to find re-employment in the private sector and a redundancy package would obviously be very attractive to those persons. The effect would be to rid the public sector in many cases of the very persons who should remain in the interests of Tasmania. I urge all the ministers responsible for the various agencies to take an active interest and involvement in the matter of redundancy packages to ensure that the State Government does not lose personnel that it can ill afford to lose. I simply draw the Council's attention to the loss of personnel that occurred in Launceston when the three municipalities there amalgamated some time ago.

Returning to the bill before the House it appears to me that my fears with respect to the provisions of clause 12 may have been overcome by the amendment to clause 11 of this bill in another place. Clause 11(2) now provides that:

'An account opened and maintained in accordance with subsection (1) shall be used to expend money only as authorized by this Act, the Public Account Act 1986 or any other written law ...'

The words 'used to expend money only as authorized by this Act, the Public Account Act 1986 or any other written law' are an amendment which was inserted in another place and, as I said before, I believe those words have overcome the problem to which I referred with respect to overdrawn accounts being open-ended.

I will have more to say in relation to that if necessary in the Committee stage unless the honourable Leader or Deputy Leader for the Government can assure me that the new provisions of clause 11 do overcome my fears. Mr President, subject to further debate in relation to the bill and subject to that assurance, I generally support the bill.

Members - Hear, hear.