



Speech by

Hon. J. FOURAS

MEMBER FOR ASHGROVE

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NATIONAL COMPETITION POLICY

Hon. J. FOURAS (Ashgrove—ALP) (6.54 p.m.): For the past two decades, economic policy has increasingly been driven by an efficiency agenda without due consideration to equity. It is time that Governments ceased to regard competition policy as an end in itself, as something to be pursued without regard for its impact on citizens and communities. Policy makers need to understand that the denial of the economic goal of equity and the relentless drive for efficiency at all costs has been destroying regional Australia, has led to an acceptance of higher levels of unemployment and is damaging social cohesion. It is the job of Government to protect those who cannot protect themselves from the impact of globalisation and competition policy with new forms of Government intervention that deliver economic certainty and social inclusiveness.

In the industrial world, groups representing industries such as the Business Council of Australia increasingly extol a trilogy of economic "truths": firstly, competition policy must be pursued at all times as the only means of securing jobs and economic growth; secondly, the provision of goods and services by the public sector leads to gross inefficiencies and the answer rests in outsourcing and privatisation; and, thirdly, our economic wellbeing will be enhanced by the sale of public utilities such as Telstra. Blind adherence to this corporate agenda is not in the interests of the overwhelming majority of our citizens.

The simultaneous drive towards smaller Government, greater Government control over the bureaucracy, instilling private sector values and outsourcing has done nothing to encourage job security in the public sector. The growing trend towards privatisation and outsourcing the public sector must be abhorred. From an economic perspective, the argument that outsourcing will improve economic performance appears rational but the evidence is disappointingly thin. Although departments may spend less on the operational delivery of services, more is spent on higher executive salaries and contract managers resulting in little overall saving. Industry Commission publications show that one in four people who are made redundant from outsourcing never work again. In applying the public benefit test, one should then factor in the increased cost of providing unemployment benefits as well as the social dislocation, particularly in our regions.

Contracting cannot guarantee proper service delivery. The smell that emanated from Adelaide's privatised water treatment is a classic example, as is the melt-down of Auckland's electricity supply. Outsourcing should occur only on a sector-by-sector framework with the proper application of the public benefit test, which must include all of the social costs.

I have a passionate belief in an active role for the public sector as an equalising force in our society. The public sector plays a special role in regional Australia by providing jobs, services and opportunities that the private sector will not provide owing to the tyranny of costs and distance. The adverse aspects of the National Competition Policy on jobs and job security need to be addressed. It has been estimated that only 30% of Australian workers are globally competitive. That means that 70% do not have the skills to compete successfully in a globalised market. For those workers, the Government must play a protective role in shielding them from a loss of income and social capability.

It is patently obvious that people no longer believe that there is a trickling down of benefits to the community from the bigger economic cake that results from the National Competition Policy. In the golden 1960s, John F. Kennedy, when commenting on expectations of increasing living standards in

the USA said that "when the river rises every boat on the water rises with it". Unfortunately, worldwide this is no longer true. For example, over the past 20 years in the USA gross national product has increased by 35% in real terms. However, during this period, the income of the bottom 75% of USA workers has declined. That has resulted in part from the total deregulation of the labour market in the USA.

We must not import the American nightmare into Australia where the bosses have declared war on their workers—a war, unfortunately, that they are winning. Such inequalities of income distribution should not be acceptable in any society. The pursuit of the common good, respect for human dignity and a fair go should all be part of any civilised agenda. Governments must address the issues of jobs and job security by embracing the twin goals of efficiency and equity. Governments must ensure that the public sector fulfils its role as a great equalising force and also keep public assets such as Telstra in public hands.

I believe that it is time that all of us here said to the people running the economic agenda of the world that people are much more important than profit, that society needs to be cohesive and that society needs to have the goal of equity returned to its common policy goal. We must care about people. We must make sure that people rather than profits are paramount.

Time expired.
