



Speech by

Hon. J. FOURAS

MEMBER FOR ASHGROVE

Hansard 6 August 1998

ADDRESS IN REPLY

Hon. J. FOURAS (Ashgrove—ALP) (3.47 p.m.): I commence by congratulating the Speaker on his election to that high office. I am sure that he will do much to sustain the dignity and authority of this Chamber.

During the recent election campaign, I think it became obvious to all members that, fundamentally, the most important issue confronting us today is jobs and declining job security. During the debate on the Competition Authority Bill in 1997, I expressed concern that economic policy was blindly driven by an efficiency agenda. I did my economics training a long time ago, and I must admit to this Chamber that the half life of that degree is just about over. Nevertheless, I was taught that there should be two goals to economic policy: efficiency and equity. Unfortunately, since the eighties we have forgotten the goal of equity. I said then, and I will say it again, that Labor should never regard competition policy as an entity unto itself—as something to be pursued without regard for its impact on citizens and the community.

There is no doubt that there has been a denial by Governments of the goal of equity. I believe that has led to the acceptance of high levels of unemployment. I realise that we cannot return to the golden sixties and seventies, when the option was whether a Government spent a bit more money if there was high unemployment and it ran a deficit Budget, and if there was too much inflation it ran a surplus Budget. That maintained some balance. People were concerned about unemployment. Now we have a blind adherence to competition policy. We are destroying trade unions—which is the American experience. By deregulating labour, the price of labour has become so low that it cannot be sustained. Productivity is growing at a much higher rate than wages growth. We cannot remain a closed economy, as opposed to a global economy, because in the end we will be producing more than we can sell.

However, the problem is that in this world we no longer have that safety valve. We trade globally, so we can get away with the concept that productivity growth can be sustained while we cut back on wages. Of course, the danger is that such a concept can lead to an era of deflation. If that happened, everyone in the capitalist world would know about it, because the whole system would collapse. It is important for Governments to have a role in protecting those who cannot protect themselves from the impact of the global economy and from competition policy. We need new forms of Government intervention that deliver economic certainty and social inclusiveness. We must ensure that the victims of the new globalisation are looked after.

We have been told by the Right Wing think tanks that we need to go through the pain. They say that as if it is the workers of the world who caused that pain. For the benefit of honourable members, I will use the example of Caterpillar in America. In the 1980s the yen was very low and that firm was going broke, so it downsized until 2,000 of its older workers were left. The company retooled and got it together. By 1990, it was making a tremendous profit and everything was rosy in the garden. It got a new CEO who was paid millions a year. He said, "We can do this better. We can sack more people. In fact, you all have to work for 20% less." The United Automobile Workers of America decided that that was not good enough and that it would have stop-work meetings and go on strike. Of course, although those striking workers could not be sacked, they were replaced with management workers, and the company outsourced. By 1994, the United Automobile Workers of America had lost \$350m

and three-quarters of its membership. Those workers returned to working two hours a week more for 20% less. That is what is happening. We are trying to import the nightmare of America to Australia. That is why people voted for the One Nation candidates who are now members in this Chamber now.

Who governs the world today? It is no longer gods. When I lost my endorsement in 1986, I said that I would go back to Mount Olympus and talk to my gods. I said that I would go to Delphi and consult the oracle. I wanted to know what was ahead for Jim Fouras at that time. Of course, I discovered that there was some life outside of politics. It is no longer gods, kings or individuals who govern the world today, it is groups—large corporations. They decide the economic agenda. Around the world, those groups have a unity of purpose. Since the era of Reagan and Thatcher when monetarists came into control with their world economic policies, they have espoused that we need to do certain things if we are to be a democracy. They actually make it sound as though we would be doing good things if we were to accept three very basic economic truths.

The first is that we need to deregulate the labour markets. This deals with the need to have competition policy adhered to blindly and driven blindly, without worrying about its impact on citizens in society. According to that way of thinking, we should not worry about the level of unemployment that that causes, the lack of social cohesion or the impact of crime on our society—so long as the rich end of town is doing very well. As a result, in the richest State in the richest country in the world, California, the jails are full. That State spends more on jails than it does on education. That State has a large number of working poor. That is the direction in which Australia is headed. Earlier this week, we heard the news that in the past 10 years the number of people who are considered the working poor has doubled. If we continue to go down the American path, we will do a lot more than that.

Deregulation of labour markets is the first of that economic trilogy. Who is pushing that agenda? Australia has a propaganda machine. The Right Wing think tanks that are being funded at universities and by the Business Council of Australia are part of that group. What is the Business Council of Australia doing now? It is spending \$14m and calling itself Australians for a Fairer Tax System in an attempt to impose a goods and services tax on Australia. How ludicrous is that? It advocates that the only way to secure jobs and to have economic growth and security is to have blind adherence to competition policy.

The second part of the trilogy is that the provision of goods and services by the public sector leads to gross inefficiencies. Members hear about bloated bureaucracies and are told that they have to tell the public sector that it has to cut it down. The theory is that central Governments give less money to regional Governments to ensure that they cannot provide all the services, so regional Australia suffers and people are not being looked after as well as they should. We are then told to privatise or outsource what little is left. Everybody knows that the evidence of the benefits of outsourcing is disappointingly thin. Outsourcing looks great in theory. Unfortunately, it actually leads to the destruction of jobs. If one considers outsourcing, one realises that it becomes necessary to employ a highly paid person to look after the tenders and another person to oversee the tender process. In addition, there is the worry of systemic corruption—the giving out of contracts to one's mates. When one adds to that equation the fact that, on average, of every four people whose jobs are outsourced one person never works again, one realises that outsourcing does not work. It is a great myth; it is one way of privatising the jobs that have previously been done by public servants. After outsourcing, members of Parliament no longer need to worry. They can say: that is not my responsibility. Quality of service is no longer a worry. Honourable members should remember what happened in the corporatised electricity industry. We have not gone all the way towards privatising that industry. The generating plants were competing with each other to such an extent that the maintenance was not kept up to date. We have seen the meltdown in New Zealand and water stinking in Adelaide. They are the results of outsourcing. People are no longer trying to provide a service or something in the public interest—no way!

The third part of the economic trilogy is that we must sell public utilities. That is the greatest furphy of all. John Howard wanted to sell Telstra to buy three years of Government for himself. I read an article in a Melbourne newspaper—I am sorry that I did not cut it out—in which a professor of economics said that if he set a paper for his final-year students asking whether the sale of Telstra was in the public good and if a student said "maybe" even to the slightest degree, unequivocally he would fail that student. Howard's claim about the amount of money that Australia would save in interest is grossly overstated. When one takes into account the fact that down the road we would be losing taxation revenue and that ultimately telecommunications would be a growth industry and that Telstra would fall into foreign hands, one realises that after three years the dividend to the community in social terms would start to become negative. Howard was willing to sell Telstra. I hope he is stopped, because there is no doubt that any economist who considers the sale properly would say that his arguments are sheer nonsense.

I remember once reading Sophocles. At that time I had just returned to Greece. I do tend to become a bit more Greek when that happens. Sophocles said that the greatest miracle was that of man. He believed that man could master all sorts of problem and said that if man worked within the

rules of the gods and the rules of his city, his cities shall grow great. In those days, that meant the State. He said that man has a great capacity for inhumanity. That is where we are at right now. We are trying to blame the victims, saying that the years of excesses have to be paid for. We live in a society that says that the top 20%—those at the bottom end of town, who will be the only people employed if we continue with globalisation—somehow deserve the rewards and everybody else should pay for the years of bloated bureaucracies, of too much Government spending, of excesses and when we did not do things efficiently enough. This is the corporatist agenda.

We should understand how corporations work. They work on self-interest. Any reading of Socrates will show members that one cannot make a decision for the common good without some level of disinterest. Nowadays, all our decisions are being made by people with total self-interest. That is where we need Governments. Governments must realise that we need intervention. We need to deliver economic certainty and ensure that the victims of that agenda are looked after. Even in Australia, if a person is in a globally competitive industry that person is fine; that person's living standards will rise. If that person is not in a globally competitive industry, that person will lose his or her job, have to apply for another and have fewer working hours and a lower rate of pay. That is the American nightmare. In the 1960s when everyone had expectations of increasing wealth, in reference to a golden era, John F. Kennedy said that when the river rises every boat on the water rises with it.

That was a fact. If we go back as far as the post industrial revolution times, we would realise that we had recessions and we had wars, but over the past 20 years, the economic trend line has gone down. For example, one statistic in America can tell us everything: in the past 20 years, there has been a 35% growth in gross national product. So one would think that American society is doing very well. However, for the bottom 75% of the work force, the decline in gross terms has been 20%. We cannot live in a society that accepts such an inequality of income distribution. It is not acceptable to me. I do not believe that it is acceptable to any member who says that he or she has become a member of this Chamber to pursue the common good and to respect human dignity. There is nothing more dignifying to anybody than having the right to work. Wherever I go, I am asked, "What do you?", and I say, "I do this." I belong.

Why do we have such high levels of youth suicide? Why do we have marriage breakdowns? Why do we have a breakdown in community values in our society? We have to look at the economic parameters that are causing these problems. We need to have a civilised agenda. The Government must address the issues of jobs and job security. We must go back to the goals of efficiency and equity. Unfortunately, we cannot do it as an individual nation. We now live in a global village. This is the big trap that we are all falling into. Sovereignty has really been taken away from the members of this Parliament. We can fiddle around at the margins, but firms in Queensland are continuing to downsize. Every dollar that is saved by a firm gives the sharemarket a boost. It is amazing that, now, a dollar saved has become better than a dollar earned. In every city we see tall buildings that are full of people pushing paper. People are no longer producing anything. Somebody is paying those people their high wages, and most of them are workers in Asia. That is ruining the economies of those countries. In those countries, young people are working for low wages. They are paying the wages of all of these people who are pushing paper and not producing anything at all. We are seeing more and more floor space taken up by those people.

During the election campaign, our friends from One Nation were successful. I do not want to make the bland assertion that all One Nation supporters are neo-fascists. That would be the description that would be used in Europe to describe a party that is xenophobic, homophobic—a party that is full of economic Luddites; the people who put a tax on windows so that the candlemakers would be protected. Every year, worldwide the Luddites are growing in numbers by millions. They are growing because of the economic philosophy that we are espousing. They are growing because people are burnt. Right now, there are many people who have been burnt in our society, and that is very, very sad.

In the short time that I have left, I want to talk about one area that I am very interested in, and that is disability services. I am proud to be part of a Labor Government that is going to do something to improve disability services. For some years in this place there has been very acrimonious or bitter debate about whether institutionalisation is good or not. We have argued about whether or not we should close the Basil Stafford Centre. The previous regime actually argued that it should be based on choice. What a joke! There is no doubt at all that institutionalisation leads to abuse, neglect and poor service provision.

However, only 3% of our disabled citizens live in those institutions. For too long we have been waylaid by arguing about that issue while most disabled people are being looked after at home by their families. Governments have been willing to allow those families to carry the load. There are approximately 1,600 parents in Queensland over the age of 65 who have severely disabled children, who themselves are of quite an age and who receive no Government support at all. One of those people is my mother-in-law. The bottom line is that those people are wondering what will happen to their children when they die.

Before any member interjects, I will admit that the Goss Government did not do anything. Of course, to its shame the previous coalition Government promised \$34m extra a year in additional funding for unmet needs. During the first year the coalition was in power, it asked people to put in submissions. The submissions sought \$36.7m, and that Government provided funding of \$1.1m. The year after that it did not even ask for submissions. What a cruel and dreadful hoax! However, I know that under the new Minister for Disability Services, \$30m more will be provided for unmet needs, and programs will be implemented to cater for accommodation support, such as day-care options, flexible respite services and family programs. There is more to it than throwing money at the problem; it is working out how best to use the funding to make sure that people get something of value out of it.

I would like to talk about the Police Beat in my area. In political terms, I was fortunate to be able to get a Police Beat at The Gap. In June 1997, I applied to then Minister Cooper for one, and then I went behind his back and got it from the Police Service. It has been a tremendous success. It has provided the people at The Gap with an opportunity to work together to solve the crime problems in the area. The Police Beat frees the police officer from the isolation of the patrol car and the demands of the police radio. It enables the police officer to have daily face-to-face contact with people, to hear new ideas and to find new ways of dealing with crime. I believe that putting cops back on the beat makes for safer streets.

This is about more than just crime and crime prevention; it is about solving neighbourhood problems, it is about people becoming part of a community and talking to each other. The young police officer involved with the Police Beat at The Gap is doing a sterling job. He interacts with the young people. He has benefited the community. I heard that when one group of young people who were drinking grog first saw him pull up they all scattered. The next time they saw him, they talked to him. It is very important to understand that that police officer now talks to that group of young people and they are part of the community.

I commend to Police Minister Barton police beats and shopfronts. I have been lucky to scrutinise closely one in my electorate. I know that that form of crime prevention works. We cannot keep having an auction on crime. That is crazy. It might be good politics, but it is lousy policy. It is about time that we in this Chamber agreed upon a fair dinkum policy—one that will work—instead of being so bloody-minded that we end up acting against the public good. If we continue to do that, Queensland will end up being like California. That State spends six times more money than we do on prisons. We will go that way if we have truth in sentencing. We will go that way if we do not try to do something about the economic parameters about which I spoke. With regard to multiculturalism, we have to make sure that we have a cohesive society. If we do not change, we will go the same way as places such as California.

Time expired.
