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NEW SOUTH WALES

BUDGET SPEECH
1991-92

DELIVERED BY

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PREMIER AND TREASURER

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1. INTRODUCTION

Mr Speaker,

This, the Coalition's fourth Budget, is framed in the most difficult circumstances since 1931.

It is a Budget that is appropriate for the difficult times shared by every Government, every business, every household, and every person in Australia.

It is a Budget that meets the challenge by facing up to the realities - past, present and future.

As to the past, the Labor Governments which preceded us lived a charmed life.

- They had the advantage of a boom in State revenues, largely from property and share stamp duties, propelled by the longest economic upturn in Australia's postwar period.
- In the six years to 1988-89, there was a seven and a half-fold increase in tax revenue from contracts and conveyances.
- Between 1982-83 and 1987-88, the period when there were Labor Governments in both Canberra and Sydney, Commonwealth general and specific purpose payments to NSW rose by 49 per cent, a real rise of 5 per cent.
- Labor went on wild spending sprees using up its revenue bonanza as well as large borrowings, and running large deficits.

- As well as operating the Budget Sector disastrously, it also left Government trading enterprises in total disarray.

With this kind of legacy, when we came to office we were determined to take strong and necessary decisions to pull New South Wales out of the quagmire in which it was sinking.

As a result:

- New South Wales is performing better than the other States both on the economic and financial management fronts.
- On the economic front, we are performing better than the 5-State average on 6 of the 9 monthly indicators and on 14 of the 15 quarterly economic indicators.
- There are over 50,000 more people in jobs in New South Wales than would prevail if we had an unemployment rate at the level of the other States.
- We have excelled in our financial restraint and we have substantially achieved our multi year financial strategy.
- Budget Sector net debt as a proportion of Gross State Product fell from 12 per cent in June 1988 to 10 per cent in June 1991 and is projected to be 9.3 per cent by June 1994.
- Debt servicing costs as a proportion of Budget outlays fell from 12.5 per cent at June 1988 to 10.4 per cent in June 1991.

- Current Budget Sector spending was constrained to broadly zero real growth from 1988-89 to 1990-91.
- Total public sector employment has fallen by 20,000 since June 1988 and productivity has risen dramatically.
- The Budget Sector capital program has increased strongly in real terms since 1987-88 in areas such as roads, hospitals, courts and prisons.
- The tax burden in New South Wales has declined relative to other States. We have shifted from being a State with relatively high tax rates to one with average or low tax rates in most cases.

New South Wales and Victoria cross subsidise through the process of fiscal equalisation, the four small States and the territories to the extent of nearly \$2,400 million per annum. In this total subsidy, New South Wales' share is \$1,300 million or \$220 for every man, woman and child in this State.

Both equity and efficiency considerations demand a reappraisal of fiscal equalisation. Continuation of the present trend will threaten the whole basis of the Federal accord.

2. THE 1991-92 BUDGET

Many, including some of those in my own Party, believe that we have done enough and that we should now rest on our laurels.

But we are not about wimping out.

This Government has won national respect for its initiatives - for doing the right thing despite political costs.

We are not about to stop now.

We need to do more. More on financial reform. More on structural reform.

If we were to lose our nerve now all the benefits of the past would soon disappear and we would head down the Victorian path of massive debt, huge price hikes, terrible unemployment and just plain pervasive gloom and lack of confidence. A path now being followed in South Australia and Western Australia.

Moreover, the federally induced deterioration in our financial position relative to the boom year of 1988-89 makes it imperative for us to continue to act in a strong and forthright manner.

Fundamentally, this Government has had to deal with a massive real decline in revenue. Despite the projected pick up in contracts and conveyancing revenue in 1991-92, there will be a real decline in the total of property and share based revenue and Financial Assistance Grants of \$1,200 million.

We also need to prepare for the next round of revenue falls on the land tax and share duty fronts.

If we do not act now on the Budget then we would be facing a Budget Sector financial deficit of some \$2 billion per annum for each of the next three years.

Deficits of this order would rapidly increase the level of debt and, hence, the proportion of the Budget revenue absorbed in debt servicing costs. Such a development would lead to a downgrading of the credit rating of the State. We would lose our triple A status and thus further increase our debt costs.

More significantly, any downgrading of the State's credit rating would produce a deterioration in the confidence of the business sector and of consumers, and feed into the level of economic activity and investment decisions. Unemployment would rise dramatically.

Such a development can produce a vicious cycle with the adverse economic consequences of loss of confidence reducing revenue and further exacerbating the State's financial position.

Those who would be hurt the most would be the working people of New South Wales and their families.

That is why we have developed the financial strategy which I outlined in my July Financial Statement and reflected in this Budget.

Unlike the Opposition, we do not have both hands tied behind our backs by ideological preoccupations.

We are using every available policy option including privatisation, contracting out, dividends from trading enterprises, asset sales and removing surplus staff. At the same time we will continue what are universally acclaimed reforms in areas like transport, ports, electricity and water, and progress reforms in areas like forestry, fishing and irrigation.

The Opposition does not have a credible alternative strategy because it cannot bring itself to support staffing efficiencies, asset sales, contracting out of services or privatisation, even though Labor Governments in other States are now following our example on this score. Without these measures, meaningful Budget savings are impossible.

The alternative would be to either balloon debt or increase taxes; both are paths to disaster.

The 1991-92 Budget is the first in a 3-year strategy.

An important part of the strategy is to provide a true and accurate presentation of the Budget.

For many years, the Budget has been presented in terms of the Consolidated Fund position, which does not cover the entire Budget Sector.

This is why for the past three years we have shown the State's total finances on an Australian Bureau of Statistics's Government Finance Statistics basis in a supplementary Budget Paper.

The 1991-92 Budget is formulated on a basis consistent with the Australian Bureau of Statistics Government Finance Statistics presentation.

Other major reforms in the presentation of financial information contained in this Budget are:

- projections of the full Budget position for each of the next three years, together with detailed revenue projections,
- adoption of net appropriations so that a department's appropriation now only covers the money provided from the public purse, not proceeds from user charges and other departmental revenues, and
- presentation of accrual or commercial accounting information on 42 out of 63 agencies, with the balance to be converted in 1992-93.

In order to ensure that the reforms in Budget presentation are continued, we will legislate to incorporate them into the laws of this State. This will ensure that future Governments will present the true financial position of the State as represented by both the Government Finance Statistics cash presentation of the Budget and the accrual accounting and budgeting approach.

The 1991-92 total financial Budget result is projected to be a surplus of \$661 million.

This result includes the proceeds of the planned privatisation of the GIO.

When sale of business assets is excluded, the result is \$1,089 million, up slightly on the 1990-91 deficit of \$1,001 million.

Comparing on a like basis with other States, this is a per capita deficit of \$187 compared to \$335 for Victoria and \$343 for the Commonwealth, and is below all mainland States other than Queensland.

To put this into context, in 1986-87, the last year of the previous Government the comparable deficit was \$1,434 million in 1991-92 prices. This was despite the Government enjoying a revenue boom. Since that time New South Wales has suffered a real decline in revenue of \$1,200 million. We have managed to absorb this enormous shock and overall improve our financial position.

Beyond 1991-92, the financial strategy is expected to avoid any further deterioration in the Budget position, despite the relatively weak revenue outlook.

When combined with the privatisation proposals, the result will be a significant real decline in the Budget Sector net debt position.

Budget Sector net debt by June 1994 is projected to be over \$600 million lower in real terms than as at June 1991.

Current Expenditure

In 1991-92 ordinary departmental current payments will increase by 3.8 per cent, broadly in line with inflation. In the following year, as our savings strategies take full effect, the increase will be only 0.5 per cent, a real decline of 4.0 per cent. Over the full three year period current departmental payments will decline by 5 per cent in real terms or over \$600 million per annum.

Initiatives implemented to date by my Government have achieved annual savings of nearly \$700 million.

The expenditure savings implemented in this Budget are a further \$230 million in 1991-92 increasing to \$930 million by 1993-94.

This will be achieved by a combination of productivity dividends, contracting, user charges, downsizing corporate support and rationalisation of functions and programs.

Our objective is improved efficiency with a clear focus on core functions and priorities.

The strategies I have outlined will lead to staff reductions and, indeed, in 1991-92, it is expected that overall public sector employment will decline by 2.4 per cent or over 7,000.

This will be achieved by attrition and voluntary redundancies. Retrenchment will be used only as a last resort. We have also introduced the Job Assist Scheme, which offers retraining and outplacement assistance to surplus staff.

While restraining overall current outlays the Government has been able to:

- fund redundancies of over \$360 million, directed at achieving ongoing improvements in efficiency;
- increase funding in the health area by over 1 per cent in real terms;

- increase funding in the community services area by a massive 8.7 per cent, with a special package to assist those affected by the recession;
- maintain school and law and order funding to pay significant salary increases in both areas and cope with an increased prison population.

The focus of the Government's reforms and financial restraint has nothing to do with ideology - the focus is on improving and providing more responsive services, within a financially constrained environment.

Moreover, while we are facing extremely difficult times we just cannot abandon the people most affected by the recession.

This year will see large growth in welfare services as well as little real growth in health services.

Welfare services include rate rebates for pensioners, transport concessions and mortgage and rent relief assistance.

The 1991-92 allocation to welfare services represents real growth of 8.5 per cent.

The federally induced recession has resulted in a significant and growing group of individuals who are not traditional welfare clients. These are people who have become unemployed in the last 12-18 months and who have become unemployed for significant periods as a result of the recession. Many of these people are in mid to later life; many have never been unemployed before; many of them support families.

In recognition of the growing number of families and individuals who have been adversely affected by the worsening employment situation and difficult economic times a once off Recession Support allocation of \$10 million is to be made available in 1991-92. These additional funds will be used primarily, but not exclusively, to provide direct assistance, support and guidance to non traditional welfare clients, many of whom have never known unemployment and require assistance to support families and meet commitments generated in more favourable financial circumstances.

The Recession Support Program includes the following initiatives:

- the provision of a total of \$4 million in block grants to community based organisations, including Careforce, the St Vincent de Paul Society, Wesley Mission, the Sydney City Mission, the Salvation Army, the Smith Family and Centacare to provide assistance in both urban and rural areas to those individuals and families falling within the target group;
- once-off supplementation of \$2 million to non-government organisations providing emergency cash assistance to those in need;
- an amount of \$1.75 million to provide mortgage and rent relief assistance to the unemployed. This amount will be in addition to the \$21.1 million already allocated for this purpose in 1991-92 and will be administered through the Department of Housing;
- a total of \$2 million to provide additional support to existing welfare recipients; and

- an amount of \$250,000 to fund a toll free credit line which will provide financial crisis counselling.

In addition, from the 1992 Land Tax year, boarding houses which allocate a substantial proportion of their available accommodation to long term boarders on income support schemes will be exempt from land tax. This social welfare measure will cost \$6 million in 1991-92 and \$8 million in a full year.

Moreover, growth funds will be provided for Home and Community Care, Supported Accommodation and Children's Services Programs.

The Home and Community Care Program is directed at assisting frail aged people and people with disabilities who live in their home. In 1991-92 current funding will increase by 7.1 per cent.

Supported Accommodation, which provides funding to organisations to assist in providing short term emergency accommodation to those in need, will have its funding in 1991-92 increased by 11.9 per cent.

Once again NSW has committed \$2.25 million to the Aboriginal Community Infrastructure Program. This Program is jointly funded by the Commonwealth, the NSW Aboriginal Land Council and the State of NSW, and will provide improved facilities such as sewerage, roadworks, electricity and housing to underserviced Aboriginal townships.

Even during these difficult times and despite the nonsense we hear from the Labor Party, total payments for the health sector will increase by 4.9 per cent in 1991-92 to \$4.25 billion, a small real increase.

Various strategies have been put into place by the NSW Government to combat unemployment.

Employment and training programs of the Department of Industrial Relations, Employment, Training and Further Education are geared to developing job skills and training infrastructure, as well as providing employment generating packages based on community activities.

The Department has been allocated \$34.2 million in 1991-92 for employment programs.

A major component of the employment programs is the workplace based organisations in providing training, counselling, job placement and post placement support services. As part of this initiative \$2.8 million has been allocated to the Mature Workers Program which represents an increase of 45.7 per cent on 1990-91 expenditure. About 1500 people will be assisted under this program, reflecting the Government's commitment to assisting both retrenched and older workers in re-entering the workforce.

Capital Expenditure

As foreshadowed for some time, there are essentially no new projects this year.

The 1991-92 Capital Program is projected at \$5,517 million, a real increase on the record 1990-91 program. This will greatly assist to uphold activity in the depressed NSW non-dwelling building and construction sectors. Within the capital program, there will be a switch from Budget to Non Budget Sector works.

The Budget Sector Program for 1991-92 is projected to be \$3,581 million, a real fall of 4.0 per cent. When the impact of the Olympic funding is excluded, the Budget Sector program will be declining in 1991-92 by 5.7 per cent in real terms. This is offset by the Non-Budget Sector capital program which is projected to increase by 20 per cent in real terms.

Although the Budget Sector capital program will be cut in real terms, this will be from a very high level. In the past three years, Budget Sector capital spending has expanded by 22 per cent in real terms to redress Labor's dramatic neglect of schools, hospitals and other community buildings, as they concentrated on boosting public service numbers.

Revenue

There are no new taxes and no increases in taxes announced today.

This is in spite of the continuing clouds on the State's property revenue horizon.

Moderate recovery is projected for the forward years in stamp duty from contracts and conveyancing. The recovery is due to a projected improved turnover in residential properties, with little or no recovery projected for the commercial property market.

However, the overall revenue outlook is bleak due to the projected large decline in land tax, the phased abolition of share transfer duty, falling asset sales and real declines in Commonwealth payments.

After significant increases in land tax revenue in recent years, it is projected to fall in real terms by 35 per cent or \$290 million between 1990-91 and 1992-93, as the impact of reduced land values flows through to land tax assessments.

The Government in recent years has introduced a number of changes to land tax, including the reduction in the tax rate and an increase in the threshold in order to ease the burden of this tax.

In November, the Government will be releasing a White Paper on the land tax valuation system. Other minor machinery changes are announced separately tonight.

Share transfer duty, which has been severely affected until recently by the downturn in the equity markets, will be phased out over the coming years in response to the abolition of similar duty in New Zealand and its planned abolition in the United Kingdom. Not to abolish the duty would merely force the closure of the Sydney Stock Exchange with the same effects.

While there is projected to be some improvement in 1991-92 in asset sale proceeds, this simply reflects the sale of certain major assets deferred from 1990-91. Up to 1993-94 and even after, there is not expected to be an improvement in the commercial property market and hence in the State's asset sale program.

With the Budget, I present a number of cognate revenue bills.

The Public Finance and Audit (Net Appropriations) Amendment Bill 1991 is introduced to facilitate the use of net appropriation budgeting.

It redefines the type of income which may be retained by a government authority, instead of having to be paid into the Consolidated Fund. Retained income is to comprise money received by the authority from :

- the provision of goods and/or services;
- donations and contributions; and
- any other sources authorised by the Treasurer.

All taxes, regulatory fees and fines, Commonwealth payments etc, will be required to be paid into the Consolidated Fund as originally intended by the Constitution. For too long, too many of these revenues have by-passed the Budget, thereby escaping Parliamentary appropriation and scrutiny.

The proposed date of operation of the changes is 1 July 1991.

In my July Financial Statement I announced the indexation of Motor Vehicle Taxation and Petroleum Franchise Fees as well as the extension and indexation of the 3 x 3 Fuel Levy.

All the revenue collected from motor vehicle taxation and fuel levies will continue to be allocated to the Roads Program.

We would also like to ease the pain of tax administration on all concerned.

Accordingly, all taxation legislation is to be rewritten and consolidated into a single Revenue Act.

We propose to work with the other States to achieve consistent taxation legislation across Australia and in this way assist the businesses of this country.

During 1990-91, New South Wales had the lowest increase in Government charges.

Comparing June 1991 with June 1990, the increase in Sydney State and Local Government charges at 4.5 per cent was the lowest of any State.

Projections for NSW Government charges over 1991-92 are for an increase of 3.4 per cent. This is in line with the forecast increase in Sydney CPI of 3.5 per cent.

The Coalition Government has been able to achieve this result on charges because it has led Australia on increasing productivity and profitability, and reduced staffing and debt for the government trading enterprise sector.

Dividend, tax and loan guarantee fee payments to the State from government trading enterprises are now more than \$900 million, compared with only \$129 million in 1987-88 and are an integral part of the success of our budget strategy.

3. FINANCIAL AND MANAGEMENT REFORMS

This increase in revenue from government trading enterprises has been made possible by the government's reforms over the past three years. These have been directed at improving the efficiency and effectiveness of the provision of services and the overall allocation of resources.

The broad theme of the reforms has been to establish government trading enterprises on a fully commercial basis, with user pays pricing policies, improved return on taxpayer's equity and ensuring an unbiased playing field for those enterprises which operate in competitive or contestable markets.

A NSW Treasury survey of seven of the largest government trading enterprises shows that employee productivity will increase by 67 per cent by 1993-94. These productivity increases reflect both a reduction in staffing levels and a significant increase in output.

Overall staff numbers in the government trading enterprise sector have declined from 96,000 in June 1988 to 74,000 in June 1991, a fall of over 23 per cent. Almost half of this reduction, occurred in the State Rail Authority where staff numbers fell by 10,000 or 28 per cent. In the case of the Electricity Commission staff was reduced by 3,600 or 34 per cent. In both cases, both the volume and quality of services have risen, despite the decrease in staff numbers.

Both the Grain Handling Authority and the State Bank have been corporatised.

1991-92 will also see the corporatisation of the Electricity Commission of NSW (Pacific Power) and the Hunter Water Board (Hunter Water Corporation). The successful corporatisation of these organisations, illustrates the Government's commitment to microeconomic and financial reforms which directly benefit consumers and tax payers.

NSW is the leading State in these reforms. Moreover, the competitive market for electric power which Pacific Power will develop and trial over the next two years will be the precursor for similar developments around Australia. Together with the Special Premiers' Conference initiative to move toward an Eastern States power grid open to public and private sector generators alike, these initiatives with help ensure that NSW consumers will benefit and NSW industry will have its competitiveness increased.

As Australian industry is exposed to greater levels of international competition through lower tariff and quota protection it is essential that Governments improve their competitiveness by providing the most cost efficient services possible. My Government will continue to reform public utilities to better meet customer needs.

Indeed, it is these motives which have provided the impetus for the Special Premiers' Conference reform program.

An integral part of public sector reform is the creation of a mechanism to set prices when a competitive market is not present.

Accordingly, the Government is to introduce legislation this financial year to set up a statutory Monopoly Prices Tribunal to independently set prices of operating Government trading enterprises in monopolistic markets.

In determining prices, the Tribunal will aim to balance the interests of the public as consumers of Government Trading Enterprises (GTE) services on the one hand and as owners of GTEs on the other.

The Government's proposal to set up a professional expert agency, independent of any politicians, will ensure that our Government enterprises are both profitable and price lean. The winners will be families, the environment and jobs.

I have already mentioned the price restraint resulting from improved performance of the Government's business.

Two such businesses stand out in this area.

The first is WorkCover.

The continuing responsible economic management of workers compensation has consolidated the financial position of the NSW WorkCover Scheme and provided a basis for delivering higher benefits at a lower cost to business in the State.

The WorkCover Scheme continues to show strong financial results, with a large surplus compared to a deficit for Victoria's scheme.

Business in NSW has received a considerable boost through the continuing reduction of workers compensation premium rates. Premiums for 1991-92 have been targeted at an average of 1.8 per cent of wages, a 10 per cent reduction from the 1990-91 target of 2 per cent. Small business rates have been cut by an average of 18 per cent in addition to the 20 per cent cut in the previous year.

In addition, the Government has announced an improved benefits package worth \$400 million to injured workers incorporating \$130 million in recurrent annual costs. The proposed benefit increases are directed to more seriously injured workers. The continued sound management of the WorkCover Scheme will ensure that these extra benefits can be paid within the existing premium rate of 1.8 per cent.

Then there is the Motor Accidents Authority

Various third party motor vehicle schemes adopted over the years to deal with death and injury on the State's roads resulted in a very substantial unfunded liability which at December 1990 was estimated at \$1.4 billion.

This kind of growing liability could not be tolerated. It was for this reason that my Government adopted a new scheme on 1 July 1989 under the auspices of the Motor Accidents Authority.

I am delighted to inform Honourable Members that the Government's initiative to privatise and deregulate Compulsory Third Party insurance has proved a great success. The initiatives contained in the Motor Accidents Legislation are working and this, coupled with competition, has seen Compulsory Third Party premium rates for motor vehicles reduced dramatically.

In the Sydney Metropolitan area, motorists, who in the past have paid a great deal more than motorists in other States, now find that their premiums are falling at a time when premiums elsewhere are rising. Indeed some motorists are paying in excess of \$100 less than last year. The maximum saving gives a premium which is nearly 40 per cent less than the premium originally gazetted for 1990-91.

We are proud of what we have achieved for the motorists in this State.

Because of our excellent performance in this regard, we are justifiably disappointed at having to meet the emerging liabilities not funded by the previous Government.

The \$1.4 billion inherited liability will be funded from available surplus borrowing capacity. This will increase the net debt level over the next four to five years as funds previously borrowed and invested are drawdown to meet emerging third party claims.

The cost of the claims impacts through increased debt costs which are estimated to increase by \$120 million per annum by 1996-97.

My Government is also extremely proud of the performance of the NSW Treasury Corporation, TCorp, which has successfully navigated the current difficult financial and economic environment to achieve a profit increase of more than one-third to \$41 million at a time when most financial institutions were recording severe reverses. Moreover, TCorp has achieved through its debt management activities, savings of \$329 million in 1991-92, on top of the \$100 million in the previous year.

The Government is also proud of its achievements in helping low to medium income families to borrow for a home. HomeFund Loans are raised by FANMAC, the largest and most successful issuer of mortgage backed securities in Australia.

Under my Government over \$3,000 million has been made available to some 38,000 low and middle income home purchasers throughout the State. A further \$1,500 million will be available for over 18,000 home seekers in 1991-92. This compares with just over \$200 million made available in the last year of the previous Government.

State Government involvement has been significantly reduced and better services to the public provided through private sector participation in various areas.

For instance, privatisation is gaining importance in the provision of infrastructure.

Private venture tollways are currently under construction at F4 Western and F5 South Western Freeways. In the case of the former, construction commenced in April 1990 and is expected to be completed in 1992, at least ten years earlier than would have been the case with Government funding. Construction on the second tollway was commenced in February 1991 and will be completed in two stages by 1994 and 1995.

Several other tollways are under active consideration. The only alternative to this approach is a savage cut back on new road construction, city and country, for the next decade - and that is obviously unacceptable.

In future, the majority of construction projects, previously undertaken by the Roads and Traffic Authority will be handled by the private sector under contract.

Maintenance by contractors is being trialled and its outcome will determine whether to extend contracting to all RTA road maintenance.

As is well known we are well advanced in negotiations for the sale of Graincorp.

In addition, as announced in the July Financial Statement, the Government is proceeding with the privatisation of the GIO in 1991-92. The State Bank is planned for privatisation in eighteen months to two years time.

A Task Force under the Chairmanship of the Hon George Souris is preparing the GIO for sale. While the Government's preferred approach to sale is by public float, we will continue to keep the options open to ensure all issues are explored and the end result is in the best interests of the people of New South Wales.

The sale of the Government's financial institutions will achieve a number of significant benefits:

- first, the sale proceeds, including tax compensation will equal or exceed the value from continued public ownership,
- second, the use of the proceeds of sale to retire debt will significantly reduce the financial risks faced by the Government and, hence, the people of New South Wales,
- third, sale will avoid the inevitable future demands on the Government for capital injections to finance growth needs which would require the sacrifice of social priorities.

The sale of the GIO is an important financial initiative of the Government and a vital part of our Budget Strategy. Legislation to achieve the sale will be introduced in the current Session of Parliament.

Based on the latest financial information available, the sale of the GIO, including tax compensation from the Commonwealth Government, should realise in the range of \$1.5 billion to \$2 billion.

4. CONCLUSION

Mr Speaker,

Although we have made great strides in our achievements for the State, the job is not yet finished.

More needs to be done.

There is no alternative to our financial strategy and public sector reform program.

This strategy should maintain our triple A rating, consumer and business confidence and our national economic leadership.

By 1993-94 it will:

- reduce net debt by over \$600 million in real terms;
- achieve additional current expenditure savings of nearly \$1 billion per annum;
- reduce Budget sector staff levels by at least 5,000 and GTE staff by 7,500 over the next 3 years.

At the same time NSW will continue to lead the national movement on microeconomic reform.

New South Wales has the most comprehensive and exciting financial management and microeconomic reform program in Australia.

Our bottom line has nothing to do with ideology.

Our bottom line is simply to create an efficient, effective, low cost, low debt public sector which can produce the best results for consumers and the best results for taxpayers.

The final results will be lower taxes, lower charges, more jobs and higher living standards for the people of New South Wales.

There is just no other way, if we are to meet the challenge of our reduced revenue base, live within our means and pass a better State onto our children.

Mr Speaker,

I commend this Budget to the House as one which genuinely meets the challenge by making hard but necessary decisions while protecting those who most need help in these difficult times.

I also commend the Business Franchise Licences (Petroleum Products) Amendment Bill, the Motor Vehicles Taxation (Amendment) Bill, the Public Finance and Audit (Net Appropriations) Amendment Bill, and the Road Improvement (Special Funding) Amendment Bill which are cognate to the Appropriation Bill.