



Denise Elizabeth Swan

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ADDRESS-IN-REPLY

Mrs SWAN (Lyons - Minister for Community Development) - Thank you Mr Speaker. I have to say at the outset that I agree with the member for Denison, Mr Bacon, in his statement yesterday that it does indeed seem a very long time since the election. Quite obviously the intervention of these past few days has added to that feeling of length.

I rise to support the mover and the seconder of the Address-in-Reply. I thank His Excellency for his address and observe that in Sir Guy Green we have not only the State's first Tasmanian-born Governor but a man with an obvious devotion to Tasmania and its people and an enthusiasm for all aspects of its history, lifestyle and future development. I congratulate you, Mr Speaker, on your election to the Chair of the House, a role you are already carrying out with integrity and impartiality. I congratulate all the members who have resumed or been elected to the House and wish them well. And I would particularly like to thank the members of the Labor Party, the Greens, the member for Franklin, Mr Goodluck and of course my own party, who have made me feel so welcome to this Chamber.

It is my hope that I will be able to make a contribution that will go some way in guiding and assisting the Tasmanian people at a difficult time in their social and economic history. I have been impressed by those who have gone ahead of me in delivering their Address-in-Reply and in particular note that in the new members of Parliament we see a determination to, in the words of the member for Braddon, Mr Best, make a difference. I am sure they will serve the Parliament and the people with distinction.

Mr Speaker, it is impossible to deliver this address without making reference to the terrible events that in the past days have eclipsed us all. When I wrote these notes they were designed to give a global perspective to the current position of the Tasmanian economy. Now for other and far more forbidding reasons, this island finds itself caught as chief player in the world's media stage. Somehow by sheer mistake it makes this topic of internationalism the more poignant.

Thus I place upon the record of the House some concerns and views as to the position of Tasmania as we approach the beginning of the twenty-first century. As a small State within the new world of internationalism, we occupy a somewhat invidious role. Whatever views we hold, however much we may choose to agree or disagree over aspects of policy and our future direction, we are all of us bound in some way by the new world parameters of trade, communication, environment and cultural exchange. In short, we are no longer the obvious and only masters of our destiny. With the growth in global communication systems and the creation of the World Trade Organisation, following the Uruguay round this nation now has two powerful forces that will forever

change the way in which we trade and relate to the outside world. Disappeared is the luxury of distance which allowed us time to deliberate on policy and react in measured way to change. Gone too are the comfortable boundaries of trade attached to empire or national tie. Now we see a world where capital moves solely on the grounds of profit, where nations succeed in the market by reason only of their competitive edge, where lawmaking has taken on an international focus, where environment cannot be contained by boundary and where people and ideas move freely in what may in many ways be expressed as a profound example of unfettered freedom.

In 1983, Australia began the first real steps to joining this world and whilst there may be a number who would share the view that the freeing up of the market would have arrived with less suffering if it had been delivered right across the marketplace, 1996 is now where we find ourselves, heavily in debt with the problem of ongoing budget deficit, economic growth without employment; and all the social and political problems that accompany that situation. Financial deregulation without labour deregulation delivered, in my view, the imbalance that led in some part to our poor current economic performance. It has not yet delivered the competitive edge that we are bound to have in this new world market and it has, by reason of the huge debt accumulated, left us bound to trade our way out of the problem, thus coming back to the need for competitive edge once again.

We are in short, caught in a web. Without being too jocular it invokes a somewhat Churchillian response. Under what other system could the ordinary man on the street owe such much to so many? To not react will merely increase our dependence on foreign capital should it arrive; lessen our own economic control - our own local economic control - and leave us even less able to deliver the social, economic and environmental reforms that our people desire.

In some ways, Mr Speaker, if we do not react we may become like a well-heeled cousin of the economic changes that occurred in Africa in the days of the empire where self-sufficient farmers were encouraged to cash crop and thus tie themselves to an outside market that sometimes delivered economic kindness but more often delivered penance as they struggled to maintain the semblance of a basic living because they had in essence lost control of their own economic future.

When we look now at the new world market, we cannot avoid observing the uncertainty of our economic position. When the capital upon which we rely nationally to finance the current account and the deficit is the same capital which moves globally seeking the highest short-term gain, we wonder about our ability to attract that same capital which we so desperately need. When we realise that long-term economic performance is of small value, natural security, social aims and environmental concerns matter little, we wonder more. And when you speculate, as I have done, over that global money moving on short-term whim and with extraordinary speed, rather in the style of an international stock exchange, the possibilities become horrifying.

There is even a view that suggests that, because the world's financial markets trade so heavily in bonds - as a matter of interest, the stock of bonds on the international market rose from \$US259 billion to \$US1.6 trillion in the 1980s, there may be a possibility that nations are punished if they are too successful in clearing their debts. Strange indeed.

Within this context of diminishing national importance, it is worth noting that in total world trade terms 350 of the biggest multinational corporations control about 40 per cent of the world's estimated \$5.4 trillion worth of trade. Moreover, multinational corporations play a strong role in the setting of world standards for goods. For example, in the area of food, about one quarter of the seats on Codex, the United Nations body that sets food standards, are occupied by transnationals and Codex has the full weight of the World Trade Organisation behind it. However notwithstanding the hurdles, Australia as a middleweight trading power has strongly supported the GATT, given that as a nation we have not the volume of trade to exercise international influence and thus rely on the World Trade Organisation for fair access to the marketplace.

Back home again, and we see within the nation a series of changes designed to equip Australia for its standing in this new world economy. We are all familiar with the move to deregulation, which is in essence only partly complete, with the result that we have a most damaging and inequitable situation which is particularly punishing in the case of small and medium-sized businesses. Privatisation, or the sale of publicly-owned assets to the private sector, and the recent moves to release the monopolistic hold of public sector service providers through national competition policy, are further examples of this move to greater market freedom.

These components, loosely described as the theory of rational economic, which basically seeks profit by the use of economies of scale, seem to me to be peculiarly unsuited to the Australian concept. In Europe and America where the theory first arose, such economies were generally easily found where large populations concentrated around the manufacturing cities. Furthermore since manufacturing formed a critical plank in the base economies of such nations, any application of economies of scale did not necessarily result in a compromise of the ability to export. In Australia and Tasmania, by contrast, where the export economy is still strongly resourced based, we run I believe a dire risk of cutting services to such areas, since they are generally isolated and have low levels of population and thus do not achieve the desired levels of economies of scale.

While this is not an argument to support persistent inefficiency in the delivery of goods and services, it is I believe a view that deserves some attention if we are to secure any chance of future national economic stability. In short, Mr Speaker, I am not suggesting a repeal of the laws of gravity but it seems there is a need for caution if we are to salvage some of those matters that are of importance not only to our preferred way of life but to the present way in which we trade.

Before I move to the Tasmanian situation I want to make some reference to a conference I attended in May of last year. Conducted by the Constitutional Centenary Foundation, it sought to emulate the people's conventions leading up to the creation of the Federal Constitution in 1901. Its purpose was to discuss the need for reform within the Constitution in the lead up to 2001. Overwhelmingly the view brought to the capital by a broad cross section of the community was that of the concern now being felt by most Australians over our future direction as a nation and as a society.

Loss of individual control was a persistent theme and we looked at aspects of the Constitution in this light. Much comment was made over the legal and proper use of executive power in the signing of multilateral and United Nations based treaties. As a point of interest, we sign such treaties at the average rate of two a day and according to the information given we have no accurate list of those already signed. There was a strong feeling that this was one area that could be changed in 2001, thus giving back the power of approval to the democratic process of the Parliament. The position of such treaties' standing was also seen to be a problem, with some treaties invoked within Australian domestic law and others merely used within the wider context of Australian relations overseas.

Turning now to our home State of Tasmania population 473 000, third largest exporter per capita in the Commonwealth; with domestic consumption not large enough to generate a sufficient internal market of its own; fraught by transport problems where micro-economic reform has failed to deliver its much vaunted competitive edge and where the inability to accumulate capital is a principal hurdle to development. Notwithstanding the difficulties, we know it as an island of unique beauty with many natural advantages. As Tasmanians we fortunately now talk freely and with agreement on many of the more obvious ways ahead. Let us consider some of them.

Perhaps we might call them capturing the benefits we already have. The use of climate in a very real sense provides us with a natural advantage. In the area of agriculture, the growing of crops that are suited to our cool temperate position - be they flowers, berries, pyrethrum or whatever - cannot be underestimated given our strategic position in this latitude in the Southern Hemisphere and all that means to out-of-season sales in the Northern Hemisphere.

Sitting suspended from 1 p.m. to 2.30 p.m.

Mrs SWAN - I think I left off considering some of the benefits that were applicable to our State in the world and the things that we might do with them and I will go on to continue to list them and in that manner I begin here. The supply of an environmentally clean power source in hydro is a huge asset and cannot be minimised. Forestry where rainfall and topography are eminently suitable would also appear to be an obvious and indeed responsible use of climate. The fact of our isolation gives us a significant advantage in areas such as quarantine, the propagation of special crops, and the conduct of research. Our position as a maritime State with its many features: the Cooperative Research Centre in Launceston; the Antarctic Division; a full range of training courses offered at the Maritime College; boatbuilding at Incat; the progress we are making with fish farming - all seem to provide a vital research industry training module with I suspect huge future potential.

Obviously too there are other strategies that we must consider if we are to retain the basic elements of our way of life. The fact that we are essentially a small to medium size business State means there is a need for cooperative marketing if the critical mass for the national and international marketplace is to be achieved; in other words, as a small producer sending singly out onto the marketplace we often do not achieve the level of quota that is required for that international marketplace and it seems to me that we are required, if we are going to fit within that larger picture, to look at those aspects and work with them.

Similarly there is a need for a coordinated approach to transport to obtain the advantages now the province of larger users, particularly will air freight, where small allocations for perishable goods are often delayed or set to one side by larger users taking a paucity of allocated space. We need to understand that when we legislate we should not only pay regard to large corporations, to planning principles, to social or environmental concerns but to the whole argument and the impact such legislation has on all of society including our ability to act together and carry out business as a State.

Other possibilities have been mentioned many times before and I will not go on to list them, Mr Speaker, but merely say that the critical issue in all of this matter is to identify those areas in which we have a genuine and unassailable advantage and then collaborate to advance their potential. This of course is not feasible without the intervention and assistance of government, and no doubt in the forthcoming months and years attention will be paid to all these aspects. They are however key points and need to be remembered if we are to be active in any reasonable way in the marketplaces of the world.

It is within this overall context that I find myself with the privilege of carriage of the portfolios of Local Government and Community Development together with the ministries of Aboriginal Affairs, Multicultural Affairs and the Status of Women and covering responsibility for youth and family matters. It is a role for which I am grateful and to which I will give every endeavour. Obviously the matters I have just mentioned will have an impact on all of the ministries within my responsibility. I believe they each present an element which will advance not only their own specific needs but will make important contributions to the wider whole. Each one of them is important in the context of the broad community and I believe will add vigour and enthusiasm to the development of the broader Tasmanian society. They are thus comfortably grouped with community development.

Furthermore in difficult economic times the encouragement of such dynamism and strength in the community itself is more often than not a key to return to prosperity. In this way their roles will be critical to all aspects of Tasmanian life. In the portfolio of Local Government we have of course that level of administration closest to the people. This area is currently dealing with issues that pertain to the matters I have already addressed. National competition principles and its impact on the functions of local government, now the subject of the roles of functions review, will be key policies in the forthcoming weeks and months and I believe the wider matters I have mentioned this afternoon will also be important in this context. I do not mean to go on to list them any further, Mr Speaker, merely to put them in the context of what is happening at the large economic level and to draw to the attention of the House the many factors that bear on us when we look at the individual components within our overall economy and seek to address them in some manner that is both comfortable for them in the wider competitive sense and also comfortable for ourselves as a State.

Mr Speaker, in these past minutes I have tried to describe the pressures and the pluses of this new regime of economic freedom. George Bernard Shaw in *Man and Superman* said - no doubt humorously - that liberty means responsibility and that is why most men dread it. That aside, if we are not strategically responsible during periods of aggressive change then I believe a great number of the freedoms will be

enjoyed by those far away and the price of responsibility will be that price that we as a community will bear.

Thus we are best placed when we accept the tide of events that move towards us, realise what it is that must arrive, know the reasons why and the benefits that may flow from its coming. But further, and importantly, identify what it is that we presently have that we cannot give up, and having identified it, work to control and use our resources to support those things in which we commonly believe. Whether it be strength of community, beauty of landscape and measure of economic control through small business and the attraction of outside capital, whether it be fine food, timber, a growing expertise in matters marine, the advantage of an environmentally sound power source, whether it be security of home, of family life, of trust and friendship we must seize these ideas and build upon them. We must order our legislation, work cooperatively and understand the greater picture that lies before us. We cannot defeat change nor should we necessarily aim to do so but we must be aware of its implications and move to order our path before it.

In closing I go back to those events that have so recently overtaken us and there it seems those things that matter most, courage and kindness of people, the measured and selfless response of service personnel, the persuasive collaboration of the Parliament, serve to reinforce what legislators I suspect have always known: that beyond all else our role is to listen, guide and assist our people for this of course is the very purpose of government.

Members - Hear, hear.