

Rural Times 13

Waste in NSW

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Although governments from London to Beijing and from Budapest to Santiago are promising to deregulate and privatise, the NSW Government is the only Australian Government so far elected on that platform. It now finds itself lagging in the opinion polls and criticised from both sides. On the one hand, there are those who believe that Mr Greiner would have been wiser to have deregulated on a broader front, as Roger Douglas has done in New Zealand. On the other, some feather-bedded railway employees, subsidised rail users, teachers, Elcom staff and others, who fear that competition will find them wanting, can't find words nasty enough to describe him.

In the long run there is not a real choice: Mr Keating is right to tell the Premiers that, if they cannot reform the micro-economy, then the cost of servicing foreign debt will ensure that living standards fall. The Premiers, for their part, might object, however, that the criticism comes ill from one who cannot, or will not, reform such micro-economic disasters as the Arbitration Commission and Medicare. The truth is that both he and they are frustrated more by entrenched vested interests than by misguided ideology.

The Greiner Government has done more to reform its micro-economy than any other State Government and perhaps even more than the Hawke Government. Now it faces problems like these: Few NSW housewives know that they now buy eggs 30 cents/dozen cheaper than in other state capitals, and few of them realise that the 6 cents/litre fall in the cost of milk was brought about by deregulation. Families shopping together for the first time may credit the Premier with the change in shopping hours that allow them to do so, but no one family benefits enough to let that be the issue which determines how its members will vote.

Farmers, still squeezed by high costs, experience only the net return from grain sales and do not give the Government's reforms of railways and grain handling their due. Besides, they have yet to experience all of the benefits that will come from these reforms. Taxpayers, who no longer must pay \$9 million per year to subsidise an inefficient government printing service, \$5 million to warehouse government stores, \$10 million for government telecommunication services, \$72

million for cleaning, and so on, still 'know' that they are over-taxed---and they don't experience the even higher taxes in Victoria!

Regulations create winners and losers. The regulations that persist are those which allow a favoured few to take a little plunder from each of many people. The most common are those which allow producers to raise prices at the expense of consumers. Thus the poor deregulator finds himself with a few well-funded producers of a good or service calling for his head, while perhaps millions of consumers don't even realise that he has helped them. It is not therefore surprising that Mr Greiner finds it necessary to blow his own trumpet about those rorts his Ministers have, in fact, eliminated. These are just some of them:

- | Until recently Narrandera had 26 people on the State Rail Authority pay-roll. Although there were no trains, 11 were train crew. 3 drove these crew to and from the non-existent trains. 6 sold an average of 5 tickets per day, and a further 6 were relief staff.
- | The track from Glen Inness to Tenterfield had 5,000 tonnes of freight per year. 4500 tonnes of this was sleepers for the Glen Inness to Tenterfield track.
- | The operating costs of the State Transit Authority were three times those of private enterprise.
- | Most amateur boat owners can remove their outboard motors alone, but the Maritime Services Board required seven tradesmen for so complex a task.
- | At one power station 5 men were required to change a light bulb in the workshop, if you please.

Mr Greiner boasts that the private sector is now doing 98% of Public Works Department construction work, that some hospitals are letting their cleaning to tender thus saving 20% of the previous cost, that uneconomical country rail booking offices have been closed and the work given to private, local travel agents, and that some prisons might be privatised. If they are, the prison officers are likely to join those who paint Mr Greiner as a right-wing zealot. They will try to ignore the facts that NSW prisons are hardly salubrious now and, in the US where private prisons have been tried, prisoners prefer them.

Finally, New South Welshmen should think back five years to when the lights in NSW kept turning themselves off. Since then, Elcom staff have been reduced by 30%, operating costs have been cut by \$250 million, and now the lights stay on for as long as the switch is 'on'.

Micro-economic reform is eliminating waste and failure. Unfortunately, it is always opposed by the people who lose their sinecures and seldom praised enough by those who benefit from the new efficiencies.

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