



PARLIAMENT OF WESTERN AUSTRALIA

INAUGURAL SPEECH



Hon Helen Hodgson, MLC
(Member for North Metropolitan)

Estimates of Revenue and Expenditure

Legislative Council

Tuesday, 27 May 1997

Legislative Council

Tuesday, 27 May 1997

ESTIMATES OF REVENUE AND EXPENDITURE

Consideration of Tabled Papers

HON H.M. HODGSON (North Metropolitan) [4.16 pm]: I begin by congratulating you, Mr President, on your election to the office of President earlier today. I am sure you will fill the post with distinction, and without fear or favour. You will be presiding over a new era and I know you will ensure all members in this place will have the opportunity to participate equally in the deliberations of the House. I also congratulate Hon John Cowdell on his election to the post of Chairman of Committees earlier this afternoon.

I speak for the first time in this place with a sense of history. It is the first time a member of my party has spoken in the Parliament of Western Australia. This knowledge makes me feel both proud and humble at the same time. I am proud of the party under whose banner I was elected. I am proud and honoured to be one of the first Australian Democrats to be elected to this Legislative Council. I am humbled by the trust that the voters of the North Metropolitan Region have placed in me. I know they have placed their trust in me as a representative of my party to ensure they have a say in the government of this State. I take this trust seriously and will endeavour to serve them to the best of my ability.

This is an appropriate time for me to thank all who were connected with my election campaign, from those who assisted at polling places on polling day to those who assisted in campaign administration. Each contribution was important in achieving this milestone. I must also acknowledge the support of my family, who have provided the moral support I have needed over the past years. In particular, my husband Allan has been a strong support whenever I have needed him. He has always been beside me acting as campaign manager, sounding board, housekeeper and counsellor, as necessary. The next four years will be easier with his love and support.

This is a historic change, not only because of the election of members from my party for the first time, but also because it has resulted in a change in the balance of the Legislative Council. It is no longer a place where the Government has the numbers to ensure its will is carried. There has been much speculation on the impact of this change on the traditions of this place. Far from its being revolutionary, I see the change that occurred last Thursday as an inevitable step in the evolution of government in this State. Essentially, the history of the Legislative Council in Western Australia is the story of the increasing democratisation of this Parliament, from representative government to a Council elected under property franchise, universal suffrage and, finally, proportional representation.

When this State was founded as a British colony a system of representative government was instituted in 1832, which enabled the State to govern its affairs under the authority of the Colonial Office. As the State matured economically and its population grew and spread geographically, the people saw that a new system of government was needed. The first elections for the Legislative Council were held in 1870, and the next major reform was the grant of self-government in 1890. At this point the Legislative Council ceased being the seat of government in this State, and the Government was formed in the new Legislative Assembly. The political colour of the Legislative Council was essentially conservative, as a result of the property franchise imposed on voters. Therefore, in this phase the Legislative Council continued to play an important part in the government of this State, not always agreeing with the Government in the Legislative Assembly even when that Government was also conservative.

The 1965 election was the first in which all Western Australians could vote for representation in both Houses of Parliament, and it is from this point that the Legislative Council showed an increasing tendency to support the legislative program of the Government, at least when a conservative Government was in power. According to *The House on the Hill*, edited by David Black, between 1965 and 1983, 25 Bills were defeated in the Legislative Council, but 18 of those Bills were during the three years of the Tonkin Labor Government. During the 10 years of Labor Government between 1983 and 1993, 28 Bills were rejected, but from 1993 to 1996, when there was a Liberal Government and this House was also dominated by a conservative majority, no Bills were rejected.

In 1987, a system of proportional representation was introduced into the upper House, finally opening the way for voters who have a minority viewpoint to gain representation in the State Parliament. The election held on 14 December 1996 was the third held under this system and resulted in this historic change in the composition of this House, which for the first time in its history does not have a conservative majority.

What future do the Australian Democrats see for the Legislative Council? The main change will be that this House will become a place where legislation is based on cooperation rather than on the numbers. The history of the Australian Democrats in the Parliaments in which we have seats is that we have generally taken the position that we would prefer to see the Government's legislative program dealt with through cooperation and negotiation rather than confrontation and obstruction.

Five political parties are now represented in the Legislative Council: The Liberal Party, the Australian Labor Party, the National Party, the Greens (WA) and the Australian Democrats. It is clear that at least two parties will be required to vote together in order for any matter to be passed. Traditionally in Western Australia there have been two major groupings: The coalition and the Australian Labor Party. The coalition has had the numbers; the Australian Labor Party has not. Given the extent to which party discipline has been maintained, parliamentary debate and strategies have been dominated by the tyranny of numbers rather than by the need to persuade the other party.

The experience of minor parties in other Parliaments throughout Australia has often been that the Government and the official Opposition vote together on most matters, leaving the minor parties as a dissentient vote. I have no problem with that. Given the proportional representation system under which minor parties are elected, we know that we are elected to represent those voters who believe that the major parties do not represent their point of view adequately. Therefore, it is not surprising that the minor parties often take a stance that is outside the mainstream point of view.

I recognise that the Legislative Council has developed traditions in its history. I respect these traditions where they do not have a detrimental impact on the functions of this House; that is, where they contribute to the good government of this State. I have observed these traditions over the past few weeks, and I feel compelled to say that I am saddened that the advent of the change in the composition of the House has contributed to the breaking of a number of conventions, at what I believe will turn out to be a serious cost to the community.

I have observed the working atmosphere of this place, where members are usually tolerant of one another's views, accepting that those views stem from an alternative belief system. However, I observed that atmosphere deteriorate in the dark days of the industrial relations debate. The challenge to all members of this House is to now repair those relationships in the light of the new numbers.

I also note with pride that this election has nearly doubled the number of women who sit in this place. There has been a dramatic increase from four to seven women, which represents about 20 per cent of the members of this House. Although that is a far cry from the proportion of women in the community, it puts us on a par with the number of women who hold seats in most other Houses of Parliament. Statistics show that, on average, the number of women elected to Parliaments throughout Australia is 20 per cent. In most bicameral Parliaments, more women hold seats in the upper House than in the lower House. Western Australia has, until now, been an anomaly in that the percentage of women who hold seats in the lower House has been double that of this Chamber. I am glad to see that anomaly rectified.

I believe that I am also the youngest member now sitting in this place. I admit to being part of a generation of women who entered the work force with a belief that anything is possible. The feminist movement of the 1970s had already removed, on paper, many of the barriers, but my experience was that those hard won reforms did not translate to equal opportunity. The taxation profession to which I belonged still provides ample evidence of the existence of these glass ceilings, which limit the ability of women to achieve to their full potential.

The access of women to a full and satisfying life is further imperilled by the government budget cuts that affect all aspects of their lives. The new industrial relations climate is biased against women, who are often clustered in low paid, casual work. Many women need the assistance of a strong union to support them in their negotiations with their employers. Child care funding is being cut so that women do not have access to reliable, affordable care for their children. Legal aid is not available to women who are in domestic violence situations.

There seems to be a return to the Victorian belief that a woman should be able to lead a full life within the confines of her home. While I admire women who are fulfilled in this role and believe firmly that there should be adequate support systems for them, for many women this is not an option. In many families, the woman is either the sole breadwinner or cannot survive on the income of her partner alone. Other women need the stimulation of a life outside the home for the sake of their mental health. Women must have choice in balancing a career with domestic duties.

It is worth noting where the women in this Chamber are seated. Nearly half of the women in this Chamber are seated on the crossbenches as representatives of the Australian Democrats and the Greens (WA). I believe I am the first woman to lead a political party in this Chamber. I believe this is because in my party, women are not constrained by a male dominated culture. My party was born in an era when strong women espoused the feminist cause and were empowered to seek political office. Two of our three best known leaders have been women, and two-thirds of our current sitting parliamentarians are women. This has been achieved without the use of quotas. We have shown through example and mentoring what women can achieve.

I am usually asked as a woman what motivated me to become involved in politics and why I chose to become involved with the Australian Democrats. The first question is not easy to answer without using clichés. I believe that if something is not working properly, one should not just complain about it but should be prepared to go in and fix it, and one's personal skills and talents will dictate the path that one chooses to take.

What personal values attracted me to the Australian Democrats? The three core values that are referred to in the constitution of the Australian Democrats and that reflect my personal value system are honesty, tolerance and compassion. These values are an essential part of the humanitarian and Christian values that I hold. Honesty requires more than personal integrity. It is our concept of honesty that drives our desire to see a more open and accountable Government in this State. The Australian Democrats believe that the Legislative Council should fulfil the role of a true House of Review. It is clear from the record of government action over recent history that many government projects have not been subjected to adequate scrutiny. Governments of both sides have expressed the attitude that the Government is elected to govern and should be allowed to carry out its legislative program. We have no quarrel with that as a fundamental thesis, but we are concerned when that means that the detail of that program is not subjected to adequate scrutiny. As an example of this, the current Government has made much of the government corporate culture that developed during the WA Inc years and the cost to the State. However, if one looks at the sum of the detail of what is going on now, one can see elements of the same culture still there. There are a number of government projects that will shortly be considered in this place. Others have been entered into under administrative powers given to Ministers. I do not say that these arrangements are necessarily flawed, but what is needed is an open and accountable review process which allows all questions to be answered and shows the community that the Government is not unduly risking public funds. We embrace the recommendations of the Commission on Government, which undertook a major review of government in this State. We intend to see these recommendations debated in this place and ultimately implemented.

Achieving a true House of Review can be largely accomplished through the proper use of the committee system. The major limitation on the effective use of Legislative Council committees is the relatively small number of members in the Council, being only 34. When the President and the Ministers are excluded from active committee service, that leaves only 29 available members. The five standing committees have very broad terms of reference, although they have not always used those terms of reference to the extent to which it is possible. For example, the Commission on Government suggested that the role of the Standing Committee on Estimates and Financial Operations in the upper House be redirected from the estimates process to an audit process in line with the operation of the upper House as a House of Review. This is already possible under the terms of reference of that committee, which is permitted to review any financial matter. It is important, however, that the members of committees be willing to ignore party political issues in order to allow the process to function effectively. Although it would not be realistic to expect members to put aside their basic belief systems, it is important that they be willing to listen to evidence that is put before them by experts and the community before making recommendations to the House as a whole. If the committee system is allowed to become another forum to air purely party political disagreements, it will lose not only its credibility but also its effectiveness.

Tolerance is the second core value that underlies the policies of the Australian Democrats. Tolerance is a concept that is becoming a rare commodity in the political climate, a situation engendered by the vocal few who seem intent on spreading discontent in many areas. I believe we must become a united Australia, no matter what our various backgrounds. There should be no discrimination or prejudice on the grounds of religion, culture, sexuality, disabilities or any of the other myriad ways in which a person may be discriminated against. In the same way that I recognise that my value systems and politics are different from those of other members in this Chamber, so we should be able to accept other people's differences and work together towards a common goal, being the welfare of this country.

I am struck by the coincidence that this is the week in which the Aboriginal reconciliation conference is being held in Melbourne. I am deeply concerned about the welfare of our Aboriginal population. I was privileged recently to attend a weekend retreat as part of the reconciliation process. During that weekend we lived as a community, Wajallah and Noongar communities together, sharing each other's stories. It struck me strongly that if I had been born of different parentage, with an Aboriginal heritage, I would have been at risk of being stolen from my parents and brought up in an environment and culture that was alien to me. These issues are highlighted in the long awaited report of the inquiry into the stolen generation. I am pleased that this House has today acknowledged the trauma suffered by these people with a mark of our respect. There is little that can be done to rectify the errors of our predecessors, other than to offer apologies to the Aboriginal community affected by those mistakes, all the time aware of how hollow apologies must seem when the evidence of continuing racial intolerance is all around us.

The reconciliation process involves more than simply acknowledging the errors of the past, although it is an essential first step. An apology does not take away the hurt; an apology will not reunite families that have been divided or restore an identity to people who have lost connection with their roots. Neither is the reconciliation process an exercise in assuaging the guilt of the non-Aboriginal community. It is true that the actions of those who developed the Aboriginal affairs policies of the past were motivated for the most part by a lack of understanding rather than a deliberate decision to alienate a race from its culture. There was a genuine although misguided belief

that the Aboriginal race would only benefit from being forced to adapt to our so-called civilised influences. The fact that the Aboriginal race and culture have survived is a testament to their powers of endurance. After all, in 200 years the Aboriginal community has been forced to adapt from a hunter-gatherer society, which was closely in touch with the land which sustained it, to life in an industrial society - an adaptation that took European society over 2 000 years.

Many individuals in the Aboriginal community have had difficulty making this transition. The loss of their own culture has left a void that they have been unable to fill. These individuals need healing. They need help to climb out of the pit of despondency. What is there for them in our society? They see around them people who are filled with racial bigotry and hatred. Statistics show that in April the Aboriginal population comprised 34 per cent of the prison population, and this is from a base of 2.7 per cent of the Western Australian population being of Aboriginal heritage. Health statistics show that Aboriginal people are more likely to suffer from diabetes, heart disease and other illnesses, whether they live in urban centres or remote communities. Today, 27 May, is the thirtieth anniversary of the referendum in which Aboriginal people were given the vote. Next week, 3 June, is the fifth anniversary of the Mabo decision, which affirmed that Aboriginal people do have a form of title to land. The current debate over how far that title extends must be resolved soon. All parties involved in the debate are suffering from uncertainty as that debate continues. One thing that is certain, however, is that extinguishment of native title is not an option. There are many forms of title that can co-exist, where each party has defined rights under that form of title. The High Court has recognised in two legal decisions that the law of Australia recognises that Aboriginal people have a right to a form of title to land where they have maintained their links to that land. We should not be even considering extinguishing that right, in the same way that we would not be talking about extinguishing the rights given to a pastoralist under the form of title granted, being their pastoral lease.

The third core value underlying the constitution of our party is compassion. Compassion is often overlooked in determining economic priorities. Compassion ensures that when these goals are set, they must take into consideration the needs of all groups of people within the State. Western Australia is in a strong growth phase at the moment. Certain sectors of our economy are booming, particularly those linked to the resource sector, yet other sectors of our economy, notably the retail sector and housing construction sectors, are still sluggish. What does this suggest? It suggests to me that there is something wrong with the engine driving this State's economy. It is firing on three cylinders. It seems that the economic benefits of the boom are not filtering through to those people in our community who really need assistance. The real engine room of the State is small business. In the north metropolitan regional economic district 67 per cent of jobs are created in small businesses; that is, businesses with fewer than five employees. A significant number of those are in the housing construction and retail sectors; in fact, within the region the retail sector represents the largest industry sector. These battlers need to know that they have secure jobs before they will have the confidence to build new homes or to spend up big in the shops. Under the current industrial relations regime, people are never sure how secure their job really is. It has been traditional that politicians do not have security of tenure, being elected for a fixed period of time, hence our extremely generous superannuation plan. In the modern Kierath workplace there is even less security of tenure. Many people are employed on annual contracts, with no commitment for future employment. Workers in the public sector are in constant fear of having their jobs privatised; farmed out to the lowest bidder. A four year term would be seen by these people as very secure employment.

I have already referred to the dangers of uncertainty in the context of the Wik decision. Many employees are in exactly the same position as pastoralists when it comes to planning their economic future. In the absence of economic certainty of future employment, what bank will lend money to a young family to build a home? Not only does the family miss out on the dream home, but it is another house that is not built. It is one less job for the builder; it is less work for the subcontracted plumber, tiler, carpenter, painter, electrician - the list goes on. We need only multiply this out to ascertain the number of workers in this dilemma and perhaps start to see the explanation for the flatness of the retail and residential construction sectors of the economy.

Leaving aside security of tenure, employment conditions are being eroded under workplace agreements. I refer particularly to women and students, who are more often employed as casual and part time staff. Under workplace agreements, these employees often find they are working longer hours for less pay. I can see there is a good case for improving the flexibility of the workplace and that this should result in productivity gains. The idea behind a workplace agreement is that both parties should win. The way in which these agreements are implemented often means that the worker loses. Workers are presented with an agreement they cannot refuse without risking the loss of their job. This is why the industrial relations system needs unions. There is a real place for unions which can stand up for the rights of workers against major employers, in the same way as employers need protection against the actions of some of the unions from time to time. The Industrial Relations Commission must be allowed to fill the role of arbitrator between these groups if we are to develop a system of industrial relations that will lead to greater harmony and increased productivity.

Regrettably the events of the past few weeks have not generated an atmosphere in which we are likely to see industrial peace. The level of industrial disputes in Western Australia has been considerably lower than the corresponding rates in other States for many years, with the only major campaigns coinciding with the introduction

of legislation by the coalition Government. Whatever the outcome of this current dispute, ultimately the people of this State will be the ones who suffer, be they unionists or employers.

We must also maintain our compassion in the context of the current tax debate. Our tax system as it is currently structured is inequitable, particularly the imbalance between the federal taxation structure and the state taxation structure. The Australian Constitution established the parameters of the division of the taxing powers between the Federal and State Governments. In practice, this has been overtaken by the grants arrangements between the Federal and the State Governments.

The Constitution was written by our forefathers nearly 100 years ago and in a vastly different commercial environment from that prevailing today. Before federation all economic issues were the responsibility of the States, which were required to raise funds to pay for services. At federation certain responsibilities were transferred to the Federal Government, which also received the power to tax to pay for these matters. The advent of the First World War, with its requirement for increased defence spending, heralded the transfer of income tax from the States to the Federal Government. In the Great Depression it was seen that the Federal Government had more scope to implement macroeconomic policies that would affect the economic force of the nation as a whole.

The biggest challenge faced by the States in restructuring the tax system is the change in commercial practices over the past 20 years. Transactions must now be viewed as occurring in the national or global economy, rather than in a particular location. It is remarkably easy to enter into electronic transactions interstate or offshore, with a consequent reduction in the Western Australian tax base. Internet global marketing is allowing customers to order goods from other countries, bypassing the point of sales tax collection systems set in place in Australia. Whatever the final shape of our state system, it must stand with that in place in other States in a way that will reduce the incentive to structure transactions to take advantage of any discrepancies between the States.

The difficulty we face is that of restructuring the tax system so it is fair. This is the ongoing dilemma for Governments: Structuring a system that is equitable and simple. Flat rate taxes, whether they be income tax, a stamp duty or a goods and services tax, always have superficial appeal because they are easy to administer and discourage avoidance; however, they are not fair. In the same way, a move to a privatised or user-pays system has superficial appeal. Members must not get me wrong; the private sector can provide some services equal to those provided by the Government at a reduced cost. Similarly some services provided by the Government should be paid for by those who use them. The problems arise when the philosophy becomes a set of overriding criteria that prevent the Government from seeing past these principles.

Privatisation should be a choice only when the service provided is at least equal to that provided by the government sector. The problem is that there is not always as much fat in government services as the Government would like to believe. To make a profit - why else would companies be in business - the private service providers must make efficiencies which may impact on the level of services provided or on the working conditions of the staff they employ.

The user-pays system can be used to disguise taxes. With this approach some sectors of the community will always opt out of a user-pays system, leaving it underresourced and unable to provide the basic level of services needed by the community. The wealthy will often opt out of services because they can afford to pay a private provider for what is seen as an elite service. As the cheaper public service falls into disrepair, it ceases to function adequately, thus accelerating the decline until eventually we are left with a system that is supposed to serve those who cannot afford to pay for it.

Equity is an important principle of taxation, and a Government with compassion must take account of taxpayers' circumstances to devise a taxation system that is equitable. It is unfair to have a taxation system under which the poor pay a greater proportion of their income in taxes than do the wealthy. The involvement in the tax debate of welfare organisations as well as economic think-tanks is essential to strike a balance between the interests of all sectors of the community. Ultimately Governments must make some decisions about the level of services available to the community. On one side of the dilemma a compassionate Government will ensure that safety nets are in place; that people are not denied access to justice through lack of funds. The other side is that funds must be available to ensure criminals are properly prosecuted. Governments must ensure the best standards of health and education are available to all, regardless of their ability to pay.

I have taken this opportunity to expound at some length on the basic philosophies of the Australian Democrats to mark this historic occasion. These philosophies of honesty, tolerance and compassion will underlie our approach to the task before us as we seek to participate in the good government of the State. Ultimately, however, there is a fourth criterion; that is, reason. Laws and other proposals must be reasonable to be acceptable to the community. We will be reasonable people to deal with in this Chamber.

[Applause.]