HOUSE OF ASSEMBLY

Wednesday 17 October 1990

The SPEAKER (Hon. N.T. Peterson) took the Chair at 2 p.m. and read prayers.

PETITION: MOUNT LOFTY RANGES

A petition signed by 61 residents of South Australia requesting that the House urge the Government to limit the prohibitions on development in the Mount Lofty Ranges as ordered by the interim supplementary development plan was presented by Mr D.S. Baker.

Petition received.

PETITION: *ISLAND SEAWAY*

A petition signed by 177 residents of South Australia requesting that the House urge the Government not to increase freight rates on and reduce the service of the MV *Island Seaway* was presented by the Hon. Ted Chapman.

Petition received.

PETITION: SEACLIFF TENNIS AND HOCKEY COMPLEX

A petition signed by 119 residents of South Australia requesting that the House urge the Government to support the proposed Seacliff tennis and hockey complex was presented by Mr Matthew.

Petition received.

QUESTION TIME

EDUCATION DEPARTMENT PROCEDURES

Mr MATTHEW (Bright): Will the Minister of Education explain why instructions issued in May by the Director-General of Education on the use of restricted or confidential departmental files have not been adhered to; will the Minister take urgent action to protect the right to privacy of teachers, parents and students; and what guarantees can he give that lax departmental procedures have not already resulted in the privacy of some individuals being infringed?

I have in my possession a minute dated 14 May 1990, sent by the Director-General of Education, Dr Boston, to all members of his senior executive. This memorandum reveals that at a meeting of the senior executive held on 30 March this year it was recommended that Dr Boston issue instructions relating to the use of restricted or confidential files containing sensitive and highly personal information about employees of the Education Department, parents and students.

The first instruction in this memorandum was that 'under no circumstances are excessively personal or potential damaging records received or generated by this department to be placed in open central or area office files'. I have been informed that this instruction was issued after at least 65 such files were found being stored in the Central Registry of the department with no effective control over access to them or their use. These files covered matters such as criminal allegations against teachers, complaints against principals, complaints against teachers, inappropriate details of appointments and other material covering matters such as restraining orders against parents, alleged misappropriation of funds and medical information relating to teachers, psychiatric reports on teachers and a range of unsubstantiated allegations about teachers.

I am also advised that since the issue of Dr Boston's instructions, little has been done to comply with them, with the result that much highly personal material concerning teachers, parents and students still continues to be placed in open files. Senior officers within the department and principals have indicated an unwillingness to comply with the instructions with the result that the department is in breach of privacy principles established by Cabinet. The department has also failed to honour a commitment given last year to appoint a records management officer.

The Hon. G.J. CRAFTER: I thank the honourable member for his question and, if he is able to provide me with the facts to substantiate the allegations that he is making, I will most certainly have them investigated. Given that the department employs some 22 000 people, I receive very few inquiries or complaints suggesting that there is a substantial breakdown in the handling of confidential material. Indeed, a department of that nature and the work it performs in the community means that it has a great deal of personal information about its staff in its possession, and rightly so. Therefore, I am rather surprised that the honourable member raises this issue as a major breach of privacy and a breakdown in the regulations and, indeed, instructions that have been promulgated in the department. As I said, if the honourable member is prepared to provide me with the details, I will most certainly have the matter investigated.

SHEFFIELD SHIELD

Mrs HUTCHISON (Stuart): Is the Minister of Recreation and Sport aware of the suggestion that ABC radio may axe Sheffield Shield descriptions this summer? If this is correct, will the Minister make representations to his Federal colleagues to ensure the continuation of this service? As all members would be aware, this issue would affect a large number of country people who rely heavily on ABC radio for their sports coverage.

The Hon. M.K. MAYES: Certainly, for the honourable member's constituents and for all country listeners, this is a very important issue. I have already taken up the matter with the regional manager of the ABC and have been informed that, due to budgetary constraints, the ABC has decided to precis the information that is provided to country listeners in relation to Sheffield Shield matches. In other words, the ABC will no longer provide country listeners with a ball-by-ball description of shield matches. As I understand it, the ABC will provide a coverage of international matches and, obviously, Test matches and one day events. The ABC argues that its—

The Hon. H. Allison interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: I will not respond to that interjection, but certainly I have taken up the matter of the racing coverage with the ABC also, because it is now relaying, virtually through regional stations, 5AA race calls, which is, again, of detriment to people in the country who enjoy listening to races and getting the pre-race and post-race information, with the odds and so on.

I will take up the matter of the cricket coverage with my Federal colleagues and the General Manager of the ABC, because of the service that has been provided over the years and the tradition for listeners to have the opportunity to hear Sheffield Shield matches. I suppose that is the basis of

our elite cricket at State level. It has been provided by the ABC to remote country listeners, and the ABC ought to review ways in which it can convey the best possible services in the circumstances. The member for Stuart has raised a good point in relation to this matter.

The Hon. Frank Blevins interjecting:

The SPEAKER: Order! The Minister will address his remarks through the Chair.

The Hon. M.K. MAYES: I will indeed, Mr Speaker. The ABC responded by telling us that it now runs the *Grandstand* program, which I heard last weekend for the first time. It does not and will not provide the same coverage of Sheffield Shield matches as has been provided over the years. I am sure that country listeners and people from the city who are often in the country will want to hear ball by ball what is happening with the Sheffield Shield. This service has now been cut off and it will be a great loss to the sporting community. I do not think that the Shield matches will get the support they have had in the past, and that will be a worry to the SACA officials and to the ACB nationally. It may be that we shall have to negotiate with the ABC in the same way as the racing industry has had to negotiate with the print and radio media to get coverage of racing. I am more than happy to take up the matter. As I said, I have already taken it up with the ABC locally. I sincerely thank the member for Stuart for her question. All members, but particularly country members, will be concerned, and I think that her constituents will be pleased to note that she has raised this matter with me.

GAS ELECTRICITY GENERATION

Mr D.S. BAKER (Leader of the Opposition): Does the Minister of Mines and Energy agree with the conclusions of the recent study by the Australian Gas Association that a move by South Australia to 100 per cent gas electricity generating capacity would produce the lowest generating cost in the long term and reduce greenhouse emissions dramatically and, if so, why is ETSA increasing its use of brown coal and favouring the future extension of coal-burning power stations?

The Hon. J.H.C. KLUNDER: The use of gas has a far more favourable greenhouse effect than the use of coal. It is probably one of the reasons why South Australia generates more of its electricity from gas than almost any of the other States—in fact, any of the other States of which I know.

An honourable member interjecting:

The Hon. J.H.C. KLUNDER: I have been Minister a great deal longer than the current Deputy Leader of the Opposition has been Deputy Leader. Not only that, but I will be Minister for far longer than he will be Deputy Leader.

ETSA generates electricity from both gas and coal, because we are not all that certain at this stage that the long-term supplies of gas to this State from within the State will be guaranteed. Indeed, as members know, we are negotiating with both Queensland and the Northern Territory for a significant portion of gas supplies. In those circumstances, ETSA is playing it safe and continuing to generate electricity both from Leigh Creek coal and, indeed, from gas from the Cooper Basin.

When we become certain that gas supplies will be long lasting and adequate for our purposes, whether or not we should increase the amount of generation that takes place from gas will be considered. At the moment, all I can indicate is that the Northern Power Station, unit 3, which was to be built originally in 1992, has been put off to 1998. There is no real reason why we should not be able to put it off further, if that is possible, through such techniques as demand management and various other ways of making sure that we do not have to enter into this kind of capital expenditure until it is absolutely necessary.

So, in answer to the honourable member's question as to whether or not it would be nice to go to 100 per cent gas, yes, it would be. It would have all sorts of good effects but, by the same token, we must make certain that the gas is there. As the honourable member knows, modern gas stations last for 35 to 40 years. To go into full gas/electricity production on the basis of having, say, five to 10 years supply when a station has to run for 35 or 40 years would, in my view, not be in the best interests of the State.

LIFE SUPPORT EQUIPMENT

Mr QUIRKE (Playford): My question is directed to the Minister of Health. What provision has been made in South Australian ambulances and for paramedical services in terms of essential life support equipment? How many ambulances have defibrillators, and is it the Government's intention to place this equipment in all ambulances?

The Hon. D.J. HOPGOOD: The St John people assure me that, in terms of the use of what is called the Lifepak 5 system, we lead the nation, and we will continue to do so. They also now make clear that, if enough defibrillators were to drop tomorrow from heaven like manna, as it were, to be put into our ambulances, they could not be used straight away. They would have to be put into storage until a training program (which, of course, has been going on for some time) enables all their people to be properly trained in the use of this equipment.

However, we have a pretty good story to tell. I can indicate that, of the 57 metropolitan ambulances, 32 are fitted with the Lifepak 5 system. There are a further 24 in 18 country regions, and others are used for training processes, which numbers will be added to as is appropriate. It is important that we make absolutely clear that along with the proper equipment in our ambulances must go the proper knowledge in our community of what to do until the ambulance arrives.

That means having people who are trained in cardiac pulmonary resuscitation because, as with the circumstances of Mr Packer's attack, if treament does not occur within four minutes the individual is brain dead, and it is in fairly rare circumstances that an ambulance will be able to reach such a patient within four minutes of the initiation of a massive heart attack.

Having people there in either a professional or a purely amateur capacity who are able to administer CPR becomes absolutely important and, of course, was critical in the incident that has been publicised. In terms of the use of the Lifepak 5 system, I am assured by those that operate it that we lead the country and, as further amounts of $10 000 a time are added to the resources, we will continue to maintain our edge. The training of people to operate these systems is, of course, absolutely critical.

CORRECTIONAL SERVICES SAVINGS

Mr S.J. BAKER (Deputy Leader of the Opposition): Will the Minister of Finance confirm that, at a meeting of senior officers of the Department of Correctional Services convened last week to discuss the review of operations of all Government agencies being chaired by the Minister, the

officers were informed that the review's first task was to identify total public sector savings of $53 million: and will the Minister further confirm that the meeting decided to scrap the Prison Dog Squad as the department's first contribution to these savings and to review the future of the Home Detention Scheme as another possible area of cost saving?

The Hon. FRANK BLEVINS: I was not there, so I cannot confirm it. Certainly, I can make a number of comments about some of the things that the Deputy Leader alleges went on.

An honourable member interjecting:

The SPEAKER: Order! The Minister will direct his remarks through the Chair.

The Hon. FRANK BLEVINS: As regards the figure of $53 million, that is probably more than the entire budget of the Department of Correctional Services. That would be a very significant saving in one hit, but I have no idea where that figure came from. There is not a figure; there is not a target as such. It is a moving target. The latest determination of the Teachers Salaries Tribunal has given a very good example of why it is a moving target.

There is certainly no other figure. As regards savings in the Department of Correctional Services, certainly, the dog squad is one aspect that has been mentioned and one that I would personally favour. I do not believe that the dog squad is really cost effective, particularly when there are other dog squads in the public sector if we need them. So, there may be some rationalisation of dog squads throughout the public sector.

These are only my preliminary thoughts, but I was invited to discuss this matter. It would be predicated on a very reasonable result from this Parliament on the question of urine analysis within the prison system. I am expecting that Bill to come before Parliament soon. As regards dogs trained to detect drugs, I am sure that the customs service, which has a number of these dogs, would be only too pleased to hire them to us from time to time at a reasonable price. That sort of rationalisation has been discussed, as I think it ought to be; it is a perfectly proper thing to discuss.

I hope to introduce legislation before next week to vastly expand the home detention scheme. Once again, I hope that all members will give that legislation the treatment it deserves, which is a speedy passage through the House, so that we can have more and more people on home detention. Not only is there no intention to close down the home detention scheme as a cost saving measure, but the idea is to expand it as a cost saving measure. It is certainly much more cost effective than keeping people in gaol, particularly offenders who have been sentenced to relatively short terms of imprisonment. At the moment, the legislation is unduly restrictive. That may have been fair enough when it was introduced: we had to see how the scheme would go, as it was the first in Australia. However, we have now reviewed the scheme extensively and decided that some legislative changes are required which will enable us to expand it.

So, in summary, I cannot confirm what the honourable member says, because I was not there. In relation to the dog squad, we are looking at that option. As for home detention, the honourable member's information was wrong; quite the reverse is the case. As to a $53 million target for the public sector, there is no target for the entire public sector. It is a moving target and, unfortunately, after the teachers salaries tribunal experience, for example, it is an increasingly large target.

WORKERS COMPENSATION

Mr McKEE (Gilles): Will the Minister of Labour advise the House whether premiums for Government workers compensation have increased by $12.5 million to $43 million for 1990-91? I understand that the Opposition has claimed that this is the case and that this figure is a 33 per cent jump from the previous year's provision.

The Hon. R.J. GREGORY: I thank the honourable member for his question, the short answer to which is: yes, the Opposition has got it wrong again. There has not been that increase. I notice that the member for Victoria is laughing. He has said that people on this side cannot add up or run a business, but it is he and his colleagues who have made the mistake. The State Government's workers compensation bill for the current financial year is estimated to drop in real terms from the previous year. The estimated total payout for this year is up by 5.7 per cent, which is less than inflation, from $31.4 million to $33.2 million. In recent media reports it seems that the Liberals claim that the expense has grown because the Government is now meeting the cost of the first 21 days of injury claims in many departments.

Mr S.J. Baker interjecting:

The Hon. R.J. GREGORY: If the member for Mitcham can contain himself and wait, he will hear the answer. The Government has always met these costs, whether through individual departments or through the centralised Government Workers Rehabilitation and Compensation Office (GWRCO).

Mr D.S. Baker interjecting:

The Hon. R.J. GREGORY: I do not need the help of the member for Victoria. Some individual departments now meet the first 21 days cost directly, and others work through the GWRCO. The total cost is included in the Government's figures. The Liberals seem to be double counting figures in their calculations. In 1989-90 the State Government Workers Compensation premium, including the pre and post-21 days components, was $31 382 300. It is estimated that in the current financial year, as I said earlier, it will be $33 163 100.

WORKCOVER MOTOR VEHICLES

Mr INGERSON (Bragg): My question is directed to the Minister of Labour. Why did WorkCover last financial year lease 110 vehicles from the Department of State Services, as revealed in the annual report of the Department of State Services tabled yesterday? As this gives WorkCover an overall ratio significantly in excess of one vehicle for every five employees, coming on top of the 52 per cent increase in staff last financial year, is this not further evidence of the corporation's excessive and extravagant administrative costs?

Members interjecting:

The SPEAKER: Order! Both sides of the House will come to order.

Mr S.J. Baker interjecting:

The SPEAKER: Order! The Deputy Leader is out of order.

The Hon. R.J. GREGORY: I am not aware exactly of the number of motor vehicles that WorkCover leases from State Supply.

Members interjecting:

The Hon. R.J. GREGORY: As I said, I am not aware of how many vehicles WorkCover leases from State Services. I know that it does lease motor vehicles from State Services and provide them to employees. Employees reimburse

WorkCover for those vehicles based on a formula worked out between WorkCover and the workers concerned as part of their salary package. I am advised that they pay a considerable amount of their salary towards the cost of those motor vehicles.

PORT ADELAIDE COLLEGE OF TAFE

Mr De LAINE (Price): Can the Minister of Employment and Further Education inform the House whether the Department of Employment and Technical and Further Education has plans to redevelop the Port Adelaide College of TAFE? A number of my constituents have expressed to me their concern that there is a pressing need to upgrade facilities at the college. It has been put to me that the college's ability to become a centre for the maritime and fishing industry is severely hampered by the lack of workshop space and the fact that the TAFE maritime program is spread over three colleges. Constituents, including local business, have also maintained that the lack of adequate facilities is also hampering the ability of Port Adelaide TAFE to cater adequately for the training needs of small business and other industries in the area.

The Hon. M.D. RANN: I thank the honourable member for his interest in the Port Adelaide College of TAFE and I certainly share his concern and that of his constituents. I am pleased to be able to confirm that the construction of a new college to service the port is now on the department's forward plans, and discussion is underway with the Commonwealth re funding.

The existing facilities of the Port Adelaide College of TAFE comprise three campuses—the main campus at Port Adelaide and two branches at Ethelton and Grange. Clearly, the facilities are not adequate to cope with the increased training demands caused by the submarine and frigate construction activities, the increase in industrial development between Port Adelaide and Salisbury, and the population expansion at West Lakes and North Haven. There is also an increasing demand for training in the maritime and fishing industries. At present 'below-deck' courses cannot be taught at the Port Adelaide TAFE because there is not suitable workshop space in which to house and operate the maritime engines and ancillary equipment.

The South Australian Fishing Industry Training Council and the National Fishing Training Council strongly support redevelopment which will permit all related maritime and fishing training to be consolidated at the one college, enabling it to be the focal point for training in South Australia, and indeed, through Australasia. The college has a number of other courses vital to servicing the local community. As the Port Adelaide business activities expand, so do the demands for commercial and business studies. The MFP development will obviously stimulate many new opportunities for training in a range of high-technology areas. Adult literacy, vocational and tertiary preparation courses will also be vital to the Port and surrounding communities.

Other courses such as community services, aged care workers and tourism/hospitality introductory courses will be located in the redeveloped college. I am sure that the member for Price will be able to advise me whether I am correct in saying that the proposed development will occur on a site in Semaphore Road. At the weekend I visited that site and found that the street sign said 'formerly Rann Street'. I am sure that it is purely coincidental, but I look forward to the honourable member's submission to the Geographic Names Board for a change back in order to preserve its heritage status.

MULTIFUNCTION POLIS

The Hon. D.C. WOTTON (Heysen): I direct my question to the Premier and refer to a report in this morning's *Australian* quoting a senior official of the Japanese Domestic Committee for the MFP, Mr Shogo Harazaki, as saying that a recent visit to Adelaide had left him and three other officials concerned about the level of staff and resources devoted to the Adelaide management team by the South Australian Government. Did Mr Harazaki express those concerns to the Premier or any Government officials at the time of the visit? Does the Government intend to increase these resources in the light of these concerns? When does the Government expect to appoint a successor to Mr Colin Neave as Chief Executive for the project?

The Hon. J.C. BANNON: I welcome the honourable member back. He is on the ball immediately, talking about the most important project on the go in South Australia at the moment. I did not meet Mr Harazaki, therefore I cannot say whether he expressed those concerns when he was here. We believe that adequate resources are being directed to the project. Naturally, they must be adjusted as the project demands it and I am sure that as we move on through this detailed feasibility study phase we will require more resources. That exercise is taking up the principal work of all those involved on the project at the moment. It is part of the agreed work program between us and the Australian Government, and everyone is quite satisfied with its progress.

It is under the jurisdiction of the recently established management committee chaired by Mr Ross Adler. In terms of those expressing impatience with progress on the project, I point out that it is as well to put that in perspective. It is certainly true that the project has been talked about since 1987 and was officially adopted in 1988. However, it was not until late June this year that South Australia was stipulated as the site for the project. Various approvals then flowed from the Federal Government. So, we are talking about only a matter of weeks since we have had the green light to get on with it. Very considerable progress has been made when we consider that short time parameter.

To come to the next part of the honourable member's question, Mr Colin Neave has played a crucial role in developing our submissions and acting as the project manager to date. I point out that nearly all of that time was in a part-time capacity because Mr Neave's substantive position until just a few weeks ago was as the Director of the Department of Public and Consumer Affairs in South Australia. At the point where the feasibility study and other work was to commence, Mr Neave was moving into it full-time.

Coincidentally, Mr Neave was made an extremely interesting offer to head up the Attorney-General's Department in Victoria. He agonised about that considerably. He spoke to me and to other people as to whether or not he should accept the offer. However, if one looks at Mr Neave's career and the opportunities and possibilities that that offers, I can quite understand his decision. As I said to him, 'If such a decision were to be made, this is an ideal time to make it because we are now moving into that next phase. It is far better that changes take place at this point rather than, for instance, later in the year or early next year, when we are trying to put the final touches on the submission.'

In terms of picking up Mr Neave's workload and function, announcements will be made very shortly about how we will handle that. However, I can certainly assure the House and the honourable member—and, incidentally, I thank him for his question and the concern he shows about

the project and the support that that suggests—that the resources will be available and that there will be no criticism on that score. As I said, I think it is worth concluding by thanking the honourable member for that positive approach, because there are some in the community who say that they are delighted to hear stories about the project failing or that there are not enough resources and it is being criticised. I am equally delighted to be able to say that we are satisfied with the progress; we are going through a crucial stage and the honourable member's support is offered for it.

I also draw attention to the fact that at the end of this week the Australia-Japan Business Co-operation Committee will meet here in Adelaide. The conference will have quite a large impact on the city, because it has been totally oversubscribed. A lot of services, accommodation and so on will be used during this very important conference, which is staged every year—one year in Japan and one year in Australia. Adelaide is fortunate to be the host city this year. It could not be better timing in terms of giving us an opportunity to talk about the MFP and the interest in it. Having said that, let me stress, as I always do, that this is an international project; we are not talking about just a joint Australian/Japanese exercise, because the Australian and Japanese participants will pursue active international involvement from a number of other sources. The recent overseas mission in Europe certainly received a very pleasing response in respect of discussions on the MFP.

WORKERS REHABILITATION AND COMPENSATION BOARD

Mr HERON (Peake): Is the Minister of Labour aware whether or not the voting pattern of the Workers Rehabilitation and Compensation Board is one-sided, as was suggested by the member for Bragg on the *7.30 Report* last night?

The Hon. R.J. GREGORY: I am aware—

Members interjecting:

The SPEAKER: Order! The honourable Minister.

The Hon. R.J. GREGORY: On the *7.30 Report* last night the member for Bragg stated that Mr Wright, who is the Chairman of the Workers Rehabilitation and Compensation Board, always voted with the unions against the employers. As a result of that, I call on the member for Victoria to exercise his duty as Leader and remove from office a member of the Liberal Party who has deliberately misled the public of South Australia. I say that because on 4 April this year, when the member for Bragg was shadow Minister of industrial relations for the Liberal Party in this House, I made the following comments:

> The board has met on 54 occasions over the past three years and . . . I am advised that the board has made 391 decisions.

I went on to say:

> His record reads three out of seven with the employers, three with the unions, and one voting in favour of a motion passed nine to one.

Since then, I am advised that the board has now met 63 times and there have been 338 unanimous decisions. Since I gave that information to the House, which I am sure the member for Bragg heard, there has been a further split decision, in which Mr Wright voted with the employers. The member for Bragg defamed Mr Wright last night. He should apologise, and the Leader of the Liberal Party should seek his resignation.

RETRENCHMENTS

The Hon. E.R. GOLDSWORTHY (Kavel): Is the Premier aware of a statement by the President of the PSA, Ms Jan McMahon, in this month's *Public Service Review*, to the effect that it has received from the Government an assurance that no union member will be retrenched, but that no such assurance was received in relation to non-union members, nor was it given? Does that mean that the Government is pressing on with its ill-conceived legislation to give preference to unionists in promotion and employment, or does the Government intend to rethink that proposition, which is such an offence against any notion of freedom of association?

The SPEAKER: Order! The honourable Premier.

The Hon. E.R. GOLDSWORTHY: Have I been chopped off, Mr Speaker?

The SPEAKER: Order! The honourable member is commenting far too much.

The Hon. E.R. GOLDSWORTHY: I will desist.

The SPEAKER: My word you will. The honourable member will resume his seat.

The Hon. E.R. GOLDSWORTHY: I have been desisted.

The SPEAKER: The honourable Premier.

The Hon. J.C. BANNON: I do not know how seriously the honourable member expects the question to be treated. All that he has quoted—and I have not read the statement—says nothing about the Government's plans, intentions or anything else. I would imagine that no assurances were given about non-unionists because none was sought. The fact is that our policy of non-retrenchment, which is reflected in that statement by the PSA, applies to our permanent employees—full stop. There is no question of discrimination of any sort. It is certainly true, as I have affirmed a number of times in this House, that we encourage people to be members of their appropriate industrial organisations. We think it is appropriate that they do so.

Incidentally, I note that a number of those who stand up and publicly proclaim that this is somehow a bad thing carry out those very employment practices in their own jobs. Indeed, some of those who fulminate about it go further and have a closed shop—a no ticket, no start policy. There is a lot of hypocrisy in this area. The Government is honest about it and says, 'We believe it is in the interests of an employee in the work force to have access to the representation that a union provides for wages, working conditions and so on.' We also believe that for an employer it is much easier and better to deal with those properly constituted and representative organisations. We know that that policy is adopted by the vast majority of private sector enterprises in this country. Having said that, I do not believe that any more needs to be said. To get back to the point of the question, in no circumstances in the situation of a general policy of Government in relation to no compulsory retrenchment of staff do we discriminate.

SALVATION JANE

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Agriculture advise the House whether landowners whose properties are infested with salvation Jane are being actively encouraged to institute control programs to eradicate this weed? The Minister will be aware that the Hills, which provide a pleasing backdrop to the cities of Elizabeth and Munno Para, periodically are marred by the weed, salvation Jane. Whilst a change of colour may be pleasing to some

urban dwellers, I understand that salvation Jane is not looked upon kindly by farmers.

The Hon. LYNN ARNOLD: I thank the honourable member for his very important question. The Animal and Plant Control Commission is urging landowners to be actively involved in the program, and it is being supported by local pest plant control boards associated with local government authorities, which likewise are encouraging landowners.

There has been some release of organisms to control salvation Jane, particularly in the more moist areas of the State. Of course, the organisms that have been released do not work in the drier areas. The reason why control agents are being released within the moister areas of the State is that that is where salvation Jane follows its New South Welsh name more particularly to become Paterson's curse, as it is a major problem for stock on the land in those moister areas.

The States of Australia have been supporting the release of organisms to control salvation Jane and, more recently, the CSIRO has also been supporting that release, after initially not being able to do so due to legal action, after which they subsequently won an appeal. In late 1988 in Victoria an organism called *Dialectica scalariella* was released. This has proved to be useful for controlling salvation Jane in Victoria, New South Wales and South Australia.

There were further releases at some 20 sites in the South-East, the Adelaide Hills and the Mid North areas, and on Eyre Peninsula, during winter last year. The Animal and Plant Control Commission and the Entomology Unit of the Department of Agriculture do not at this stage have any funding for the breeding of further agents for release and funds have been sought from the Cattle Compensation Fund, the Wool Research Trust Fund and from whatever other funding sources may be available.

It was hoped that in 1990-91 more funds could be made available for the release of *Dialectica* and also for other species of control agents, such as the stem-boring weevil and the flea beetle. They have a longer life cycle and are more difficult to breed than *Dialectica*. Extra funding is essential if those other agents are to be used. Certainly, the department will look again at this program to determine whether there is any way in which we can give support for the further release of agents. All members would agree that it is important that salvation Jane be brought under control, particularly in the moister areas of the State.

POLICE FORCE NUMBERS

Mrs KOTZ (Newland): Will the Minister of Emergency Services confirm an analysis by the Police Association showing that the Government has failed to meet its election promises to boost police numbers? Just before the last election, the Premier promised the appointment of '122 new police officers' during 1989-90. However, an analysis by Chris Kennedy, Industrial Officer for the Police Association, published in this month's *Police Journal*, states that the operational strength of the Police Force increased by 75 in the past year and remains lower than the operational strength in 1987.

He further concludes that there were real cuts in salaries for crime prevention and general police services, and in crime detection and investigation services during last financial year, meaning, in his words, that 'what we are seeing is a reduction in police numbers at the coal face', and that this budget would appear to allow for an increase in police numbers by only about 17.

The Hon. J.H.C. KLUNDER: I thank the honourable member for her question, because it contrasts very nicely with the promise that she made, in writing, to the electors of Newland before the last election. I have forgotten the exact number, but she stated that the Liberal Party was going to provide either 200 or 300 extra police in the first year. That was not a promise of the Liberal Party: it was going to promise that in the next term or within the next three years, but the member for Newland made that particular promise. If she likes, I will table in this House a copy of that promise of hers to the electorate.

Let us deal with the substantive matter of her question. One of the fascinating things about police strength is that it takes nearly 12 months to train a police officer.

Members interjecting:

The Hon. J.H.C. KLUNDER: It takes a great deal longer to train an Opposition member; there is no doubt about it. It takes 12 months to train a police officer and that makes it exceedingly difficult for people in charge of the manpower planning of the Police Force to have to guess—

Members interjecting:

The Hon. J.H.C. KLUNDER: Sir, I do not understand how they can keep their mouths and their ears open on the other side, but at the moment their mouths are open and their ears are not, even though they have asked me a question.

Members interjecting:

The SPEAKER: Order! The Chair and, I am sure, all members are having great difficulty hearing the response of the Minister. I ask all members to come to order. The honourable Minister.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. J.H.C. KLUNDER: The member for Mount Gambier says that his mouth is in gear; that is more than I can say for his brain.

Members interjecting:

The SPEAKER: Order! The Minister will stick to the subject in question and leave out the side remarks.

The Hon. J.H.C. KLUNDER: Thank you, Mr Speaker. I will try very hard to ignore all the interjections—and I think there have been four from the Opposition since I rose again. The Police Department management's difficulty is predicting the number of people that it will lose by attrition in any given year. The difficulty is also that, when it has a head count at, say, 30 June, there may have been a particularly heavy resignation rate or whatever just before that, and consequently the numbers are very hard to predict. However, the money made available by the Government will enable a strength of 122 extra police, as promised before the last election. I might add that the money provided by the Government in this year's budget will result in an increase in the total strength over the past two financial years of 200 police, as well as a number of people who will be working in the Police Department without the status of being sworn officers. Consequently there has been an enormous boost in the money made available to the Police Force, and this has been acknowledged by the police themselves.

STATUE OF EDWARD VII

The Hon. J.P. TRAINER (Walsh): I direct my question to the Minister of Employment and Further Education in his capacity as the Minister representing the Minister of Local Government in another place. Will the Minister make recommendations to the Adelaide City Council concerning

the pedestrian obstacle created by the statue of Edward VII on the corner of North Terrace and Kintore Avenue, and inquire whether this historic item could be more conveniently located? Its bulky plinth—which, as well as the royal personage, also carries four figures of what appear to be female mythological characters in different stages of dress—leaves very little kerbside space for pedestrians to get past at what is a very busy location. This apparently inspired a letter to the Editor in today's *Advertiser* by Arthur Mortimer of Largs Bay. I quote from that letter as follows:

> Let's get rid of that silly statue on North Terrace in front of the Institute Building. This is the one that implies an all-too-likely involvement between Edward VII and a topless waitress. Its bulk is so inconveniently placed that for the past 70 years it has forced countless patient South Australians off the footpath and into the face of the oncoming traffic. It would not be missed, even by the most devout royalist.

The Hon. M.D. RANN: I must say that I am rather shocked by both the question and by the letter in the *Advertiser*, and I am sure it also ruined the day for the member for Napier, whom I have often seen looking wistfully at that statue, given that Edward VII was the King of England and Emperor at the time of the honourable member's birth. However, I will be happy to pass this question on to my colleague in another place. Indeed, just before Question Time, I looked at the statue and I do not believe it is an obstacle; I believe that it really upgrades North Terrace and that it should remain there as a symbol of the relationship between the Crown and the Parliament. Incidentally, if one squints, one sees a striking resemblance to the member for Kavel.

ROXBY DOWNS SACRED SITE

The SPEAKER: I call the member for Hayward.

Members interjecting:

The SPEAKER: The honourable member for Hayward.

Members interjecting:

The SPEAKER: Order! I have now called members to order two or three times during Question Time. There is far too much background noise, and I ask all members to behave and be quiet. The honourable member for Hayward.

Mr BRINDAL (Hayward): Will the Minister of Aboriginal Affairs investigate whether a group posing as conservationists recently desecrated a site of Aboriginal significance in the Roxby Downs area and, if this has happened, what action will be taken to restore the site? Among a group of conservationists who recently visited Roxby Downs for an educational interchange with the local community were a number who carved into a site of Aboriginal significance on the Roxby Downs mining lease, in letters some two metres high with an overall length of some 30 metres, the words 'Close Roxby Downs'. To my knowledge, the message remains some four weeks after it was scored into the surface.

The Hon. M.D. RANN: I am very grateful for the honourable member's question. Indeed, it is the first question that I have had from the Opposition since being elevated to the Ministry 307 days, 7 368 hours or 442 000 minutes ago. Obviously, it is a demonstration of the Opposition's interest in areas such as employment and further education, youth affairs and Aboriginal affairs. I appreciate the member's serious question. If there has been desecration of Aboriginal sacred sites it deserves the most serious investigation, and I will get him a report on the incident.

PODIATRY

Mr HAMILTON (Albert Park): Will the Minister of Health confer with the Minister of Recreation and Sport and other ministerial colleagues, if necessary, to determine what podiatric educative programs are necessary to assist the South Australian public and, in particular, the sporting community? A recent newspaper article stated:

> A recent survey conducted by the American Academy of Podiatric Sports Medicine concluded that most people who walk for exercise wear an athletic shoe.

The article goes on to state:

> This has not stemmed the growth of walking injuries seen by podiatrists . . . Statistics show that one third to one-half of all senior citizens fall at least once a year.

The article goes on further to state:

> Dr Leonard Winston . . . in America feels that athletic walking shoes, with their low-profile midsole and rubber outsole, can help prevent some of the falls senior citizens experience in traditional street shoes.

The Hon. D.J. HOPGOOD: It is most appropriate that the honourable member should ask this question, because I cannot think of any member who would have walked further than the member for Albert Park, not only around his district in the many years that he has graced it, but also on those very famous walks to the north, or back from the north, with a view to raising funds for very worthy causes. In fact, were it legal (which it is not), I would probably be offering the honourable member some contract with the Health Commission to advise us—

Mr Hamilton interjecting:

The Hon. D.J. HOPGOOD: The honourable member need not go that far. The answer is 'Yes'.

WOMEN'S MEMORIAL PLAYING FIELDS TRUST

Mr OSWALD (Morphett): My question is directed to the Minister of Recreation and Sport. Does the State Government intend to renew the lease next year for the Women's Memorial Playing Fields Trust and, if so, for what length of time and, if not, why not? Prior to 1989, the Playing Field's Trust held a 21 year lease. During 1989, when the lease came up for renewal, the Government would not grant a renewal and gave the trust an interim lease of 2 years until 1991 pending a decision on whether the Government would redevelop the trust's area. Now that the President of the Women's Playing Fields Trust has been advised that funds are unavailable for the promised redevelopment of the fields and clubroom facilities, will the Minister give an assurance that he will renew the trust's lease next year for a further 21 years?

The Hon. M.K. MAYES: There has been quite a bit of scuttlebutt about the future of the Women's Memorial Trust playing fields and the issue of the discussions on the lease. I understand that discussions undertaken between officers of the department and representatives of the trust have dealt with the future use and structure of the playing fields. I understand that, as a result of discussions, there is no threat to the continuation of the Women's Memorial Trust playing fields. We have been looking at the more efficient use of those facilities and their redevelopment.

The honourable member made an oblique reference to funding with regard to development, and that was part of our consideration of capital works programs and we will certainly be continuing our discussions. Because of a lack of capital works funds we have not been able to pursue that course to any degree in this budget, and it is unlikely that we will be able to pursue it in the next budget. It is one of those issues of which we are fully aware in terms of getting better and more efficient community use of all those facilities as well as seeing an emphasis on using the facilities and grounds for future development and as a centre for

sport in this State. Some of those opportunities could involve the South Australian Women's Cricket Association and other sporting organisations that may be interested in using the Women's Memorial Trust playing fields. There is no threat to the continuation of those playing fields: they are seen as a focus for women's sport.

Mr Oswald interjecting:

The Hon. M.K. MAYES: Negotiations in respect of their future are still under way. I am sure that, when the program is worked out as to what we can do with those grounds and facilities, the solution will be very satisfactory to the people concerned.

SOUTH AUSTRALIAN EDUCATION REVIEW UNIT

Mrs HUTCHISON (Stuart): Will the Minister of Education indicate the number of schools that have been reviewed by the South Australian Education Review Unit and advise when it is anticipated that the first State-wide report on education will be available? I understand that the Education Review Unit was established by the State Government to work with school communities to improve the quality of education provided to students and to develop a State-wide education audit in South Australia. I am also aware that earlier this year the Education Review Unit began reviewing a number of schools.

The Hon. G.J. CRAFTER: I thank the honourable member for her question and indeed for her interest in the provision of high quality education for young people in this State. Indeed, the State Government, as members would be aware, has established the Education Review Unit to ensure that the quality of education services is strengthened through a series of school audits currently being conducted by that unit. Those audits involve the school community and a review team from the Education Review Unit coming into a school to assess and report on the strengths and weaknesses of each school. The aim of the reviews is to examine how better the school can improve the quality of education provided to students.

The Education Review Unit has a similar role to that provided by Her Majesty's School Inspectorate in England. The inspectorate is a team of senior educators now led by an internationally recognised scholar, Dr Peter Cuttance. Over the next three years every school will undergo rigorous reviews by the unit. Reviews began earlier this year after a number of trials were carried out on selected schools. In the second term 28 schools were reviewed and in the third term a further 60 school reviews were carried out. During this school term it is anticipated that 41 more schools in city and country locations will be reviewed. In the honourable member's electorate three schools have been so reviewed. Reports of those reviews are provided to local school communities and such reports include binding recommendations for individual schools to respond to in revising their local school development plans.

In addition, a report on the state of education in South Australia will be provided publicly. The first such report is expected to be available shortly. In addition, other issues are currently being examined by the Education Review Unit, including reviews on homework, the primary science focus school program and school and industry links. I believe that school communities throughout South Australia have welcomed this opportunity to examine their work and to have the unit support them in their endeavours to further improve standards and the quality of schooling in South Australia.

MINISTERIAL STATEMENT: WORKCOVER MOTOR VEHICLES

The Hon. R.J. GREGORY (Minister of Labour): I seek leave to make a statement.

Leave granted.

The Hon. R.J. GREGORY: Earlier this afternoon the member for Bragg asked a question regarding the number of motor vehicles leased by WorkCover from the State Services Department. I can now advise the House that as at 19 September WorkCover leased 107 cars from State Services, 71 of which are supplied on a salary sacrifice basis, that is, they are paid for by the employees at no cost to WorkCover.

Members interjecting:

The SPEAKER: Order! Leave has been granted. The honourable Minister.

The Hon. R.J. GREGORY: Thirty-two cars are supplied as 'tools of trade' and are used for business at least 80 per cent of the time. Private use of vehicles must be paid for by the individual. There are four pool vehicles for general business use only.

Members interjecting:

The SPEAKER: Order!

CHIROPRACTORS BILL

The Hon. D.J. HOPGOOD (Minister of Health) obtained leave and introduced a Bill for an Act to provide for the registration of chiropractors and to regulate the practice of chiropractic; to repeal the Chiropractors Act 1979; and for other purposes. Read a first time.

Mr S.J. BAKER: On a point of order, Mr Speaker, I do not know what is happening with the microphones. I know that the House is noisy, but we simply cannot hear the Clerk.

The SPEAKER: I spoke to the Clerk about this problem during the reading of petitions and we will have the problem checked out. We are aware of it and we will do what we can to fix it.

The Hon. D.J. HOPGOOD: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

It gives me great satisfaction to introduce this Bill to update the professional registration of chiropractors and osteopaths in this State. The proposed changes to the existing legislation are extensive; they have been long awaited by the board and professional associations in cooperation with whom they have been developed.

At a recent national conference of chiropractors and osteopaths registration boards in Adelaide, there was talk of the need of 'model legislation' for the registration of chiropractors and osteopaths in Australia. I believe that this legislation can fulfil this role and, once again, put South Australia in the forefront. It will enable the Chiropractors Board to exercise more effective oversight of the profession as well as provide greater protection for the community.

South Australia was the first State to ever enact legislation in respect of chiropractors way back in 1949. A professional registration Act was subsequently assented to in March

1979, and proclaimed in April 1981. The chiropractic profession has undergone considerable change since these early days when chiropractic education was mostly available outside Australia. Today Australia has a school of chiropractic at the Phillip Institute of Technology in Victoria, soon to be merged with La Trobe University. In addition, on 1 August of this year the Sydney College of Chiropractic has moved to a new campus at the Macquarie University in New South Wales where a Master of Chiropractic Science degree course has been established. Both courses are of five years duration and contain extensive practical experience. With the advent of these Australian initiatives and nationwide acceptance by the community, the chiropractic profession has carved for itself a respected place within the health care system of this country.

One aspect of the Bill which is carried over from the existing Act is that the definition of 'chiropractic' includes osteopathy. This duality was initiated in South Australia with the Chiropractors Act 1979, and history has shown that we were right in doing so. This has done away with many divisive issues which have plagued other States but which have not existed in South Australia. We know that this was and remains the correct approach when we see that the School of Chiropractic at the Phillip Institute of Technology has become the School of Chiropractic and Osteopathy, and that the Australasian Council on Chiropractic Education has now been renamed the Australasian Council on Chiropractic and Osteopathic Education.

One important aspect of proposed regulations under the Bill will be the adoption of the national policy on qualifications formulated by a joint committee of the professional associations. This, when endorsed by all States, will allow portability between States and uniformity of the acceptance of qualifications for the purposes of registration. Once again, South Australia is in the forefront with this initiative.

Other changes seek to broaden the functions of the board in keeping with those of other health professional registration boards, and to correct some deficiencies of the existing legislation. The provisions of the Bill will continue proven strengths of the present legislation and make changes to redress discovered inadequacies. The Bill continues the present arrangement of providing for a board to implement its objectives and operate as a statutory body reporting to Parliament annually.

The present board has six members. It is proposed that the present basic composition of the board remain but that it be increased by the inclusion of an additional person appointed to represent the interests of persons receiving chiropractic services. The addition of a representative from the general community acknowledges responsibilities of professional chiropractors to the consumers of their services and the community in which they practise.

A registered chiropractor instead of a solicitor, as at present, will be appointed to preside at meetings of the board. This is common practice interstate and in accord with representations from the profession. The Bill includes within the functions of the board a new responsibility to consult with educational authorities regarding syllabuses and courses designed to equip chiropractors for professional practice.

There are new provisions in the Bill enabling committees of the board to be appointed and for functions and powers of the board to be delegated to them. These will allow the board to fulfil its responsibilities more expeditiously. The Bill prohibits persons practising chiropractic unless they are registered or students supervised by a registered chiropractor. It does however exempt medical practitioners and physiotherapists from this section as is the case in the existing legislation. It is also an offence for unregistered persons to hold themselves out as registered or use certain prescribed words. Three new provisions in the Bill are those relating to the updating of skills and allowing for limited and provisional registration.

In every field of study, knowledge is increasing. The person trained some years ago is not necessarily fully equipped to practise most effectively in today's changed circumstances. The Bill makes provision for the board to be able to require a registered chiropractor, who has not practised for five or more years, to undertake a refresher course of further studies before resuming independent practice.

The present Act recognises that there will be persons gaining practical experience under the supervision of a registered chiropractor in order, eventually, to gain their own registration. However, such trainees have no specific status at present and are not subject to the ethical, legal and disciplinary constraints that apply to registered chiropractors. The Bill will allow such trainees to be granted limited registration which will enable the application of conditions to their place and area of practice. It will also make them subject to disciplinary constraints. The provision will also be appropriate in the case of chiropractors resident outside South Australia who wish to visit and practise for a brief period or for a specified purpose.

In relation to provisional registration, power is given to the Registrar to grant registration provisionally if he/she believes that the board is likely to grant the application. The board would then determine the application at its next meeting. This will enable newly trained graduates, overseas trained persons and other qualified persons to take up a position as a chiropractor without delay and financial hardship. All registered chiropractors are presently in private practice. The Bill recognises this by containing provisions for the registration of companies whose sole object is to practise as a chiropractor. These provisions are similar to those appearing in other recent health profession registration Acts.

It contains new provisions, in keeping with recent health profession registration Acts, allowing the board to inquire into the incapacity of a chiropractor, and not merely matters of unprofessional conduct as at present. In this regard, it is a requirement for a medical practitioner, who, in treating a chiropractor in relation to an illness, forms an opinion that the chiropractor's ability to practise chiropractic is, or is likely to result, in serious physical or mental incapacity which will seriously impair the ability to practise, to notify the board. The board may also inquire into the conduct of a chiropractor who was registered when the cause for disciplinary action arose but has since ceased to be registered.

For the purposes of investigating complaints of unprofessional conduct, incapacity or breaches of the Act the board may appoint an inspector. An inspector has the normal powers of entry if he/she reasonably suspects that an offence has been committed. The maximum penalties under the Act are currently $500. These are out of date, and are upgraded by the Bill to division 5 fines (not exceeding $8 000) and division 7 fines (not exceeding $2 000) in line with more modern Acts. In keeping with the board remaining financially self-supporting, fines imposed for offences against the new Act must be paid to the board.

The Bill contains a provision requiring practitioners to be indemnified to such an extent required by the board in the event they suffer loss by reason of civil liability incurred in the practice of chiropractic. It is presently the policy of the board that chiropractors must carry a minimum of $1 million professional indemnity insurance, although this is not a legislative requirement. As it is important for the

board to be aware of any information relating to a claim of damages or other compensation against a chiropractor for negligence, the Bill requires a chiropractor to notify the board within 30 days.

Under the provisions of the current legislation, should a chiropractor's registration be suspended or cancelled in another State or Territory the board must hold a disciplinary inquiry of its own to hear the matter all over again. The Bill provides for the automatic suspension, cancellation or reinstatement to the Register in line with decisions taken interstate. This is a much more practical, time saving and inexpensive solution.

In summary, this legislation provides for community accountability. The public is entitled to expect that chiropractors will not stray beyond the boundaries of their own expertise and that professional responsibility will be aknowledged. It aims for excellence in services to the individual and effective mechanisms for quality assurance. The role of the professional is under increasing scrutiny. The provisions of this Bill make a significant contribution toward public accountability of chiropractors. The profession acknowledges the need for reviewing the existing Act. I commend the Bill to members.

Part I comprising clauses 1 to 4 contains preliminary provisions.

Clauses 1 and 2 are formal.

Clause 3 repeals the Chiropractors Act 1979.

Clause 4 defines words and expressions used in the Bill. In particular:

'chiropractic' is defined to include the manipulation or adjustment of the human spinal column or joints of the body, osteopathy and any related service or advice.

Where a person holds himself or herself out to the public as a chiropractor and offers a therapeutic service or advice, a reference in the Act to chiropractic extends to that service or advice.

Part II comprising clauses 5 to 17 contains administrative provisions.

Clause 5 provides for the continuation of the Chiropractors Board of South Australia as a body corporate.

Clause 6 provides for the appointment of seven members to the board, four of whom are to be registered chiropractors elected by registered chiropractors. One other must be a lawyer, another a doctor and one consumer representative.

Clause 7 sets out the terms and conditions of the members' appointment. Members are appointed for three years and are eligible for reappointment. A person over 65 years of age cannot be appointed.

Clause 8 provides that the members of the board are entitled to such remuneration and expenses as may be determined by the Governor.

Clause 9 provides that a member with a direct or indirect pecuniary interest or a personal interest in a matter is disqualified for participating in the board's consideration of that matter.

Clause 10 provides for the procedure to be followed at meetings of the board. Four members constitute a quorum. The member presiding at a meeting has a casting vote as well as a deliberative vote.

Clause 11 provides that the board may establish committees to advise the board.

Clause 12 provides that the board may delegate its functions or powers except those relating to investigations and inquiries under Part IV.

Clause 13 provides that an act of the board is not invalid by reason of a defect in its membership.

Clause 14 provides for the appointment of a registrar and officers and employees of the board.

Clause 15 sets out the functions of the board. In particular the board is responsible for the registration and professional discipline of chiropractors, for the exercising of an oversight over the standards of chiropractic practice and for monitoring the standards of courses of instruction and training available to chiropractors. The board's overall duty is to strive to maintain professional standards of competence and conduct.

Clause 16 requires the keeping of proper accounts by the board and provides for the auditing of such accounts.

Clause 17 provides that the board must report to the Minister on the administration of the Act every 12 months and that such report is to be laid before each House of Parliament.

Part III comprising clauses 18 to 36 contains the provisions relating to registration and practice.

Clause 18 sets out the requirements a person or company must satisfy to be eligible for registration as a chiropractor.

Clause 19 sets out the manner in which a person applies for registration.

Clause 20 provides that the board must register an eligible applicant who makes due application and that the Registrar may provisionally register an applicant pending full registration.

Clause 21 empowers the board to grant limited conditional registration of an applicant who does not fulfill all eligibility requirements.

Clause 22 sets out the requirements for renewal of registration.

Clause 23 provides that the Registrar must keep a register of chiropractors and sets out the obligations of the Registrar in relation to the maintaining of the register.

Clause 24 provides that a duplicate registration certificate must be provided by the Registrar on request and payment of a fee.

Clause 25 provides in subclause (1) that it is an offence punishable by a division 5 fine ($8 000) or division 7 imprisonment (six months) for a person to practise chiropractic for fee or reward unless the person is registered under the Act or practises under the supervision of a registered chiropractor in connection with a prescribed course of training. Legally qualified medical practitioners or registered physiotherapists acting in the ordinary course of professional practice are exempt from subclause (1).

Clause 26 creates an offence of falsely holding oneself out to be registered under the Act or holding another person out as registered under the Act or holding another person out as registered. These offences also carry penalties of division 5 fines or division 7 imprisonment.

Clause 27 prohibits an unregistered person from using certain specified titles or descriptions in relation to himself or herself or to a service he or she provides. It is also an offence for a person who provides a service to apply the prohibited titles or descriptions to an unregistered partner or employee. These two offences carry a penalty of a division 7 fine. Physiotherapists may continue to be called 'manipulative therapists'.

Clause 28 requires a registered chiropractor who has not practised for five or more years to get the board's approval before commencing to practise again for fee or reward. Approval may be conditional. Offences against this section carry division 5 fines.

Clause 29 requires a chiropractor to insure against malpractice claims. The board can grant exemptions from this section.

Clause 30 requires a chiropractor who has had judgment given against him on a negligence claim or who has settled out of court, to notify the board accordingly.

Clause 31 provides that a company registered under the Act is to comply with the stipulations of the Act required to be included in its memorandum or articles of association.

Clause 32 provides that a company registered under the Act must not alter its memorandum or articles of association unless it has submitted the proposed alterations to the board for approval.

Clause 33 provides that a company registered under the Act cannot practise in partnership unless authorised by the board.

Clause 34 provides that a company registered under the Act must not employ more registered chiropractors than twice the number of directors of the company.

Clause 35 provides that a civil liability incurred by a company registered under the Act is enforceable jointly and severally against the company and the persons who were directors of the company at the time the liability was incurred.

Clause 36 requires a company registered under the Act to lodge an annual return, and also to keep the board informed of changes in directors. Part IV comprising clauses 37 to 45 contains provisions dealing with investigations and inquiries by the board.

Clause 37 provides that if the board has reason to suspect that an unregistered person may have practised chiropractic for fee or reward, that there is cause for disciplinary action against a registered chiropractor or that a registered chiropractor may be mentally or physically unfit to practise as a chiropractor, it may request an inspector to investigate the matter.

Subclause (2) provides that for the purposes of an investigation an inspector may enter premises of a registered chiropractor or of a person suspected of unlawfully practising chiropractic and put questions to persons in the premises and, where the inspector suspects an offence has been committed, seize and remove any object affording evidence of the offence.

Clause 38 creates offences of hindering or obstructing an inspector or refusing to answer truthfully questions put by an inspector.

Clause 39 obliges a doctor who is treating a registered chiropractor for an illness to report to the board any incapacity that may seriously impair the chiropractor's ability to practise.

Clause 40 provides that the board may require any registered chiropractor it suspects of being physically or mentally unfit to submit to an examination by a medical practitioner.

Clause 41 provides that the board may, on its own initiative or on receipt of a complaint, conduct an inquiry in order to determine whether a registered chiropractor is mentally or physically unfit to practise or whether there is cause for disciplinary action.

Subclause (3) provides that if the board is satisfied that a registered chiropractor is mentally or physically unfit to practise it may impose conditions restricting the right of practice, suspend the registration for a period not exceeding three years or cancel the registration.

Subclause (4) provides that disciplinary action may take the form of a reprimand, a division 5 fine, conditions restricting the right of practice, suspension of registration for a period not exceeding three years or cancellation of the registration.

Subclause (7) provides that there is proper cause for disciplinary action against a registered chiropractor if the registration was obtained improperly, the chiropractor has been convicted, or is guilty of an offence against the Act or an offence involving dishonesty or the chiropractor is guilty of unprofessional conduct.

Clause 42 sets out the procedure to be followed by the board in conducting inquiries.

Clause 43 sets out the powers of the board in relation to the conduct of an inquiry.

Clause 44 provides that the board may award costs against a party to an inquiry.

Clause 45 provides that where a registered chiropractor's right to practise chiropractic in another State or a Territory of the Commonwealth is suspended or cancelled the registration of the chiropractor in this State is automatically suspended or cancelled. Subsequent reinstatement is also automatic. Part V comprising clauses 46 and 47 contains appeal provisions.

Clause 46 provides for a right of appeal to the Supreme Court against any decision or order of the board made in the exercise of its powers or functions under this Act.

Clause 47 provides that the Supreme Court may suspend the operation of an order of the board until the appeal is determined. Part VI comprising clauses 48 to 55 contains miscellaneous provisions.

Clause 48 provides that where a body corporate is guilty of an offence, every responsible officer of the body corporate is guilty of an offence unless it is proved that the officer could not by the exercise of reasonable diligence have prevented the commission of the offence. 'Responsible officer' is defined.

Clause 49 provides that no personal liability attaches to a member of the board, the Registrar or a member of the board's staff or an inspector for an act or omission made in good faith.

Clause 50 is an evidentiary provision as to the fact of whether a person was or was not registered at a particular date.

Clause 51 provides that service of notices under the Act may be by post.

Clause 52 provides that offences under the Act are summary offences.

Clause 53 provides that disciplinary action and prosecution for an offence may both be taken in relation to the one matter.

Clause 54 provides that fines imposed for offences against the Act are to be paid to the board.

Clause 55 provides for the making of regulations by the Governor on the recommendation of the board.

The schedule contains several transitional provisions. The current board members must vacate their positions. Registration is carried over from the old Act to the new. The Registrar and the staff continue in office.

Dr ARMITAGE secured the adjournment of the debate.

PHARMACISTS BILL

The Hon. D.J. HOPGOOD (Minister of Health) obtained leave and introduced a Bill for an Act to provide for the registration of pharmacists and to regulate the practice of pharmacy; to repeal the Pharmacy Act 1935; to make a consequential amendment to the Controlled Substances Act 1984; and for other purposes. Read a first time.

The Hon. D.J. HOPGOOD: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

It seeks to repeal the Pharmacy Act 1935 and to introduce new legislation in line with the modern regulation of professions. Since the proclamation of the present Act, there have been enormous changes in the practice of pharmacy. It was enacted at a time when the profession was very much involved with extemporaneous dispensing. This was before the use of sulpha drugs, penicillin, and the other antibiotics and the plethora of other substances now used to treat conditions such as blood pressure and heart disease. The advent of these new substances has meant that many changes have occurred in dispensing practice and in the responsibilities of the pharmacist.

Dispensing no longer relies so much on the manufacture of medicines by the pharmacist. The pharmacist's role has changed to that of being the community's safe custodian of a huge group of toxic, potent preparations that were unheard of in 1935. The pharmacist's duty is not only to see that the patient is supplied with the correct product and strength ordered, but also to check for interactions and adverse drug reactions. Patients now need counselling to ensure that they take prescribed medicine correctly to achieve the required therapeutic effect.

The Bill seeks to builds upon the high standards of service of the profession by requiring that the Pharmacy Board must exercise its functions primarily in the public interest, ensuring that the community is adequately provided with pharmaceutical services of the highest standard and achieving and maintaining professional standards of conduct and competence.

To this end the Pharmacy Board itself is to be reconstituted, from being a body wholly elected by pharmacists to a board appointed by the Governor from nominations from various organisations within the profession and by the Minister. This will readily enable the views of the whole spectrum of the profession to be brought together. One of the ministerial nominees is to be a legal practitioner and one will be a person to represent the views of consumers. The size of the board will be increased by one, to eight members, with six of those members being registered pharmacists.

For the first time, the functions of the board are clearly delineated in the Act. Along with the registration and professional discipline of pharmacists, the board is charged with exercising a general oversight of the standards of the practice of pharmacy, reviewing the laws relating to pharmacy and monitoring standards of instruction and training for pharmacists. The board, in exercising these functions, must do so with a view to ensuring that the community is provided with services of the highest standard and that professional standards of competence and conduct are maintained.

Eligibility for registration as a pharmacist is based on prescribed qualifications and experience. However, if the board considers that a person is unable to fulfil such criteria, it may grant limited registration to such a person. This can be done to enable the person to gain further qualifications or experience, or to do whatever is necessary to be eligible for full registration. Such limited registration is also available where a person does not meet full registration requirements, but, for example, comes to South Australia to conduct a teaching or research program. Similarly, the board can grant limited registration if it considers it is in the public interest to do so. In all such cases the board is able to attach conditions to the registration.

In line with other health profession registration Acts, the Bill provides for the registration of companies. Strict requirements for such registration follow the legislative scheme adopted in the Medical Practitioners Act 1983 and the Dentists Act 1984. With advances in technology and the introduction of new drugs and substances, the board is particularly anxious to ensure that people who have not practised for some time should update their knowledge and skills. A provision is therefore included to require a person who has not practised for three years or more to first obtain the board's approval. Before granting approval, the board may require the person to undergo a refresher course.

In order to ensure that adequate standards apply in relation to the physical environment of premises, the Bill prohibits pharmacy being carried out except at premises registered by the board. The current limitation on numbers of pharmacies which may be owned by a person and by the Friendly Societies Medical Association are carried over into this Bill. It is also made clear that work carried out in a pharmacy must be done under the direct and constant personal supervision of a registered pharmacist. These provisions are aimed at ensuring optimal professional standards.

In line with other health profession registration Acts, there is an obligation on a medical practitioner to report to the board mental or physical incapacity of a pharmacist he or she is treating if it is believed that the incapacity is such that it will seriously impair the pharmacist's work performance.

Another provision aimed at protecting the public is the automatic suspension or cancellation of registration of a pharmacist whose registration has been cancelled or suspended interstate. Suspension or cancellation only occurs in relation to serious offences. The public should not be placed at risk of a practitioner 'struck off' in another State, immediately coming to South Australia where he or she is also registered and taking up practice. The role of the professional is under increasing scrutiny. The provisions of the Bill make a significant contribution towards increased public accountability of the profession of pharmacy. It has been prepared in consultation and with the cooperation of the profession. I commend the Bill to members.

Clauses 1 and 2 are formal.

Clause 3 repeals the Pharmacy Act 1935.

Clause 4 is an interpretation provision. 'Pharmacy' is defined to mean the supply of a drug or medicine on the prescription of a medical practitioner, dentist, veterinary surgeon or other person authorised to prescribe the drug or medicine.

The remainder of the Bill is divided into the following parts:

Part II The board

Part III Registration and Practice

Part IV Investigations and Inquiries

Part V Appeals

Part VI Miscellaneous.

Part II, Division I deals with the constitution of the Pharmacy Board.

Clause 5 provides that the Pharmacy Board of South Australia continues in existence as a body corporate with all relevant powers.

Clause 6 provides that the board is constituted of eight members appointed by the Governor—a legal practitioner, a registered pharmacist, a person nominated to represent the interests of persons receiving pharmaceutical services, five registered pharmacists—one nominated by each of the following bodies: the head of the School of Pharmacy at the South Australian Institute of Technology; the Society of Hospital Pharmacists of Australia (South Australian Branch); the Pharmaceutical Society of Australia (South Australian Branch); the Pharmacy Guild of Australia (South Australian

Branch) and the Friendly Societies Medical Association Incorporated.

Clause 7 sets out the terms and conditions of membership of the board. The maximum term of appointment is three years, though a member is eligible for reappointment.

Clause 8 enables the Governor to determine remuneration and expenses payable to members.

Clause 9 disqualifies a member with a personal or pecuniary interest in a matter from taking part in the board's consideration of the matter.

Clause 10 sets the quorum at five for all matters except investigations and inquiries under Part IV of the Bill. With respect to those matters the quorum is three, two of whom must be registered pharmacists. The presiding member has a second or casting vote.

Clause 11 empowers the board to establish committees to advise the board or to carry out functions on behalf of the board. A committee may include persons who are not members of the board.

Clause 12 gives the board power to delegate its functions or powers (except those relating to investigations and inquiries under Part IV) to a member, the Registrar, an officer or employee or a committee established under clause 11.

Clause 13 provides that a vacancy or defect in membership of the board does not invalidate its actions.

Clause 14 requires the board to appoint a Registrar and other officers and employees. Such persons will not be Public Service employees.

Part II, Division II sets out the functions of the board.

Clause 15 states that the board is responsible for—

(a) the registration and professional discipline of pharmacists;

(b) exercising a general oversight over the standards of the practice of pharmacy;

(c) keeping under review the law relating to pharmacy and making recommendations to the Minister with respect to that law;

(d) monitoring the standards of courses of instruction and training available to—

(i) those seeking registration as pharmacists; and

(ii) registered pharmacists seeking to maintain and improve their skills in the practice of pharmacy,

and consulting with educational authorities in relation to the establishment, maintenance and improvement of such courses; and

(e) exercising the other functions assigned to it by or under the measure.

The board is required to exercise these functions with a view—

(a) to ensuring that the community is adequately provided with pharmaceutical services of the highest standard;

and

(b) to achieving and maintaining professional standards of competence and conduct in the practice of pharmacy.

Part II, Division III contains administrative provisions.

Clause 16 requires the board to keep proper accounts of its financial affairs and to have a statement of accounts in respect of each financial year audited.

Clause 17 requires the board to prepare an annual report to be tabled in each House of Parliament. The report must contain statistics relating to complaints received by the board and the orders and decisions of the board.

Part III, Division I establishes criteria for registration.

Clause 18 provides that a person is eligible to be a registered pharmacist if he or she is over 18, is a fit and proper person to be registered, has the qualifications and experience in the practice of pharmacy required by the regulations and fulfils all other requirements set out in the regulations.

The clause further provides that a company is eligible to be a registered pharmacist if the sole object of the company is to practise as a pharmacist (which may include the carrying on of any business traditionally associated with the practice of pharmacy), if certain requirements are met in respect of directors and shareholders and if the memorandum and articles of association are otherwise appropriate to a company formed for the purpose of practising as a pharmacist.

Part III, Division II provides for various kinds of registration and for the process of registration.

Clause 19 sets out the procedure for application for registration and enables the board to require further information from the applicant.

Clause 20 compels the board to register an applicant if satisfied that the applicant is eligible for registration. The Registrar may provisionally register an applicant if it appears likely that the board will grant the application.

Clause 21 enables the board to grant limited registration to—

(a) an applicant who does not have the requisite qualifications or experience or does not fulfil the prescribed requirements in order to enable the applicant to do whatever is necessary to become eligible for full registration or to teach or undertake research or study in the State or if the person's registration is in the public interest; or

(b) an applicant who has the requisite qualifications and experience but who does not satisfy the board that he or she is a fit and proper person to be registered unconditionally.

The board can impose any conditions it thinks fit on such registration.

Clause 22 provides that registration must be renewed each calendar year.

Clause 23 enables the board to vary or revoke conditions attaching to registration of a pharmacist.

Clause 24 requires the Registrar to keep a register of pharmacists which is to be available for public inspection.

Clause 25 requires the Registrar to provide copies of certain information in the register.

Part III, Division III contains provisions relating to the practice of pharmacy.

Clause 26 makes it an offence for an unregistered person to practise pharmacy subject to certain exceptions. The following persons are authorised to practise pharmacy provided that it is through the instrumentality of a registered pharmacist:

(a) a natural person who carried on a business consisting of or involving pharmacy before 20 April 1972, and who has continued to do so since that date;

(b) the Mount Gambier United Friendly Societies Dispensary Incorporated;

(c) the Friendly Societies Medical Association Incorporated.

The penalty provided is a division 5 fine (maximum $8 000) or division 7 imprisonment (maximum 6 months).

Clause 27 makes it an offence for an unregistered person to hold himself or herself out as a registered pharmacist or to permit someone else to do so. It also makes it an offence for a person to hold out another person as being registered if that other person is not. The penalty provided in each

case is a division 5 fine (maximum $8 000) or division 7 imprisonment (maximum 6 months).

Clause 28 prohibits a person who is not a registered pharmacist using certain words to describe himself or herself or a service that he or she provides. It also makes it an offence for a person to use those words, in the course of advertising or promoting a service, to describe an unregistered person engaged in the provision of the service. The penalty provided in each case is a division 5 fine (maximum $8 000) or division 7 imprisonment (maximum 6 months).

Clause 29 requires a registered pharmacist who has not practised for three years to obtain the board's approval before practising again. The penalty provided for not doing so is a division 5 fine (maximum $8 000). The board is empowered to require the pharmacist to undertake a refresher course or the like and may impose restrictions on the pharmacist's right to practice.

Clause 30 requires a registered pharmacist to have suitable insurance relating to his or her practice. The penalty provided for non-compliance is a division 5 fine (maximum $8 000). The board may grant exemptions from this requirement.

Clause 31 requires pharmacists to provide the board with information relating to any claims against the pharmacist for alleged negligence. The penalty provided for not providing such information is a division 5 fine (maximum $8 000).

Clause 32 empowers the board to register premises as suitable for the purpose of carrying on a business consisting of or involving pharmacy. Registration is renewable annually and the board may refuse to renew registration if satisfied that the premises have ceased to be suitable. The penalty provided for practising pharmacy at unregistered premises is a division 7 fine (maximum $2 000).

Clause 33 provides that a place at which pharmacy is practised must, whenever it is open to the public, be under the direct and constant personal supervision of a registered pharmacist. The penalty provided for a breach of this provision is a division 7 fine (maximum $2 000).

Clause 34 provides that a person must not carry on a business of pharmacy at more than four places of business. The penalty provided for breach is a division 7 fine (maximum $2 000). A person who is a director or member of a company that carries on a business consisting of or involving pharmacy is to be taken to carry on the business. The provision does not apply to partnerships that are already carrying on business at more than four places and allows the FSMA to conduct up to 31 shops.

Part III, Division IV sets out provisions of special application to registered companies. The penalty provided for any offence against the division is a division 7 fine (maximum $2 000).

Clause 35 enables the board to require a company registered under the measure to comply with requirements relating to provisions to be included in the memorandum or articles of association of the company. If the company refuses to comply with a direction of the board, the company's registration is suspended.

Clause 36 provides that the board must approve any proposed alteration to the memorandum or articles of association of a company registered under the measure.

Clause 37 prevents a company registered under the measure from practising in partnership, unless authorised to do so by the board.

Clause 38 provides that any civil liability incurred by a registered company is enforceable against the company and the directors or any of them.

Clause 39 requires registered companies to submit annual returns to the board and to inform the board when any person becomes or ceases to be a director or member of the company.

Part IV, Division I empowers the board to conduct certain investigations.

Clause 40 sets out the circumstances in which an inspector appointed by the board may investigate a matter. These are where the board has reasonable grounds to suspect that there is proper cause for disciplinary action against a registered pharmacist, that a registered pharmacist may be mentally or physically unfit to practise pharmacy, or that a person other than a registered pharmacist is guilty of an offence against the measure. Powers are given to an inspector to enter and inspect registered premises (or any other premises if the inspector reasonably suspects that the premises have been used for the practice of pharmacy), to put questions to persons on the premises and to seize any object affording evidence of an offence against the measure.

Clause 41 makes it an offence to hinder or obstruct an inspector or to fail to answer an inspector's questions truthfully. The penalty provided is a division 7 fine (maximum $2 000). The privilege against self-incrimination is preserved.

Clause 42 obliges a medical practitioner to report to the board if of the opinion that a registered pharmacist being treated by the practitioner is suffering an illness that is likely to result in mental or physical incapacity to practise pharmacy. The penalty provided for not doing so is a division 7 fine (maximum $2 000).

Clause 43 empowers the board to require a registered pharmacist to submit to a medical examination relating to the pharmacist's mental or physical fitness to practise pharmacy.

Part IV, Division II empowers the board to conduct certain inquiries.

Clause 44 sets out the circumstances in which an inquiry may be conducted. The first is to determine whether a registered pharmacist is mentally or physically unfit to practise. If the board is satisfied that the pharmacist is mentally or physically unfit to practise pharmacy or to exercise an unrestricted right of practice, it may impose conditions restricting the right of practice, suspend the pharmacist's registration for up to three years or cancel the pharmacist's registration. The second circumstance in which an inquiry may be conducted is to determine whether there is a proper cause for disciplinary action against a registered pharmacist, namely, whether the pharmacist's registration was obtained improperly; the pharmacist has been convicted, or is guilty, of an offence against the measure or an offence involving dishonesty or punishable by imprisonment for one year or more; or the pharmacist is guilty of unprofessional conduct. The regulations may specify conduct that will be regarded as unprofessional. If the board is satisfied that there is proper cause for disciplinary action it may reprimand the pharmacist, impose a division 5 fine (maximum $8 000), impose conditions restricting the right to practise, suspend the pharmacist's registration for up to three years or cancel the pharmacist's registration.

Clause 45 sets out basic procedures to be followed for an inquiry. The board must give the pharmacist and the complainant at least 14 days notice of the inquiry. Both parties may be represented by counsel. The board is not bound by rules of evidence and must act according to equity, good conscience and the substantial merits of the case.

Clause 46 gives the board various powers for the purposes of an inquiry. These include the ability to issue a summons to compel attendance or the production of records or equipment and to compel persons to answer questions. The privilege against self-incrimination is preserved.

Clause 47 enables the board to order a party to pay costs to another party. The assessment of costs may be taken on appeal to the Master of the Supreme Court.

Part IV, Division III relates to the consequences in this State of action against a registered pharmacist in some other jurisdiction.

Clause 48 provides that a suspension or cancellation of a pharmacist's registration in another State or Territory is automatically reflected here.

Part V provides for a right of appeal against a decision or order of the board.

Clause 49 provides that the appeal is to the Supreme Court and that the time for appeal is one month. The Supreme Court is given the power to affirm, vary, quash or substitute the board's decision or order, to remit the matter to the board and to make orders as to costs or other matters as the case requires.

Clause 50 enables the board or the Supreme Court to suspend the operation of an order of the board that is subject to an appeal.

Part VI contains miscellaneous provisions.

Clause 51 makes it an offence to breach a condition of registration under the measure. The penalty provided is a division 5 fine (maximum $8 000).

Clause 52 sets out the consequences of a body corporate being found guilty of an offence against the measure.

Clause 53 protects members of the board, the Registrar, the staff of the board and inspectors from liability.

Clause 54 facilitates proof of registration of a pharmacist and of any other matter contained in the Register of Pharmacists.

Clause 55 provides that disciplinary action is not a bar to prosecution for an offence and *vice versa.*

Clause 56 enables service by post of any notice to be given under the measure.

Clause 57 provides that offences against the measure are summary offences.

Clause 58 provides that any fine imposed for an offence against the measure must be paid to the board.

Clause 59 provides regulation-making power, including power to regulate the standard of pharmacists' premises and equipment, reference works and records to be kept by pharmacists, advertising by pharmacists and the professional conduct of pharmacists.

Schedule 1 contains transitional provisions.

Schedule 2 contains a consequential amendment to the definition of 'pharmacist' in the Controlled Substances Act 1984.

Dr ARMITAGE secured the adjournment of the debate.

STOCK BILL

The Hon. LYNN ARNOLD (Minister of Agriculture) obtained leave and introduced a Bill for an Act to prevent or control disease and residues in stock and stock products and to provide for the regulation of the artificial breeding of stock; to repeal the Stock Diseases Act 1934; to make consequential amendments to the Cattle Compensation Act 1939, the Foot and Mouth Disease Eradication Fund Act 1958, and the Swine Compensation Act 1936; and for other purposes. Read a first time.

The Hon. LYNN ARNOLD: I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

Since its introduction in 1888, the stock diseases legislation has proved invaluable in the control and eradication of contagious and infectious diseases of livestock posing a threat to individual producers, the livestock industry or human health. Contagious pleuro pneumonia, brucellosis, tuberculosis and Johnes disease of cattle; lice, ked and footrot of sheep; tuberculosis, erysipelas, swine plague and dysentery of pigs; and tuberculosis, pullorum and ILT (infectious laryngo tracheitis) in poultry, all once endemic in the livestock population of South Australia have, through the control measures made possible under the Stock Diseases Act, either been eradicated or are so well controlled as to no longer be of economic significance to the State.

Over the years numerous amendments have been made to this legislation to meet changes in disease control technology, livestock management and the needs of the industry. It became obvious during critical examination of the Stock Diseases Act under the Government's regulation review program that changes necessary to meet the current needs of the industry, the emerging chemical residue problem and to correct identified deficiencies in exotic disease control could not be made within the intent of the current legislation.

Following extensive consultation with industry to ensure that all concerns were addressed, a Bill incorporating the still necessary elements of the Stock Diseases Act and correcting the existing deficiencies has been drafted. The major changes in the legislation are:

- the removal of compulsory dipping of clean sheep following shearing. This was seen as an unnecessary impost on the owners of clean sheep and an unnecessary use of chemicals which could lead to residues in the wool and meat of sheep.
- The highly desirable ability to combat residue problems at their source (growth promotants, feed additives, sprays etc.) rather than waiting until animals or animal products become contaminated.
- In exotic disease control the power to control the movement of people as well as stock in infected areas; and to be able to destroy (with compensation) a limited number of animals to confirm freedom from disease as well as infection. This action is an essential step in proving disease freedom.
- The inclusion of chemical residues in the legislation to enable control measures to be implemented, not only to prevent contaminated products from getting into the local and export food chain, but equally importantly to assist producers in managing through the problem on their own property to cleanse contaminated stock or ground.
- In the artificial breeding area to have in place the minimum controls necessary to maintain the required standards for health and welfare of animals as well as achieving greater uniformity across the nation and ensuring that protocols are compatible with interstate and overseas trading countries. The use of new techniques such as embryo transfer have also been addressed.

This is a vitally important piece of legislation to the livestock industry of South Australia, as it will not only protect individual producers and the industry generally against endemic diseases and provide for a well managed artificial breeding program and procedures, but also to ensure effective controls can be implemented in the event of an outbreak of exotic disease and through controls over residues ensure that animal and animal products from South Aus-

tralia are free from contamination and acceptable for local consumption and for export.

Clauses 1 and 2 are formal.

Clause 3 repeals the Stock Diseases Act 1934.

Clause 4 is an interpretation provision. Stock is defined as any animal or bird that is kept or usually kept in a domestic or captive state and any bee of the genus *Apis* or *Megachile*. Stock product is defined widely to include any part of an animal or bird or the carcass of an animal or bird. Exotic diseases are distinguished from other diseases.

Clause 5 empowers the Governor to proclaim the diseases (including pests or parasites) to which the Act applies and to declare certain diseases to be exotic diseases for the purposes of the Act.

Clause 6 empowers the Governor to determine, by proclamation, the meaning of residue affected stock.

Part II (clauses 7 to 12) contains administrative provisions.

Clause 7 provides for the appointment of inspectors of stock by the Minister.

Clause 8 provides for the appointment of a Chief Inspector of Stock and a deputy by the Minister.

Clause 9 enables delegation by the Chief Inspector.

Clause 10 sets out machinery provisions relating to approvals of the Chief Inspector for the purposes of the measure.

Clause 11 sets out the general powers of inspectors. These include power to enter and search and, where reasonably necessary, to break into or open (in relation to residential premises, on the authority of a warrant), to seize evidence of the commission of an offence and to use reasonable force to prevent the commission of an offence. Where any stock or thing that has been dealt with in contravention of this Act is seized, the inspector may treat it or dispose of it.

A person must answer questions put by an inspector or produce information, including information stored by computer, required by an inspector. If the person objects in relation to answers or information that may tend to incriminate him or her of an offence, the answer or information is not admissible against the person in criminal proceedings.

Clause 12 provides inspectors exercising powers or functions under the Act with immunity from civil or criminal liability.

Part III (clauses 13 to 29) contains substantive provisions for the prevention or control of disease and residues in stock and stock products.

Division I (clauses 13 to 15) relates generally to the movement of stock and stock products.

Clause 13 prohibits the bringing into, or removal from, the State of infected or residue affected stock or stock products and of disease.

Clause 14 empowers the Governor, by proclamation, to prohibit or restrict entry into or removal from the State, or movement within the State, of specified stock, stock products or other goods, if satisfied that it is necessary to do so for the purposes of eradicating or preventing the spread of disease or preventing stock from becoming residue affected or further affected by residue.

Clause 15 requires certain documentation to accompany certain stock or stock products *en route* into the State.

Division II (clauses 16 to 18) relates to reporting and investigation.

Clause 16 requires certain persons who know of or have reason to suspect the presence of disease or residue in stock or stock products to report the matter to an inspector. The persons affected are owners and managers of stock or stock products, persons in whose possession, or on whose land, stock or stock products are or have been, and veterinary surgeons.

Clause 17 empowers inspectors to investigate whether stock or stock products are infected or residue affected, whether stock or stock products remain infected or residue affected, and any likely source of contamination. Certain powers are given to inspectors for the purposes of such an investigation including power to kill two out of every 100 stock kept together on the same holding or in the same group or transported together in the same vehicle, vessel or aircraft. The clause provides for compensation if stock so killed are not infected or residue affected.

Clause 18 enables the owner or occupier of land to detain and examine stock on that land for the purposes of determining whether they are infected.

Division III (clauses 19 to 24) sets out the measures that may be taken to control or prevent disease and residue in stock and stock products.

Clause 19 sets out the orders that can be given by an inspector to the owner or person in charge of stock known or suspected to be diseased or residue affected or stock products known or suspected to have come from such stock. The orders can direct detention, treatment, observation or destruction of the stock or stock products. Ancillary orders can also be made restricting the purposes for which such stock or stock products may be used or their sale. Stock that have been kept together with diseased or residue affected stock may also be subject to such orders.

Clause 20 provides inspectors with similar powers in relation to stock or stock products, the owner of which cannot be located and which are not in the apparent charge of a person.

Clause 21 gives inspectors additional powers to issue orders or take action to avert danger of stock becoming infected or residue affected. Various directions may be given or action taken, including directions or action for the purposes of prohibiting stock leaving or entering land; cleansing property; regulating the keeping of stock; erecting signs or fences; the destruction of property, and in the case of exotic disease, controlling the movement of persons or the cleansing of persons. For the destruction of property the consent of the owner or the authority of a warrant issued by a justice is required under clause 23.

Clause 22 is a machinery provision relating to orders generally. It requires them to be in writing and provides for their variation or revocation. It empowers an inspector to carry out the terms of an order if the person to whom it is given refuses or fails to do so. The Crown can recover costs or expenses of such action.

Clause 23 sets out the limitations referred to above in relation to destruction of property.

Clause 24 creates offences relating to disobedience of orders of inspectors.

Division IV (clauses 25 and 26) contains special provisions relating to exotic diseases (foot-and-mouth, rabies and other proclaimed diseases).

Clause 25 empowers the Governor, by proclamation, to impose provisions in specified parts of the State for the purposes of eradicating or preventing the spread of exotic disease. Specific provisions that the Governor may impose include prohibiting or restricting entry to an area, prohibiting or restricting stock sales and the like, requiring stock within an area to be treated or destroyed, requiring certain places within an area to be cleansed, and giving inspectors power to destroy and dispose of stock within an area that are not under the direct control of someone or in respect of which the provisions of the proclamation have apparently not been complied with. The clause also empowers an

inspector to take action to carry out the terms of a proclamation and for the Minister to recover the cost of that action.

Clause 26 stops a person taking court proceedings to prevent action being taken under the measure in relation to an outbreak or a suspected outbreak of exotic disease. It expressly provides that it does not prevent an action for damages.

Division V (clauses 27 to 29) contains miscelleaneous provisions.

Clause 27 makes it an offence to sell or supply, without the approval of the Chief Inspector, infected or residue affected stock or stock products or stock or stock products subject to an order under the Part. It also requires the owner of land in respect of which directions are in force to notify the Chief Inspector of any intended sale of the land.

Clause 28 makes it an offence to feed stock any stock product that has come from infected or residue affected stock, without the approval of the Chief Inspector.

Clause 29 provides that the Chief Inspector may cause native or feral animals or birds or insects to be treated or destroyed if satisfied that it is necessary to do so for the purposes of eradicating or preventing the spread of disease. The Minister for Environment and Planning must first be consulted in relation to native animals or birds except in urgent circumstances.

Part IV (clauses 30 to 39) contains miscellaneous provisions.

Clause 30 makes it an offence to hinder or obstruct an inspector or person assisting an inspector, to refuse to comply with a request of an inspector or to remove or interfere with any identification device or sign used or erected for the purposes of the measure.

Clause 31 makes it an offence to furnish false or misleading statements.

Clause 32 sets out the manner by which notices may be served, including by facsimile machine.

Clause 33 provides for vicarious liability.

Clause 34 is an evidentiary provision.

Clause 35 provides that offences against the measure are summary offences.

Clause 36 provides additional penalties for continuing offences.

Clause 37 provides a general defence to offences against the measure, namely, that the offence did not result from any failure on the part of the defendant to take reasonable care to avoid the commission of the offence.

Clause 38 provides for the incorporation of codes or standards in regulations, proclamations or notices under the measure.

Clause 39 provides regulation making power, specific powers include power to prohibit or regulate the possession or use of stock vaccines, to prescribe or regulate treatment of stock, to register and regulate diagnostic laboratories and to regulate artificial breeding of stock, including by provision of a licensing system.

Schedule 1 contains transitional provisions.

Schedule 2 contains consequential amendments.

Mr MEIER secured the adjournment of the debate.

ACTS INTERPRETATION ACT AMENDMENT BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

It makes several amendments to the Acts Interpretation Act 1915. First, it widens the definition of statutory instrument so that definition includes any instrument of a legislative character made or in force under an Act. This is intended to ensure that section 16 of the Act especially, and all other relevant provisions of the Act, apply to instruments such as proclamations or ministerial notices.

Secondly, proposed new section 14ba replaces and widens section 14b (2) so that the provision applies as well to an Act other than a South Australian Act and to a reference to a Part or provision of an Act made in the same Act. The latter change ensures that a provision in an Act requiring something to be done in accordance with another Part of that Act would also require compliance with regulations, etc., made under or relating to that Part.

Thirdly, section 40 is amended to provide that where an Act provides for the making of regulations, the regulations may, unless the contrary intention appears, apply, adopt or incorporate with or without modification the provisions of any Act, or any statutory instrument, as in force from time to time, or as in force at a specified time or any material contained in any other instrument or writing as in force or existing when the regulations take effect or as in force or existing at a specified prior time.

At present regulations cannot be made requiring, for example, compliance with an Australian Standard or Code, unless the Act under which the regulations are to be made contains a specific enabling power allowing this to be done. This amendment, which is similar to section 49a of the Commonwealth Acts Interpretation Act, eliminates the need to amend Acts on an individual basis when it is desirable to make regulations requiring compliance with Australian Standards and such like.

The amendment only allows regulations to refer to a current standard. The question whether regulations may refer to a standard, etc., as in force from time to time is left to be examined by the Parliament on a case-by-case basis.

Clause 1 is formal.

Clause 2 amends section 3 of the principal Act which contains definitions of various terms for the purposes of the Acts Interpretation Act and other Acts. The definition of 'statutory instrument' is widened so that it also includes any instrument of a legislative character made or in force under an Act.

Clause 3 makes an amendment that is consequential to the new section 14ba proposed by clause 4.

Clause 4 inserts a new section 14ba which provides that a reference in an Act to some other Act (whether or not a South Australian Act) includes, unless the contrary intention appears, reference to statutory instruments made or in force under that other Act. The proposed new section also provides that a reference in an Act to a Part or a provision of the same Act or any other Act (whether or not a South Australian Act) includes, unless the contrary intention appears, a reference to statutory instruments made or in force under the Act or that other Act in so far as they are relevant to that Part or provision.

Clause 5 inserts a new section 40. The proposed new section provides that a matter may be provided for by

regulations, rules or by-laws by applying, adopting or incorporating, with or without modification—

(a) the provisions of any Act or statutory instrument as in force from time to time or as in force at a specified time;

or

(b) any material contained in any other writing as in force or existing when the regulations, rules or by-laws are made or at a specified prior time.

Mr INGERSON secured the adjournment of the debate.

FINANCIAL INSTITUTIONS DUTY ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 23 August. Page 586.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The House will be aware that the Opposition opposes this measure. We do not believe that the Government should embark on such a savage cut into the purses of normal South Australians by putting up financial institutions duty by 2½ times. Therefore, we shall reject the proposition.

I should like to take members back to 1983. After the 1982 election, Premier Bannon promised that there would be no more new taxes and that taxes would be contained within the inflation rates that prevailed at that time. The people of South Australia realised very quickly that the Premier was not to be trusted to keep his promises, because we saw the introduction of the Financial Institutions Duty Act Amendment Bill. Whether it is a good or a bad tax—and I think that all taxes are bad—the Premier promised no new taxes and that any taxation increases would be contained within the consumer price index. On both counts the Premier stands condemned and has been condemned for a long time, because each year we see promises being broken in respect of the rate of taxation increase.

The Government estimates that it will raise an additional $49 million this financial year and $74 million in a full financial year. A very large proportion of that will come out of household budgets. In the second reading explanation, I notice that the Government suggests that it would be about $10 per person. It is important to canvass a number of matters. The first is the increase in taxation, the second is the extent to which we are going it alone in terms of this taxation measure, the third is the extent to which this will affect South Australia's viability *vis a vis* other States, and the fourth—perhaps the one I should tackle first—is the commencement date of this legislation.

It is the height of arrogance, as I have pointed out, that there should be a commencement date for this Bill which precedes the debate in this House. I said it in respect of the payroll tax legislation and I say it again in respect of the financial institutions duty legislation. It is wrong and it should not be condoned. The Government should have set a date later on the calendar to allow the legislation to be fully debated by both Houses of Parliament. That is the accepted practice in this Parliament and it is the way that it should have operated on this occasion. It is also the way that it should have operated for the payroll tax legislation. I am getting tired of the Government changing the rules and setting new precedents for the Parliament when it is unnecessary. No Government should assume that we will pass its legislation without amendment or change. Therefore, the commencement date of 1 October 1990 should be condemned, and it will be.

Another matter within this legislation relates to the Local Government Natural Disasters Fund. I point out that the second reading explanation states that a .005 per cent levy shall be placed on deposits held within South Australian financial institutions, for the benefit of the Local Government Natural Disasters Fund. However, no such fund has been set up.

One questions whether the legislation we have before us is competent. Serious questions have to be asked about this matter. What we have in this Bill is a flight of fancy. The Treasurer has said to the Parliament, 'We are going to set up this fund.' The real reason why the fund is being set up is to overcome the problem caused by the Stirling debacle, of course, because the Government has to make up the shortfall in the total cost. We have a select committee on that matter at present, and whether there will be any cost recovery as a result of that select committee is unknown.

I assume that there are no great reservations about setting up a local government disasters fund. However, when the process has not even been approved by this House or by the Legislative Council, one must question the ethics of the Government. Whilst it might sound very good and heart-warming to suggest that this money will be made available to help local government in difficult times, we do not know what rules the Government will set down in relation to that matter. In this legislation, however, we have moneys being dedicated for that purpose.

We have to rely on the Government to set up this fund, yet we do not know whether it will be a statutory fund, in terms that it will be prescribed under legislation, or whether it will piggy-back other measures. We have not received sufficient information about what will happen to that .005 per cent. It just so happens that, mathematically, if it is added onto the general financial institutions duty, we come up with an overall encumbrance, if you like, on the amounts being deposited with the financial institutions, of .1 per cent.

It is important for the taxpayers of South Australia to recognise fully that they have been gypped for far too long, and the Opposition has grave reservations not only about how this measure will collect taxes at a difficult time but also the extent to which it will affect South Australia's competitiveness. I seek leave to insert in *Hansard* a table of a statistical nature.

Leave granted.

Estimated Collections of FID for 1990-91:

	$m	Per capita $
New South Wales	436	75
Victoria	315	72
Queensland	—	—
Western Australia	88	55
South Australia	109	76
Tasmania	17	38

Populations used in *per capita* calculations are latest ABS estimates of 31 December 1989.

Mr S.J. BAKER: The table demonstrates that *per capita* South Australia has the highest level of FID in the country. Under the 1990-91 estimates by the Government, we will be collecting some $76 *per capita* in South Australia, the highest of all the States. That is no secret: we will have the highest duty of all States. It is important to understand that, if we look at South Australia in the same way as we look at Queensland, for example, we find that FID in South Australia is at .1 per cent whereas in Queensland it is zero.

Comment has been made about the fact that the rate of FID could well cause a flight of capital from this State. I have had discussions with Treasury officials of other States on this matter, and in New South Wales, for example, there

was grave concern that lifting the FID from .03 per cent to .06 per cent would mean a loss of capital to Queensland. The New South Wales Government had a real fear that that would move money out of New South Wales which, these days, is positioning itself to be the financial capital of Australia, taking over from Melbourne.

New South Wales is very sensitive to the current state of play and the extent to which it holds sway in the financial markets of Australia and of the world. New South Wales said, 'Perhaps it would be better at .05, perhaps we can get away with .06 per cent but, certainly, no higher', yet the Government here is determined that it will go for the .1 per cent which, as everyone will appreciate, is over 50 per cent higher than the highest rate in any other State. That means that there is a real financial incentive for all institutions who pay large sums in FID to conduct many of their financial transactions in another State. We know that there are ways to make that possible, such as through electronic funds transfers and a range of other devices, so that instead of money being deposited in financial institutions in South Australia they will be deposited in those in other States, particularly in Queensland. We have grave reservations because, for the past 20 or 30 years, we have seen a continual outflow of head offices from this State. We do not need to go back through the *Hansard* and through the newspapers to recognise that that has been to the detriment of this State.

We are a branch office State. All the major decisions affecting South Australia are made elsewhere, as, over a period of time, there have been takeovers or firms have moved their head offices to where the action is, to where other corporate decisions are being made or to where the major financial markets are conducted. Firms have left this State in droves over the past 20 or 30 years. No major company head offices are left in this State, and but a few of the medium-sized firms are still making major decisions in this State for the benefit of South Australians.

The last thing we want to do is discourage people from investing their future in this State, yet that is exactly what this Bill does. As well, for those firms which have significant operations in this State but whose head offices are elsewhere, there is an inclination to ensure that, as far as possible, all financial transactions take place outside the State. We know that, normally, if we look at the average bank book, we will find an entry put in by the financial institution at the end of the month to the effect that a person has paid 10c or 15c in FID.

For a very large transaction, which is quite commonplace with significant firms in South Australia, the FID, for example, will often be of the maximum, namely, $1 200. That was the other change the Government saw fit to introduce: rather than having a $600 cap, it introduced a $1 200 cap, which means that the sum being taken on any one large transaction has doubled. The Government was not content with raising the rate 2.5 times; it decided to increase its taxing through this other measure. The Government has seen fit on various occasions to say, 'We didn't want to be too different from Victoria' or, 'We wanted to be different for these reasons.' There has been rhetoric about when we should coincide with interstate practices.

With regard to taxation measures, I would have thought that we should always be below the other States, because we suffer a cost disadvantage, which has been brought to the attention of the people of South Australia and the Parliament over a long period of time. We know we suffer this disadvantage because of distance; we know that there is a transport surcharge on all the goods that we produce in this State and export interstate or overseas, and that this surcharge is not borne by some of our major interstate and overseas competitors, so it is imperative that, whatever we do in this State, we be a little leaner, a little fitter and a little less taxing than those other States. We are not less taxing in terms of FID, and I would point out to the member for Henley Beach that the big difference in the taxation levels is not the rate of tax that is applied; it is the capacity of the States to raise more revenue, because a great deal more wealth is being created in those States.

Mr Ferguson: More wealth in Victoria? You are joking!

Mr S.J. BAKER: If the honourable member would care to look back 12 months, he would see that Victoria had the lowest level of unemployment of all States and the greatest increase in activity of all States. Each State goes through that process of growth and decline. The key to South Australia's future is that we never happen to hit the high spots; and we never happen to be the most important State as far as growth is concerned. We are always around the mediocre middle or right down at the bottom. Time and time again we see that, over a period of five or 10 years, Western Australia is the key State or that Queensland has a key role to play in leading the country in terms of growth. Currently New South Wales and previously Victoria have had moments in recent years where they have been in front of all the other States, but South Australia has remained near or at the bottom of the pile and has not moved from that position for the past 20 years.

We have been through that process of non-performance for the past 20 years, mainly under Labor Governments. It is not something of which we should be proud. We should make new determinations about the way in which we will operate so that we bring South Australia from the bottom to the top where, I believe, it could be. We cannot achieve that end by increasing the imposts on the citizens of South Australia and, just as importantly, on the businesses of South Australia. I will reiterate the point: we should not provide incentives for people to take resources out of this State, and FID does exactly that. The increase in FID represents the highest increase and the highest level prevailing in Australia, and it will do exactly that.

We have been contacted by members of good South Australian firms who have said, 'I am sorry, but if it is possible to save money in this diabolical economic climate, I will do so. To do otherwise is to cheat the firm, and to cheat the employees accordingly.' Those firms must apply themselves to cost-saving measures, because of the difficulties with demand and with the markets that they are facing at the moment and because of the difficulties associated with the Federal Government's economic policies. They are having difficulties surviving because of high interest rates—and they are still high, despite the recent fall of 1 per cent; because of the very high Australian dollar, which prevents exports of any work from this State and this country; and because of the decline in domestic demand. I do not know how often I have to state that we are heading for very difficult conditions and, therefore, anything that can be saved by firms must be saved, for the survival of those firms.

We know, for example, that some firms pay considerable amounts of financial institutions duty because considerable amounts of money flow through their books. Others do not have such volumes but still pay significant amounts into financial institutions in this State. Those firms that find it economically viable to do so will simply move their moneys; they will simply move their transactions and they will not tolerate having to be the bunny for the Government's taxation measures.

Clearly, there is no commitment to the enterprises in this State. Given the tax measures brought down by this Government, we know that the firms most affected by FID will be in the medium to high employment areas. We note that the same people are getting knocked around by payroll tax; those with payrolls of over $2 million will be the same people affected by the FID laws. And they are the same people who have the capacity to make other financial arrangements as far as their deposits are concerned.

So, we cannot afford this tax. We could certainly afford lower levels. The Minister is fond of saying, in the payroll tax debate, that we are doing very well in South Australia and that New South Wales and Victoria have a rate of 7 per cent whereas our rate has been increased to only 6.25 per cent. If he uses that argument, he should use it in relation to financial institutions duty. Taking the same line, we should have raised our financial institutions duty from .03 to .05, for example. Let us be consistent; let us set a level that is lower than the level of our major competitors, but let us not be in the forefront with this tax. Members would also recognise that it is a source of aggravation for just about everyone. Before filling out my tax return, I go through my bankbooks and chequebooks, add up the financial institutions duty and claim it on my tax return, amongst the other charges.

The Hon. Frank Blevins interjecting:

Mr S.J. BAKER: We will see what we are entitled to. If the Minister checks, he will find that I am entitled to do that, because of the cost of deposits. The number of people who approached my office originally on this matter was quite extraordinary. People saw these sums appearing in their bankbooks and asked, 'Mr Baker, do we really have to put up with this aggravation?' Every month, they saw these small but aggravating figures appearing in their bankbooks. They put up with it for a fair while—and they did not like it—but they then said,'Perhaps it is not such a bad tax.' It is aggravating, because we see it daily; every time we look at our bank account, we see that the Government has taken another whack out of it. When people get their pay cheque with a statement from the employer, they can see how much tax has been taken out, but when they look at their bankbook they can see the FID quite clearly. Two forms of taxation are occurring. So, FID has been a source of aggravation and will continue to be so but, in the scheme of things, it is not as unfair or as destructive as some other taxes.

However, the disparity between the situation in South Australia and the rest of Australia is destructive. It is destructive from the point of view of parents who might otherwise have been able to buy a new pair of shoes for the children; it is destructive from the point of view of firms that would like to reduce their costs; and it is destructive from the point of view of those firms that will make the decision to take their business out of South Australia because of the imposts involved. So, for those reasons, I believe that the tax should have been restrained; it should not have been put up to this extent.

I reiterate an important point that I made in the debate on pay-roll tax: South Australians are not convinced that the Bannon Government is using their money in the most efficient fashion. We have seen countless examples of waste and mismanagement within this Government. I have informed the House, and I have informed the public on a number of occasions, that the Bannon Government's financial management has been slipshod to the extent that our financial institutions have failed to provide the $157 million which, I believe, was imperative for this budget.

The Government's performance has been second rate and we have seen all these new taxing measures introduced to underpin a failing budget and failed economic management by this Government. South Australians are no longer convinced that the Government of South Australia is acting in their best interests. Members should look at the latest polls to see the true position. People are no longer convinced that their money is being spent wisely and they have concluded that they should not pay the amount of taxation provided for in the legislation. As the Government is wasting money, it should no longer be in office. It is taxpayers' money that is being wasted and the people should not have to make up for the Government's mistakes, as we are seeing in this group of taxation measures.

Many members of the public would not be too pleased to learn that probably the first $10 million of the Local Government Natural Disasters Fund will repay the over-expenditure in respect of the Stirling bushfire situation. Further, if the Minister is talking about differences in the way the States treat their constituencies, I point out that not only do New South Wales and Victoria have a maximum of .06 in this situation, which is much lower than the rate that will prevail in South Australia, but in terms of payroll tax and land tax those eastern States have much higher exemptions. Sometimes the Minister's argument on these matters leaves much to be desired.

I do not intend to prolong the debate on this measure: the principles are clear and we will not tolerate the provisions of the Bill coming into force prior to the debate in Parliament. We will not tolerate the tax (FID) which was never going to happen but which is with us, increasing two and a half fold. We will not tolerate the fact that this tax will cause a further exodus of business from this State. We will not tolerate the fact that the Government is raising revenue under false pretences and has not actually set up a fund to accept moneys under the Local Government Natural Disasters Fund. South Australian citizens have to pay the bills—they pay hefty bills—and this is just another measure that will make life more difficult for people who are finding life difficult enough at this time. I ask the House to oppose the Bill.

Mr BRINDAL (Hayward): Lest the Opposition be considered to be entirely negative and carping, I would like to start by congratulating the Minister on his second reading speech. The leadership potential so obviously exhibited by the Minister at the table has certainly been noted by many of my colleagues on this side of the House. This stands in stark contrast to the performance that we witnessed yesterday by the Premier. As I listened to the Premier's contribution it brought to mind that soon to be released B-grade film *The Attack of the Killer Blancmange.* Therefore, we congratulate the Minister on his stance in this matter.

I was surprised to observe how cogent and succinct the speech was, especially as it relates to matters of major financial import for the State. I might add that I was doubly surprised because the Minister's replies to questions and speeches in this House are not necessarily noted for that same brevity. Having said that, I would like to move to the substance of the Minister's speech about which, unfortunately for the Government, I concur totally with the remarks of my Deputy Leader. This tax is not a good one, either for the business interests of South Australia or for individual citizens living in this State. Yesterday, I heard Government members criticising the Opposition, quite wrongly alleging that we had not bothered to study the Minister's second reading speech.

As my contribution to the debate today, I thought I would refer specifically to some of the matters that the Minister raised, in an attempt to show the House why this money measure is ill advised. We can see from the Minister's speech that one of the bases of the argument for increasing South Australia's FID is the fact that Victoria and New South Wales have increased their FID tax from .03 to .06 per cent. They have doubled the tax and they have increased the maximum duty payable on any one transaction from $600 to $1 200. That is made clear in the Minister's speech.

I fail to see why, if Victoria and New South Wales have had to introduce a measure, not only does it have to be adopted in this State but South Australia also has to go one better. After all, we have not changed our FID from .03 to .06 per cent: we have increased it from .04 to .095 per cent, which is a significant increase. South Australia has increased the maximum duty payable, again in line with the eastern States, to $1 200. This is ill advised and South Australia should not have to suffer as a result of mimicry of the actions of other States.

One of the greatest strengths of South Australia over many years has been the independent stance taken in matters of health, education and public housing by notable Premiers of this State, as well as the independent stance taken in matters of social legislation. Yet here we have a capable Minister whose rationale to this House for the increase in FID is that Victoria and New South Wales have done it, too. It almost represents an apologia to the people of South Australia. However, it will not encourage business in this State, and the Minister himself knows how poorly business, especially small business, is faring.

Indeed, the Minister acknowledges the possible consequences. He refers to the fact that it may become attractive for companies to redirect their banking transactions outside of South Australia and alludes to the dire predictions made in 1983 that were subsequently found to be incorrect. He points out that, when the FID increases to its new level, such a reaction from business becomes more likely. The Minister states:

> If the Government becomes aware of practices being adopted which avoid the receipting of money within the State, then legislative action to protect the tax base will follow.

I challenge the Minister in his reply to the debate to set out clearly for the House how he could introduce legislative measures to such effect. My advice is that any legislative measures he tried to introduce to prevent such action could be ruled invalid on constitutional grounds. Provision is made in the Constitution for free commerce between the States, and it is highly unlikely that this legislature could introduce measures that could be argued as a restraint on free commerce between the States.

If the Minister cannot introduce a measure which catches within its net the vast amount of receipts payable under this duty, the duty will become less effective and the burden will fall not on big business in South Australia but on the small businesses and on the people, which is where it cannot afford to fall. For me, as a member representing a district which has many elderly people and people on fixed incomes, the other major criticism of the Bill is a social justice criticism.

Opposite we have a Government that continually tells us that it is committed to social justice, yet yesterday we witnessed the Government lampooning us, deriding us and saying that we are basically stupid because we believe in a consumption tax. If members opposite are honest they know that any measure that we have sought to introduce with respect to a consumption tax has with it important riders including the protection of those people in our society who can least afford to bear the burdens of particular taxes. It quite clearly has been enunciated in Liberal Party policy, not once but many times, that we believe we have a duty to those who are less fortunate in our society. I am sure that not one member on this side of the House would not seek, in the introduction of any tax, to support those people who are not able to support themselves. We are capable of coming up with innovative measures to protect the poor and weak in our society and the Government does us an injustice by believing that we are as incapable of innovative thinking as it is.

Let us look at this proposal and forget about the consumption tax issue because it is a furphy. We would protect those who need protection within our society. Let us look at this tax which is a broad-base tax and which protects nobody. Nobody escapes its umbrella: from the wealthiest to the poorest in society it is equally applicable to all. I find that both dangerous and appalling because I have people in my electorate who are currently trying to exist on as little as $30 a week. It is all right for the Minister of Finance to come into this place and say in his second reading explanation that his prediction—not his certainty—that it will cost the average family a dollar a week makes it all right. If I was trying to live on $30 a week, every dollar a week that I lost would not be all right—it would be a burden on me that I could not and should not have to bear.

The Government does not look at people on small fixed superannuation payments or those who are struggling on pensions or other fixed income, but merely says that this is a fair tax because basically it saves us from having to increase payroll tax even further. I would never argue, as people on this side argued yesterday, that payroll tax should be diminished, but it certainly should not be increased. If the Government needs to raise extra revenue, let it not be through such measures as FID which discriminate unfairly against those people whom day after day Government Ministers as well as backbenchers claim they champion. They say that they believe in social justice, yet they introduce in this House such socially unjust measures as FID. This Bill can and must be opposed. Social justice is an important issue in our society and all Liberal members of this House stand for social justice. That is one of the reasons why we oppose the Bill.

Mr S.G. EVANS (Davenport): I oppose the Bill. It is another tax increase by the Bannon Government applied at a greater rate than inflation. We can all remember the Premier saying before the election (not only the last election but also the previous one) that he would not raise taxes and charges at a greater rate than inflation or the CPI. Quite clearly a tax that goes from .04 to .1 per cent is rising at a rate much greater than inflationary trends. A tax that may bring in $4 000 suddenly brings in $10 000: that is a massive increase. That is what it is in real terms. The Minister said in his speech that this provision would expect to bring in $49 million in the 1991 year and $74 million in a full year. That is a lot of money and the people have to pay it. They have to pay it as a result of inefficiency.

In recent times we heard a Minister say that some employees of a certain instrumentality buy their motor vehicles. That is a sham: they do not buy them at all—it is part of the salary deal. The public pays for them and are most likely paying for the fuel, servicing—the lot! Those sorts of cover-up in the form of salary deals go on not only in that institution, which is not directly funded by taxes but rather by contributions from industry and through WorkCover, but also in Government departments. To the rest of the population a tax is applied. It affects public servants also if they shift money from one area to another;

they are not exempt. The tax is a disincentive overall for people to operate in this State, particularly for those handling large sums of money.

Since the socialists have had control of South Australia, in the main since 1970, we have seen major companies leave this State and some of our significant companies taken over. Headquarters have not been established here but rather in other States. Corporate power has left the State and gone to Victoria, New South Wales, Queensland and Western Australia. I refer mainly to mineral and corporate wealth. What are companies doing? I assure the Minister that he is not accurate in saying that companies do not bank in other States. The Minister, in his speech at page 586 of *Hansard*, states:

> The Government is conscious of the need to avoid raising the level of duty to the point where it becomes attractive to companies to redirect their banking transactions outside the State. At the time FID was introduced in 1983 stories abounded of retail stores sending overnight bags out of the State carrying the weekly takings.

I do not think they have to do that. They can ask for the transfer in other ways without having to pay the tax. I know that some of them bank outside this State: they bank in Queensland. I am talking of the retail industry, in particular those with a national or multi-State chain operation. The Government knows that people will do this—and expects them to do it. However, the Government itself also does it. It has been admitted by SAFA that it will invest money outside the State if it can get a better deal. I am talking about a South Australian Government instrumentality, a people's instrumentality. The people are not told of its operations in total, but it will invest outside the State if it thinks it can get a better benefit.

On what basis does the Bannon Government suggest that business operators will not move out if the tax is less for them in another State? It is obvious: they will do it to gain the benefit. The Government will use this measure to set up a local government disaster fund. One would have to hope that no disaster occurs in areas that are not covered totally by local government. I believe that if we just had a disaster fund—even though local government might not like my suggestion—it might have been better. In fact, it might have been better had we said several years ago that those who gained benefit from the Lord Mayor's appeal and other appeals should repay that money into a natural disaster fund when they finally receive settlement for their losses from other sources. We might have been better off, and in fact we would have already had a fund operating.

I suppose the Government expects some sympathy from people when it states that it will provide .005 per cent to the Local Government Natural Disasters Fund for five years and then, after that point, moneys might be forthcoming from another area. It sounds good, but it is still another tax. The Government had the opportunity to pick up a debt that related to a natural disaster—and I refer to a fire on a day on which conditions were such that it occurred naturally. If it happens again, and it will, then however it begins it will be a natural disaster. However, at this stage, no-one knows how that fire began, although some people have made judgments about it and some people believe that they know the unknown.

We need to contemplate the position of our State. We need a Government that is honest in its operations—not one that covers up issues, as we saw today in relation to motor cars supplied to Government employees. The Government could have made a straight statement that it paid for X number of motor cars and petrol along with, perhaps, registration and servicing. The Government could have said that the salaries of individuals were taken down to a certain amount as part of a salary deal, because I believe it is all paid for by the taxpayer. We talk about trying to save money, but then we hear of someone who works for SGIC, which has a similar operation—it is a State organisation—who has a daughter driving around in the snow in a car purchased through a salary deal with SGIC for a $6 500 salary deduction. All the services, insurance cover and petrol—the lot—are part of the salary deal. Ordinary citizens, who are struggling to pay fuel bills and the taxes charged by the Government, have a legitimate complaint.

People must pay this tax. The Minister says that it is only 40c now, but under the new provisions the average family will pay $1. However, the Government is grabbing a dollar that these families do not have. Many individuals do not have the deals that others in the public sector receive as a condition of employment. There are people for whom $1 a week is rather important. Perhaps things are not quite as bad as they were a few days ago now that interest rates have dropped to a level where they are starting to look a little bit more reasonable, but the country had to go into a depression before that happened.

We have a Premier who would not stand up and say to the Federal Government, 'I have to apply higher taxes because you will not listen.' I do not believe that the Premier had to apply higher taxes. He tried, a couple of times, in a wimpish way to say that it was the Federal Government's fault and that it should do something about it. However, each business we lose through a tax like this—a tax that will take another $74 million out of the community's pockets for inefficient Government—means that more job opportunities will be destroyed. To an unemployed person, who is not entitled to unemployment benefits if they are too young, a job is important, and an opportunity is important. Once one starts applying taxes like this for the shifting of money, whether it is in or out or between accounts, one starts applying taxes that catch up with people in that field, and one is really saying to employers, 'We do not want you to employ; we do not want you to handle money.'

Some older people are afraid of the system because they have already been caught by shonky landbrokers or by crooked Governments in other States whose activities have flowed over into this State. I refer to crooked Governments that will not resign or socialist Governments that have been caught out misappropriating and will not resign. The result is that many elderly people do not trust the system. If they trust the system and start investing their money, they are taxed because they choose to save for their future or want to have their money in a place where they hope it is secure. I have no doubt that, because of the doubts they have about the system, more aged people than ever before now have their money hidden somewhere in their house, in their backyard or some other place. They have reached a point where they do not even trust banks, and we know that they do not trust Governments. Unfortunately, to a large degree, many of them do not trust politicians. I suppose our only consolation is that newspaper reporters are starting to end up on the same line as us. In fact, we are slightly in front of them and that is a change. I congratulate them for achieving, in the opinion of the public, a lower status than politicians.

The Government applies a tax on people who handle money and it taxes cheques written by people who wish to use such accounts, but at the same time it says that it is concerned about unemployment and bankruptcy and that it wants to encourage people to invest, to develop factories and places of employment. This tax will raise another $74 million for the Government. It is another burden for the taxpayer. Many people—male and female—with an active

and creative mind like to take a punt in the world and work hard with the idea of making money. That is not denied. However, they are now saying that that is not for them. They are saying that they will not be as productive as they should be and that they will not use their talents as they should because it is not worth it. So, we have members of society who come down to a lower common denominator in the use of their attributes, their abilities and their imagination which, if encouraged to realise their full potential, would benefit all of us. Each and every one of us—rich and poor—would benefit.

A State, a family or a business that is productive and has a sense of creating goods and income is what we need for society to succeed. There will always be some who cannot be in that category. However, unless there are as many as possible in that category, those who cannot be in it will not receive the benefits that they could and, some would argue, should receive.

This tax goes from .04 per cent to .1 per cent for at least five years and then back to .095 per cent. It can be changed at any time between now and 1995 at the whim of a Parliament and, more particularly, a Government, because there is no Act that cannot be changed except those Acts which have an entrenchment and should go to referenda—but this one does not. Those who argue that they recognise it goes to .095 per cent should not be misled. It does not matter what guarantee the Parliament gives today; it does not mean anything unless the clause is entrenched in the legislation. Therefore, I oppose the proposition that is before the House.

Mr LEWIS (Murray-Mallee): My purpose in entering the debate is to contribute to the general objection that the Opposition is mounting against this and similar measures which are before the House at this time. Whilst my remarks will be relevant to this measure, they apply equally to all the measures. Only yesterday we passed the first of these measures. This Government is bereft of any notion of how it should responsibly encourage the development of a sounder economic base in South Australia compared to the opportunities which are available for expanding the economy in other parts of Australia, and, for reasons that I do not understand, seems determined to pursue a course of action which destroys any emerging confidence before it germinates, takes root and develops.

Measures such as those that we have before us now are like poison on grass: one never gets a pasture if one applies just a small amount of the poisonous chemical when it is but a young plant or is comprised of recently germinated and freshly shot plants. One needs so little of the poison to do it. These taxation measures are like that. The Government can argue that they are insignificant, but we have to consider their effect on the psyche of those who would otherwise become risk takers and venture developers and would then be independent not only of the necessity for the Government to provide for them but of any other employer, and who would also be capable of becoming employers themselves. They are injured by the knowledge that this Government thinks that the solution to the financial problems of the public sector is to increase punitive taxes of this kind.

The Government also fails to recognise the desirability of applying such taxes where they are more likely to be afforded as opposed to where they cannot be afforded. I deliberately say 'cannot be afforded', because it is not only a matter of their being less well afforded by the poor, as the member for Hayward stated—those already on fixed and very limited incomes—but by people who have negative incomes. This year many of my constituents will have negative incomes again. In the past decade, whenever they have faced the prospect of negative incomes, there has been an increase in the value of the real property that they own to the extent that the bank has been prepared to accommodate their needs by extending the limit on their overdraft and allowing them to live, in colloquial terms, by going into the bank still deeper. They cannot do that any more. Many of them now face the same prospect as farmers on Eyre Peninsula who, perhaps fortunately for them, are getting on with their lives in some other venture, having been forced off their farms in consequence of the drought and the Federal Government's economic policies, but in some part the State Government's economic policies.

The farmers in the Mallee whom I represent hung on in the belief that sooner or later Paul Keating would wake up and turn around the policies that he has been pursuing—policies which took account of the sleazy deal that he did with the ACTU, but which will not secure the employment of those people in the ACTU affiliated unions which the ACTU and the UTLC in South Australia say that they seek to protect and support. Such arguments indicate a measure of hypocrisy, a capacity to tell lies or, worse still, economic illiteracy, and I suspect that it is the latter rather than the former two factors.

If this Government were wise, sensitive and reasonable, it would long since have recognised that it must cut its expenditure. There are ways in which it can do that. The policy options available to it are best contemplated and decided by the Government. It is not my place to tell it to suck eggs, so the next best thing in terms of advice that I can give the Government is for it at least to consider ways in which it might encourage diversification of the geography of investment in South Australia rather than centralise the investment within the metropolitan area. By applying taxes equally to everybody across the State—taxes like this and the other measures before us—it could have made those taxes apply less stringently in those parts of the State where employment would be better developed and expanded geographically and economically for the benefit of the State, given the infrastructure that exists in those localities outside the metropolitan area. It is called decentralisation.

I am sure that the Minister of Labour, the Minister of Finance and other members of the Government know what I am talking about when I say that decentralisation is an essential ingredient which the Liberal Party will ensure is incorporated in the formula for economic recovery when it reaches the Treasury benches. The Government has had plenty of advice on decentralisation and the way in which taxation measures like this one can be used to ensure that the best prospect of a decentralised economy is developed. It has had that advice from people like Mr Des Mundy of SARDA, from organisations like the UF&S and the Local Government Association, as well as from the Liberal Party and other groups in the community—industry groups like the UF&S, chambers of commerce, and so on. However, the Government ignores that advice. It still applies punitive taxation right across the board, adversely impacting on the prospect of that development. Indeed, these policies—policies which are applied equally right across the board—impact more negatively in the decentralised areas of development than they do within the metropolitan area on the businesses that already exist.

That is terribly unfortunate for the people I represent and terribly unfortunate for the future of the State, because it compels us to rely more heavily on the concentration of the already overloaded infrastructure in the city, with the attendant inefficiencies and diseconomies of congestion that

result, as well as the consequential increases in frustration that people feel in their lives—annoyance with their surroundings and with their inability to come to terms with them—and the crime that ultimately arises in consequence of it.

Why the Government does not understand these things is beyond me: the evidence is there. So, also, are the short-run, medium-run and long-run benefits to the Government. I, like my Deputy Leader, deplore the fact that the Government has chosen at this time and in this way to increase taxes unnecessarily, in this case to the tune of an extra $74 million a year, when it did not really need to do so.

The Government believes that, because it has historically been able to get away with steep imposts of tax early in its political life after an election, it will be able to get away with it again in the future, as in this instance. I tell the Government that it will not. The cow has been milked dry; there is no hay left in the paddock; and there is nowhere to go. There are angry people out there. Comments that are made to me at every meeting I attend indicate the measure of frustration people feel with a Government that is prepared to tax its citizens without any necessity to do so; it deserves the contempt that they will visit upon it.

Increasingly, I hear people telling me, 'If I could get him in my sights, I would shoot him.' It makes the hair on the back of my neck stand up when I hear that, but I am hearing it more and more frequently. It is being applied to Ministers of the Crown, both State and Federal, who are prepared to ignore the implications of what they are doing and the plight of the people upon whom these measures impact.

I am disturbed then, that we are a society which previously had never seen violence as a solution to our problems but a society in which people, seriously or otherwise, are now thinking increasingly of doing that kind of thing. Sooner or later, it is bound to happen—and that worries me. Although the measure before us further increases taxation on everyone, the Government ensures that it gets as much as it can from this kind of taxation by insisting that all its bills are paid in such a form that they must go into bank accounts, and that includes salaries and wages. Accordingly, the Government automatically gets back .1c in every $100 that goes through a bank or any other financial institution in South Australia where the funds are deposited, thereby fattening the Treasury. It is a tax on the Government's own transactions for its own benefit, in that context.

To my mind, that is bad enough, God knows, but such a steep increase is beyond the pale. It is not necessary, because the Government does not need the revenue; it could reduce its expenditure and still provide itself with a substantial contribution into the hollow logs into which it is squirreling away this increased revenue. It is going to go into its reserves of nuts so squirreled away in this and next year, to be then spent as it approaches the election, to buy votes—or so it thinks. You, Mr Deputy Speaker, and I both know that the electorate will not wear it this time around. The memory will be much longer, because the cut is so much deeper.

Mr BLACKER (Flinders): I do not wish to take up the time of the House for very long, other than to express my opposition to this Bill. Financial institutions duty is a taxation on business and on incentive, and there could not be a less opportune time than now, given the present state of economic conditions in South Australia, to increase such a tax further. Not only that, but to have it increased by 150 per cent from .04c to .1c is a big increase in anyone's language. Obviously, the Government thinks that it can get away with this with the least possible electoral damage. The electoral damage may not be quite as much in votes as in the influence upon businesses and their ability to survive and to be able to continue in any sort of growth pattern. Obviously, most of them are in a negative growth pattern at present.

I should like to refer briefly to a scale of fees that was printed in the *Business Review Weekly* of 28 September 1990. It lists the financial institutions duty on a percentage basis per State. In Queensland, it is nil; in New South Wales, .06; in Victoria, .06; in South Australia, .1; in Western Australia, .035; in Tasmania, .04; in the Northern Territory, .025; and in the ACT, .03 per cent. Clearly, that indicates that the level of FID in South Australia is by far the highest, and indicates the impact on business. I refer to that article, because it accompanied the article to which I referred yesterday (and I believe the Minister referred to it in his comments) under the heading 'Queensland: Goss's golden plans to lure business'. I do not wish to repeat what I cited yesterday during the payroll tax debate, other than to say that that was clearly part and parcel of a number of Government taxes and charges that have been instrumental in Queensland's being able to attract an increasing number of businesses from other States. Of course, when we compare that with our own position, we see that it is obviously at our expense and that of the other States with high business taxes and charges.

I do not wish to pursue the topic any further, other than to put on the record my opposition to the measure, because I think that the reality of the situation, that is, the level in South Australia being about 60 per cent higher than that of its nearest competitor, needs to be viewed seriously. Without doubt, it is a retardant factor on our businesses; it is anti-growth. Governments often try to find a growth tax to put on the statute books which will automatically be increased. That is fine where there is an increase in business. In this State, that tax is bringing about a decrease in business and, as a consequence, the returns to the State will founder as the businesses founder. I oppose the measure.

Mr INGERSON (Bragg): This tax is another tax on business and represents another difficulty for the business community in our State into the next year and beyond, because it is principally a tax on employment. Every time we ask the business sector to put its hand in its pocket to pay out more money to Government, fewer people have the opportunity to be employed. That is my fundamental concern with any tax put on business in this State.

It does not matter whether it is small, medium or large business; all it is about in these economically difficult times is that it is a tax on employment. When one looks at the sum of money that will be taken out of the community again, and it is another sum on top of sums that have already been paid out, one sees that it can come from only one area, and that is profit. It cannot come from any other area, because, in bad and difficult economic times, the business community cannot significantly increase its profit levels. We are providing fewer opportunities for business to invest and, more importantly, fewer opportunities for the business community to employ young people.

I would have thought that members opposite, with their principally union background, would be very cognisant of the fact that, wherever taxation is increased, a curb is imposed on employment in our state. Our State, more than any other State in these difficult times, is having difficulty adjusting to all these significant changes. It has been estimated by the employer associations that about 80 per cent of FID collected is paid by the business community. That

is due to the fact that business transactions are significantly higher than the transactions that would normally take place in the general community.

As I said yesterday, given the $70 million to $100 million taken out of the community by payroll tax, another $80 million to $100 million taken out of the community in FID and $60 million taken out of the community through WorkCover, a massive amount of money is being taken out of the one sector—the productive sector of the community—purely and simply to cover the whims of the Government, which cannot get its own act together or tighten up its own fiscal spending. We see under this budget an increase in spending by the Government at the same time as the Premier is saying to the private sector, 'Pull your head in and become a leaner, meaner machine.' It is unreasonable and unacceptable that the community of South Australia is given that sort of lecture and advice by a Government that cannot do the same thing itself.

Many examples have been put to me over the past few weeks of significantly large companies that have the opportunity to transfer their payment transactions to Queensland, and they will be doing so. I cite one particular example of a company that estimated that it would be paying $100 000 in increased FID in a year; with a cost of $40 000 to set up a payment scheme in Queensland, it will be $60 000 in front at the end of the day. That means an increased profit to that company but, more importantly, it gives it an opportunity to invest, to create wealth and to employ more people.

I am continually concerned when the Government uses one side of the equation, that is, to increase its own revenue, as the only option available to manage the budget, and does not make a significant attempt to reduce its expenditure. Reference has been made many times in these budget debates in this House to the number of opportunities the Government has had to reduce its own costs and not just purely and simply to transfer its costs to the business community of our State, and many examples have been given by the Leader of the Opposition, the Deputy Leader and all the other members who have contributed. That is the one concern that I have: here again, we have a tax on business, with impunity, and it really is a tax on employment.

The Hon. B.C. EASTICK (Light): I address this issue while considering in a general sense the whole package of measures that have been introduced in this House in recent times. All those measures are against the best interests of the people of South Australia, but this is the one that directly affects every man, woman and child. Whilst people can be concerned about the whole package of tax measures that the Government has seen fit to introduce, this is the one that gets into the bankbooks of every man, woman and child and, indeed, into all their activities.

On an earlier occasion, I said that, when FID was first imposed, a very respected elderly lady in my electorate said, 'I feel that I have a mouse in my bank account; each time I pick up the bankbook, a little more is nibbled away.' I know that it is not biologically possible for that mouse to grow into a rat, but I am sure that, next time I see her, she will tell me that she now has several mice in her bank account, because her money is being taken away at 2½ times the previous rate. On behalf of the people I represent I condemn the Government for the action it is taking in its taxation measures and I draw particular attention to this iniquitous tax, which affects every man, woman and child in our State.

Mr MATTHEW (Bright): I rise, as have other members of the Opposition, to oppose this Bill today. Quite simply, this legislation serves as a monument to promises broken by the State Government over a period of time. This is a tax that was never to be introduced; this is a tax that was one of the many that the Premier promised not to introduce, prior to 1983. He said that there would be no new taxes, but members opposite would recall that, indeed, not long after saying that that would not happen, the Premier introduced this new tax. At the time, there was uproar about the introduction of this tax and the broad ramifications for the future. The future is fast approaching and the ramifications are perfectly obvious. We have seen a massive increase in this tax by 250 per cent as the Government attempts to reap in more money to try to cover the shortfall in its revenue.

Nobody on this side of the House would dispute that the Government has costs to cover; of course it has costs to cover and, certainly, members on this side of the House are frequently asking for items of expenditure. That has often been thrust down our throats by Ministers and other members opposite but, simply, there are other ways of expending the money that is in the Government pot, and what people in this State want to see is a tightening of the Government belt in some areas of expenditure, and better directing of funds that the State Government controls. We have not seen that in this place since this Government took office. It is something that South Australians continue to cry out for, but those cries fall on deaf ears.

Certainly, we have a razor gang of sorts that is headed by the Minister of Finance, and we all wait with interest to see what comes of the findings of that group, because this is one chance that the Government has to actually do something about the way in which it is spending its money and the way in which the public sector continues to grow. However, members on this side of the House will not sit idly by and watch taxes increase by rates of up to 250 per cent simply because the Government has failed to control the way in which it is expending taxpayers' moneys.

There is no doubt that there is a need for a close look by this Government at the way in which it is administering the finances of this State. The words of the Premier are still ringing in the ears of electors out there, those words spoken just prior to the last State election that there would be no increases in State taxes or charges above the rate of inflation. Members opposite cannot deny that he made those statements; they are there as a matter of public record: no taxes or charges would be increased by a rate greater than the increase in the CPI, but those taxes certainly have increased and, in this case, by 250 per cent. The justification is given in the first words of the Minister's second reading explanation, as follows:

> The New South Wales and Victorian Governments recently announced their intention to raise the rate of financial institutions duty in those States from .03 per cent to .06 per cent.

Yes, other States may well have increased the amount of FID that they levy, but surely that is not a justification to follow down the same path with even greater increases. I remind Government members opposite that we have seen the greatest rise in State taxation in the country—18.2 per cent.

I have quoted that figure previously, and I again emphasise it now. I acknowledge that in a speech on another Bill in this place yesterday the Minister of Finance referred to a table showing that figure and tried to demonstrate that the rate of taxation per head in South Australia is not the highest in the country. True, it is not the highest in Australia—yet. However, while we continue to increase our taxes and charges at this rate, we are quickly heading for a situation where we will be charging the highest rate of taxation per head in the country. It will not take too many

increases at 18.2 per cent or more to see that result come about quickly.

Previously the Minister of Finance has stated that he regards FID as a progressive tax. Having perused my *Oxford English Dictionary* to see how many different definitions it offered of 'progressive', I found a number of them and will refer to some of them for the benefit of members. The definitions include:

> Moving forward; proceeding step by step; successive; at rates increasing with the sum taxed—

That is certainly true: I cannot argue with that. This tax is proceeding step by step, although 250 per cent is a rather large step. Another definition is:

> Advancing in social conditions.

There is no doubt that this tax does not do anything to advance social conditions. In his second reading speech the Minister argued that this tax is not one that will be felt by the average family to a large extent. The Minister states:

> . . . it has little impact on the average family.

He further states:

> . . . it is likely that such a family would pay less than 40 cents per week at present rates.

Those are the direct effects of this tax. That does not take into account the effects felt by small businesses in our community that have large sums passing through their bank accounts. They pay this form of tax. Certainly, the taxes they incur have to be passed on to families through increased charges. Certainly, members on this side of the Chamber are aware of at least one business in this State that has claimed that it is likely to incur charges of up to $1 million, based on the turnover of that company. It is therefore having seriously to consider transferring to Queensland where at present no FID is levied.

Members interjecting:

Mr MATTHEW: While such a situation prevails in States such as Queensland which levy no FID, there is a real chance that we will lose businesses from this State. What members on this side of the House want to see is not bleating and interjections from Government members but some real analysis of the budgets put forward; some real analysis of expenditure and some ultimate cuts. I hope that what we may see through the actions of the razor gang that the Minister of Finance will be heading is some reduction in such taxes in the future as the Minister is able to identify savings that can be made in Government expenditure.

I wish to finish by once again putting on the record my strong opposition to the tax and to stress the need for the Government to look closely at the way in which it is administering expenditure rather than simply going on the hurdy-gurdy of increases without looking at its own activities first.

Mr MEIER (Goyder): As other members on this side have pointed out, we are seeing another promise being broken by the Premier and his Government. It is important to remind ourselves that it was in 1982 when the then Leader of the Opposition—the Premier—stated clearly that there would be no new taxes. All members know that FID is a new tax—it was the Government's new tax. The Government broke its promise once it came to office. Last year we saw similar broken promises, yet there was to be no increase in taxation above the CPI rate. However, once the Government won the election (at least in terms of the number of seats) and it was in a position to forget about what it had undertaken, it immediately broke its promise. Now we have seen this massive increase from .04 to .1 in South Australia's FID.

How does South Australia's rate compare with FID in other States? In Victoria it is .06 (up from .03); New South Wales, .06 (up from .03); in Queensland there is no FID; in Western Australia it is .06; and in Tasmania it is .06. South Australia has to be different. It is bad enough to see how businesses and people in the rural sector are presently being affected by the economic situation that exists without the Government's introducing an extra impost. It is important to relate this FID tax to the rural sector, because the House should remember that farmers are price takers and cannot accommodate FID increases into the prices they receive for their produce.

Farmers receive what market forces determine and dictate, which is totally different from the operations of other businesses which can often include FID in their price structures. Farmers get hit in more ways than just having to accept lower incomes. In their dealings with stock firms, FID has to be passed on. Similarly, in dealing with machinery agents and the Wheat and Barley Boards, the FID applying to those organisations is passed on. I emphasise that in each case initially it is only a few cents at a time, which amounts to a few dollars, but each group in question requires the impact of FID to be passed on. So, we find particularly at this stage in the State's history, when there is a real economic downturn, that the Government is showing a total lack of sympathy towards the rural sector.

I was amazed last week when the Minister outlined his so-called plan to assist the rural sector, because conspicuous in its absence was any mention of the budget measures that had been introduced a few weeks earlier. Members should not forget that FID was one such measure, and here was an opportunity for the Minister to make a small contribution to the plight of the rural sector, which might then have recognised that perhaps after all the Government had some compassion for their heartbreak, yet not any mention was made of that in the Minister's statement to Parliament.

Two other taxes or imposts also are not needed at present. The first doubles rural registration fees for vehicles of less than two tonnes. Previously these had been subject to a 50 per cent reduction in the registration fee. The Minister had an ideal opportunity to show some real compassion by immediately reinstating that concession for rural producers. However, there was no mention of that at all. This increase adds about $50 to each registration. Statistics show that in the rural sector per head there are about 1.7 vehicles of less than one tonne, and it would have involved an average of about $100 in savings for rural producers. The Minister refused even to acknowledge that the problem existed. I refer also to increased charges levied on rural councils as implemented in the budget, particularly relating to registration costs, which will add about $10 000 in costs to the average rural council.

The rural sector has to pay for this through increased rates in each case. So, we see that the rural sector will be adversely affected by this massive increase in tax. The tragedy is that the farm sector in so many cases is close to the break-even mark or people are experiencing a negative income. Every dollar that can be found to make life a little easier will help these people. I am bitterly disappointed that the Government refuses to acknowledge the problem. It refuses to offer any assistance and is happy to pass it off to the Federal Government as being the only one that can help. The FID will not assist and I am not the only one saying it. The Premier knows that. Many members received a letter from the President of the UF&S, Don Pfitzner, dated 4 September 1990, in which he states:

> In the meantime, I request that you reverse the decision contained in the recent State budget to increase the level of financial institutions duty as it applies to accounts held by farmers . . .

The UF&S is the key rural representative body and it asks the Premier that the FID increase be reversed. What is the

Premier's answer? I do not think the Premier has answered the letter yet, as I asked to be informed when that occurred. The letter was dated 4 September—well over a month ago. We have seen a rural situation go from bad to worse. Unfortunately, we have not seen the worst yet—it is still to come. The Opposition suggests that SAFA reserves—many tens of millions of dollars—should be used to offset this increase in taxation, particularly when it differs so much from interstate. Why should the Government have the opportunity to save up these reserves to use them in a pre-election year and say then that it will not put up taxes and charges? It is simply a smokescreen and it is time the Government was honest and owned up to what it is doing in fiddling the books.

It is time for this tax to be reversed. It is time for some sympathy for the whole of the community as well as the rural and business sectors. We have read so much of the problems that the business sector and the average person are suffering. Let us have a reversal of the FID increase. The tax should not have come in in the first place. However, it is now with us. The increase in the last budget will help depress the South Australian economy, and I for one want to see our economy start to improve. I want to see the present crisis overcome, and the Government would be very wise in reversing its decision and accepting the Opposition's suggestions and moves to retain the tax at .04 per cent, which was higher than most States at the time it was introduced. I urge the House to reject the Bill.

Mr BECKER (Hanson): I oppose this tax increase. It is about time the taxpayers of South Australia revolted against this Government and told it very clearly that they will no longer take continual tax increases in this State. The Government has to learn to live within the constraints placed upon it by the Federal Government and must learn to prune its budget plans and ideas as the people cannot continue to pay the level of taxation expected of them. The Government apparently does not want to bite the bullet. The Minister of Finance is in charge of a razor gang. He is the Minister of Transport, but we see the staff of the Highways Department going around the metropolitan area, in particular in my electorate, and digging up median strips, taking out all the old soil and putting in fresh soil. I have never seen a greater waste of taxpayers' money in all my life. I have seen it with my own eyes, and if people want an example of a waste of taxpayers' money they should start at the bottom and gradually work up. If that is how the Highways Department operates and if it has so many staff that it has to create such jobs as digging out old dirt and putting in fresh dirt, it is time we sacked the lot. I do not want to pay for it and do not see why the taxpayers of South Australia should pay for it.

In his speech in introducing the legislation the Minister of Finance stated that the revenue derived from this increase is expected to amount to $49 million in 1991 and $74 million in a full year. The Government raised $49 million from financial institutions duty last financial year to 30 June 1990. Today we received from the Premier and Treasurer the financial statements for April, May and June. They have just arrived and we are now in October—that is great! The financial year ended several months ago, and four months later Treasury can give us the financial statement, although I am pleased it did arrive.

In April 1990 FID raised $4.5 million. At that stage the Government had received $41.1 million and the budget estimate was $49 million. In May 1990 the Government received another $4 million, making the total collected to date $45.1 million. For June, the end of the financial year, the Government received $4.2 million, making the receipts for the 12 months ending 30 June 1990 $49.385 million against a budget estimate of $49 million. How can the Minister tell the people of South Australia that in the next financial year—the next 12 months—he estimates that FID will collect $49 million when he has already exceeded that amount in the previous financial year? Under this legislation the collection will go up 150 per cent.

Mr Groom: What would you do?

Mr BECKER: I would sack the lot of you! I would sack the Government—that would save millions of dollars. I would get rid of the cars that you are driving around in, prune the place and sack a few others. We would have a very lean Government. I just told the honourable member what was going on in the Highways Department; obviously he was not listening. The Highways Department employees are driving around my electorate digging up median strips and replacing old dirt with fresh dirt. How many times do they have to dig up the road? In the electorate of Morphett and other electorates the bitumen is worn at intersections from damage caused by STA buses. Our highways in the metropolitan area are in a sad state of repair because we do not have the money to fix them. If we are going to waste time and energy in one area and let the place deteriorate in another area, do not come complaining to me. If we walk around Parliament House, we see tattered curtains on the second floor, marks on the floor and the carpet is worn out here and in the lift. No-one wants to spend money in certain areas.

We have a recession in South Australia and we are going to have a bigger recession if the Government keeps taking from the people the money they earn. That is the problem: this greedy Government is taking too much from the people through taxes. This is one tax that really hurts the people; it affects just about everyone. It is an incentive not to save; it is an incentive not to have a bank account. Malcolm Fraser was right: keep your money under the bed, keep it in cash. It is the silliest thing I have ever heard, because if every idiot in the world thinks people have money under the bed they will break into houses. There are enough of those fools running around the place and we do not have enough police to do anything about it. The Government has made sure that we do not have enough police even to maintain a decent level of law and order. We have real problems.

Mr Groom interjecting:

Mr BECKER: The consumption tax has nothing to do with me: it is a Federal matter.

Mr Groom interjecting:

Mr BECKER: I do not know. The member for Hartley is studying accountancy.

The SPEAKER: Order! The member for Hartley is out of order.

Mr BECKER: I think the honourable member should have stuck to law—he has done reasonably well in that area. Let us look at what the Minister tells us. He must think that people who read *Hansard* and who listen to the debates are foolish, because this tax will go to .095c in the $1.00. That is not a great amount of money, but the Minister said that it will cost the average family $1 a week. That is a dollar a week that a lot of families cannot afford; it is a dollar a week that a lot of families do not have to pay this miserable Government; and it is a dollar a week that I do not believe the people of South Australia should have to pay this Government. The Minister at the table is head of the razor gang, as it is called, so how about getting some results? He is not doing anything. We have the worst incidence of graffiti in the railways, all State Transport Author-

ity vehicles have been damaged at some stage with graffiti and just about every bus shelter has been hit with graffiti. It is costing the State thousands and thousands of dollars a week to clean it up. In some areas that is done by the Government and in some areas by local government. It is costing taxpayers money.

Four years ago I brought in a private member's Bill to bring down some decent penalties for this type of offence, but the Government would not support it. The ball is in the Government's court for not having done something about it and for not maintaining law and order. It could have been cost effective. The Government is going to get a private member's Bill shortly proposing an increase in the penalties and that parents be made responsible for the actions of their children. It is about time we made the parents accountable as well because, as a taxpayer, I am sick and tired of paying.

I do not believe that the Government will collect $49 million this year—I believe that it will collect considerably more than that. The Minister said that the Government will collect about $74 million in a full year. This is how the Government is putting it over us. It is the greatest con trick of all time. It was the Labor Party that whinged and grizzled year after year when the Liberal Party was in Government. During an election period members opposite stated that we cannot keep our promises, and when we were in Government from 1979 to 1982 they said that we could not do this and we could not do that.

Mr Groom: It was a long time ago.

Mr BECKER: Yes, it was a long time ago. We did carry out most of our promises and we were a lean and mean Government. It certainly was a mean Government. The Tonkin Government promised that it would remove land taxes and a couple of other things and it did it, but, of course, the taxpayers forgot all about it within six months.

The point is that every few years a Government can prune its operating costs in this State. One cannot do it year after year; that is physically impossible. I have been on the Public Accounts Committee long enough—in fact I am the longest serving member in Australia—to know that there is only so much that one can cut back and that only certain areas can be cut back unless one starts reducing or privatising some of the services provided by the Government.

An argument can be put forward for privatisation, commercialisation, or whatever one wants to call it. I believe that when a country such as Australia was developed, and when a colony such as South Australia was founded, it was necessary for the State Government to establish various instrumentalities to provide electricity and water and to provide services in respect of banking, insurance or whatever. So, the Government has been involved in commercial undertakings for many years, and some since the beginning of the State. It is time to get out of those services and hand them over to private enterprise. By doing that, by selling off those organisations, the Government should reap enough money to pay off the public debt. If it did that, it would save over $600 million a year. One can just imagine what that would save the people of South Australia. The benefit would be to the taxpayers of South Australia.

The Government should be responsible for health services, welfare services, education and certain parts of transport. It should also oversee the operation of local government and ensure that that is an efficient tier of government. It can do that, but this Government will not try. It is not even attempting to do anything: it is not making any effort to do it and it does not want to do it, because it is too easy to introduce legislation that hits every taxpayer an extra dollar a week. It hits small business people with a tax of a few extra dollars a week and it hits big business for anything up to $1 200 for any one transaction. It is too simple to bring in small bites of the tax cherry; it is too easy to take a little bit here and a little bit there and say, 'Well, we are keeping all these tax increases within inflation.' That is an old story to sell to the taxpayers: that all increases will be kept within inflation.

There are far more taxes and charges from a Government than there is income when salaries are adjusted for inflation. No-one believes that inflation is at the level the Federal Treasurer claims. He is the greatest con man we have ever had in this country. There have been some great Labor Treasurers over the years and there have been some excellent Liberal Treasurers. However, the current fool that we have running the finances of this country is a disaster, and he is heading this country into a disaster. He has such a big ego that he thinks he is the world's greatest Treasurer. History will record that he was the biggest fool ever put in that position.

I do not see why I and other taxpayers should contribute to a local government natural disaster fund. I do not see why I should have to pay for some disaster that happened in another area because of poor management by a local government authority. If my council makes a mistake in the area in which I live then, okay, it is my fault for letting that council do stupid things. I think that it is up to every ratepayer and taxpayer to take an interest in local government and to ensure that it is efficient and accountable. Of course, that is the section that does not want to be touched at all. We ought to have a Public Accounts Committee inquiry into local government. We have far too many local government areas and they should be reduced and made more efficient—and that can be done. I think we would find that, if we had larger local government areas, greater efficiency would follow and provision would be made to insure against any disaster. We would not see repeated some of the things that have occurred over the past few years, because the people would be encouraged through vastly larger organisations that would communicate with ratepayers.

I do not believe that Treasury Bills should be rejected, because they are part of the Government's operation. This Administration is a minority government; it did not receive the majority vote of the people. Therefore, it does not have a mandate to bring in taxes of this level and of this kind. It is the most insidious tax that ever was devised for a State Government—in fact, it is a revolting tax. As I said, I believe that taxpayers should revolt against it; they should rebel, as I will. When the vote is called I will oppose this legislation.

The Hon. E.R. GOLDSWORTHY (Kavel): I wish to speak briefly to the Bill because it reminds us more than anything else of the duplicity of the Labor Party and its Leader. Last week, in noting the report of the Budget Estimates Committees, I made a few points about the flexibility of the Labor Party, as I described it. I outlined the history of the Labor Party in relation to a number of issues both in this State and federally. I do not wish to be repetitive, but I believe that on occasions it is necessary to repeat points, or the Labor Party does not seem to absorb them.

Mr Becker: It does not seem to get the message.

The Hon. E.R. GOLDSWORTHY: No, it does not seem to get the message. We all recall the doublespeak when the budget speech, delivered by the Premier, claimed that South Australia had among the lowest of the FID imposts around the nation, which seemed to be a justification for putting it up. However, the Premier forgot to mention that it was the

highest in the nation until a month before our budget when the eastern States decided to increase their FID. We were leading the nation, and in catching up all we did was to leap-frog above the rate that the other States had set, so again we had the highest impost in the nation bar none, as had been the case for several years.

As I said, this Bill reminds us of the duplicity and doublespeak of the Labor Party particularly. We are reminded, of course, of the promise made by the Premier when he sought to come to Government in 1982. He said that he and his advisers had carefully examined the budget papers and accounts of the State and they could confidently say there would be no new taxes. This is the new tax which the Government has imposed on the public, and it has consistently imposed on the people of South Australia a higher rate of duty than anywhere else in the nation.

We well remember that the Premier was following in the footsteps of his Federal Labor colleagues. We know that they had this doublespeak in relation to uranium policy. Some uranium was safe and some was not. Roxby Downs is safe, but Honeymoon and Beverley were not. We know of the duplicity of the Prime Minister. He said that, if BHP could satisfy all the environmental criteria for mining at Coronation Hill, it would get the go ahead, and then he went back on that promise. We know that there was a promise not to introduce a wine tax during the election campaign, but one was promptly introduced as soon as the election was over. The Federal Government said that the pilots strike had to be broken because the pilots were not prepared to obey the dictates of the Arbitration Commission and the ACTU. Then, only recently, the Federal Government said to the ACTU, 'Go your hardest.' The ACTU said that it did not like the dictates of the Arbitration Commission. As I pointed out last week, it is no wonder that the public has lost all faith in any shred of integrity in Parliament and politicians. We now rank with used car salesmen.

This Bill reminds us of the pass to which we have come in this State and nation. Labor Governments come to elections making promises which I believe, because it has occurred so frequently, they do not believe they can keep. I do not wish to say any more than that, but this Bill highlights the hypocrisy and double dealing of the Labor Party, and particularly the doublespeak of the Premier. We are not prepared to support the Bill. I put on record my opposition to it. We hear that it will not have much impact on the public. It is always the average consumer who pays. All the taxation measures of the Labor Party—the tax on electricity and FID—impact most heavily on the average taxpayer.

Mr Becker: It is inflationary.

The Hon. E.R. GOLDSWORTHY: Of course it is inflationary. The price that is paid for all these taxes—payroll and all the rest—is a longer and longer unemployment queue. Let us not fool anybody that someone else is paying. The consumer pays. When I was doing my income tax not long ago—I do my business by cheque as it is the only convenient way to do it—I was surprised, adding up the monthly imposts of both State and Federal Government duties, that it ran into several hundred dollars for bank charges and FID. Therefore, to suggest that the charges which are associated with people who do their business in this way are modest is erroneous. I do not support the Bill nor does the Opposition.

Mr HOLLOWAY (Mitchell): I support this measure. I do not think that anybody likes taxation, but, as it is inevitable, it is important to have the best possible form of taxation. State Governments are in a particularly difficult position in the Australian Federation, because they do not have a large range of revenue measures available to them. This Government has put its emphasis on those taxes which are the most efficient and equitable, and FID comes into that category. When considering the matters raised by members opposite, such as the impact of taxation, what is important is that taxation in this State is the second lowest per capita in Australia. That is the overall impact of taxation, not individual forms of tax. However, looking at the total imposition of taxation by State Governments throughout Australia, this Government has the second lowest level of tax per capita.

Earlier, the member for Bright, commenting on taxation, advocated cutting services. In the time that I have been in this Parliament, the member for Bright has advocated more expenditure for his electorate than has anyone else in the Parliament.

The Hon. Frank Blevins: Hundreds of millions of dollars.

Mr HOLLOWAY: Hundreds of millions of dollars, as the Minister of Finance said, for all sort of projects within his electorate, but he is telling us that we should be cutting services. What members opposite also fail to mention in this general debate on taxation is how funds to this State have been cut by the Federal Government.

As taxes are inevitable, we need the best possible balance. If we are to judge a tax like FID, we can do it on the three bases by which economists judge taxes: equity, efficiency and simplicity. Looking at all the taxes which are available to State Governments, there is no doubt that FID is the best of those taxes. In terms of equity, it is based on the value of dollars transacted. Obviously those people with a lower ability to pay will pay less tax because they will not be involved in large transactions. In terms of efficiency, this tax does not distort the allocation of resources, as other taxes which are applied on a narrower tax base may do.

FID applies to all financial transactions, and that makes it very efficient. It is also a very simple tax in terms of enforcement, because it can readily be calculated through the computers which operate in our financial institutions, compared with other taxes where an enormous amount of effort has to be put in to reduce tax avoidance and evasion. FID does not have that disadvantage. Therefore, on the modern criteria of taxation—equity, efficiency and simplicity—FID is as good a tax as we can get.

I should like to compare FID with a consumption tax. It is pertinent that we should do so as the Federal Opposition has advocated a consumption tax. Taking equity for a start, a consumption tax would be highly inequitable. The member for Hayward made the allegation that some members of the Government were distorting the Federal Liberal Opposition's proposals on a consumption tax.

He was claiming that provision had been made for those on low incomes and for pensioners. I should like to cite some press comments made following the release of the Federal Liberal Party's consumption tax proposal. An article in the *Advertiser* of 20 August, quoting Mr Reith, who would be the Treasurer in a Federal Liberal Government, states:

> Mr Reith said on Channel 10's *Walsh Report* he was not going to commit political suicide by guaranteeing that low income earners would not be disadvantaged by the Opposition's proposed tax structure. However, he said the Opposition was keen to ensure pensioners and others on low incomes got a 'very fair deal' under a consumption tax.

They will get a 'very fair deal', but he will not say that they will not be disadvantaged. The *Age* of 17 August printed a comment by Glenda Korporaal about what would happen to income under a Federal Liberal consumption tax, as follows:

Presumably, a substantial part of this would go to cutting direct taxes with some more on compensating low income earners—but Dr Hewson has specifically shied away from promising any changes would be 'revenue neutral'. This creates the danger that a consumption tax could provide the [Liberal] Government with a whole new tax revenue base which could become a dangerous milk teat.

In the *Age* of 17 August, an article stated:

The President of the Australian Council of Social Services, Ms Merle Mitchell, said the coalition plan announced this week passed lightly over the regressive impact on poor people. She said that the Coalition had been diverted from more fundamental reforms of the tax system by ill-informed and unprincipled pressure from the business sector.

'We're very disappointed that the question of compensation for low-income people has been dismissed by the shadow Treasurer, Mr Reith, as a mere detail to be decided later.'

Finally, while talking about what the Liberal Party is proposing, I should like to quote what Mr Tuckey, a well-known Liberal politician, said about this consumption tax in the *Sydney Morning Herald* of 17 August. He said:

I assume . . . we are talking about introducing a tax at about 15 per cent, removing only the wholesale sales tax, which is less than half of the total consumption taxes that are raised in Australia, retaining the rest, giving some (personal income) tax deductions of the order of $10 billion or $11 billion, and retaining about $4 billion for other sorts of compensation, meaning an increase in overall taxation of about $4 billion as part of our policy.

That is not what members on this side of the House have said: that is what Mr Tuckey, a member of the Federal Liberal Party, said about his own Party's consumption tax proposals. If one were to look at a consumption tax as proposed, not only would it not be very equitable or particularly efficient but, certainly, it would not be simple in terms of administration.

If one looks at what happens in Europe, where there is a greater reliance on sales tax, VAT and the like, one sees that enormous complications arise in ensuring that there is no evasion of tax. I believe that about 30 per cent of the tax revenue actually goes towards administration to ensure that there is no avoidance. Anyone who looked at sales tax in Australia would be well aware that there had been enormous difficulties with that form of tax. It has always been a very difficult tax to enforce. There are always problems with avoidance and evasion, and it is a difficult tax to collect for that reason.

These are the proposals of the Federal Liberal Party. When one makes a comparison between the two forms of taxation, if there has to be taxation, one sees that the form this Government has chosen—the FID—is clearly the best. I congratulate the State Government on keeping the level of tax in this State at the second lowest in the country. I think that its balance of tax is the best of all State Governments, and I am pleased to support the measure.

The Hon. FRANK BLEVINS (Minister of Finance): I will be brief, since I think that to a great extent the member for Mitchell has done my job for me. He has said it all and I see no reason to repeat it, certainly not at any great length. I thank all members who contributed to this debate. Unfortunately, during the rest of this week we will be hearing the same speakers a number of times on different Bills, and I also will be guilty of giving the same responses to the second reading stage. I will try to make variations but, as the week goes on, I will probably run out of different words to use to say the same thing; my creativity will be a bit tired by tomorrow.

Nevertheless, I thought that this was a reasonable debate and I wish to respond to a few of the comments, particularly to some of the things said by the Deputy Leader in leading the debate for the Opposition. The Deputy Leader said that nobody liked paying taxes. That is hardly a terribly profound statement, with respect. I should have thought that that was fairly evident. By the same token, most people are reasonable. If we can demonstrate that the tax is fair and equitable and, as the member for Mitchell said, efficient in its collection method, with a low level of cost of collection—and this tax will be used for services such as health, education, welfare and so on—most people, being reasonable, have a grudging acceptance.

I think that the Deputy Leader conceded that, by mentioning all the people who have been streaming into his electorate office saying that they did not like this tax but, after the Deputy Leader very fairly explained it to them, they went out saying, 'Perhaps it's not such a bad tax after all.'

Members interjecting:

The Hon. FRANK BLEVINS: The Deputy Leader said that. The Deputy Leader has on occasion been known—

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: That is the way I interpreted it. I thought that it was a fair and honest comment and, given that he is a member of the Liberal Party, a courageous comment. I am only too pleased to repeat it and compliment him on it. I want again to make the very serious point as regards industry and commerce in this State that it is important to keep taxes as low as possible. That point is conceded, and we embrace it. It is our Party philosophy, anyway, and we have done this.

We have demonstrated it quite clearly by having, by Australian and OECD standards, a very low rate of taxation both in Australia and, in particular, here in South Australia. We are the second lowest taxing State in Australia. Whilst we could argue about the mix of tax, which is a legitimate debate, a debate worth having—whether we think FID or payroll tax should be higher or lower, and the other taxes—to a great degree it is a matter of opinion.

For industry and commerce, however, it is the total level of taxation that counts, not whether FID is higher or payroll tax is lower. The question is the total taxes they have to pay. In this State the level is the second lowest in Australia—and that is a fact. Queensland has the lowest level, and I want to spend a couple of minutes on Queensland.

Mr Brindal interjecting:

The Hon. FRANK BLEVINS: What about it? The member for Hayward has made his contribution. I heard it; it was a reasonable contribution and I certainly did not interject on him. I am now making my contribution and I ask him for the same courtesy.

Getting back to taxation, the lowest level is in Queensland. I say here and now that I would not be proud to be a member of the Cabinet in Queensland; on the one hand, I could boast about having the lowest level of taxation yet, on the other hand, I would have to look at and be ashamed of many levels of State services, because they are abysmal. Anyone who drives on the roads in Queensland, goes to the schools or to the hospitals will see it. It is a very poor standard.

I am very happy to be a Minister in this State, where we have the second lowest level of taxation but where, in many areas, we have the highest level of Government services, and I think that is to be applauded. I would much rather be in that position than to be able to boast about the lowest rate of taxation whilst having a miserable level of State services. That is not the type of outcome that the Labor Party aims for; we aim for a much better outcome than that, and we succeed.

The Deputy Leader made some specific points, one of which referred to the date of commencement of operation of a natural disaster fund. I know we will go through this

in Committee, so I will not take a great deal of time now in that regard. Suffice to say that this matter was raised in the second reading debate. We see nothing unusual about the date. It was announced in the budget almost two months ago, and there is nothing in the way of retrospectivity in this measure. If the Deputy Leader looks at the budget papers, he will see that a provision of $4.5 million has been made in the budget for the natural disaster fund.

Mr S.J. Baker: But the fund has not actually been set up.

The Hon. FRANK BLEVINS: The fund has not been established.

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: I agree; that is a fact. There is nothing peculiar about that. Nevertheless, the funds that will be raised through this measure for that purpose have been shown quite clearly in the budget papers.

Some questions were raised about the management of finances in the State; a number of members opposite have suggested that the management of funds in this State was not particularly good. Well, I am very proud to be a member of this Government, which has been able to manage over the past seven years—and very difficult years, too—in the way it has done. We are not in the position of Tasmania, which for all those years had a Liberal Government that, quite frankly, managed (if that is the word) the State into bankruptcy. We are not in the position of Victoria, where a Government of another political persuasion has put that State in very severe financial straits.

We are not in that position, because we have been good managers, and we are certainly not in the position of many areas of the private sector, where the management overall has been absolutely abysmal. If this State Government had managed in the same way as some of those big corporations have managed, I would be ashamed to be part of such a Government, because the private sector in many areas (I will not mention prominent people; I do not want to do that—I am tempted, but I will not) has been managed appallingly.

People have been lecturing this and other Governments in Australia and telling us how to manage. Where are they now? They are one step ahead of the law; they may finish up in our gaols and some would argue that they ought to finish up in our gaols. And these were the people who were telling us how to manage our State. These were the people touted as future Prime Ministers; they are one step ahead of the law, and that is only because the law is slow. So, whatever mistakes have been made in State Governments throughout Australia, they have not been of that order, or involved in the corruption that has occurred in the private sector.

Members interjecting:

The Hon. FRANK BLEVINS: I do not want to name them, but they are certainly not members of the Labor Party.

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: The Opposition has opposed this measure; it opposes FID and it opposed the proposed payroll tax measure. Yesterday it did indicate from where it would replace the increase in payroll tax, and so on: it would milk SAFA.

Members interjecting:

The Hon. FRANK BLEVINS: It is not there to be milked at all; it is there to earn income. If the honourable member looks at the budget—

Members interjecting:

The Hon. FRANK BLEVINS: No; it is not the same thing at all. If one is talking about selling an asset, which is what the honourable member is doing, if one draws down from SAFA reserves, one is selling an asset, and there will be less income from SAFA next year. It is as simple as that; we cannot have it both ways. At least, while their solution to the increase in payroll tax was not acceptable, it was a solution. Now members opposite oppose this. What is the solution for this? Members should not forget that we have two more tax measures still to consider. They had better start thinking up some solutions. It is not an intellectually rigorous exercise to say, 'We oppose all these tax measures,' without coming up with an alternative. The public of South Australia deserves better than that.

The question of the mix of tax was dealt with yesterday, but I will go through it again. It is always difficult to assess just what the mix ought to be, but I believe that we have done the same thing with this tax as we did with payroll tax. We have ensured that the tax falls lightest on those least able to bear it. I think that, in his contribution, the member for Mitchell outlined this very well—that those people who are moving very large amounts of money pay more, and that is the idea of progressive taxation. That is what this Government is about.

Members interjecting:

The Hon. FRANK BLEVINS: That is correct; if there must be taxation, we believe in progressive taxation. We believe that that is much better, with much better outcomes for ordinary people in Australia, than regressive taxation. If the Opposition is on about taxation at all, it is on about regressive taxation such as a consumption tax. We are not, and we stand proud.

Mr Ferguson: But the consumption tax would kill off the farmers.

The Hon. FRANK BLEVINS: It will not kill the farmers; that is not the farmers' policy. The farmers want the consumption tax as long as they are exempt. If we look at the policies of the National Farmers Federation, we see that it advocates a consumption tax for everyone else but farmers. I hate to correct the member for Henley Beach, but he is wrong. He does the farmers' organisation an injustice by suggesting that farmers are not looking after their own by suggesting that everyone else be charged a consumption tax.

We believe that our mix of tax is appropriate and we believe that we have put the burden of taxation on those who are better able to bear that burden. I would also point out that there is a long list of exemptions to FID. Social security pensions and so on are exempt from FID. Again, we have demonstrated that social justice means something, and that it means something in the taxation area, as well as in other areas. In his contribution, the member for Bright made one point, and only one point in his entire contribution, and that was the suggestion that the Premier had said that taxes and charges would be kept at the rate of the CPI or less.

The Premier gave a very strong commitment that, in those principal charging areas such as electricity and the like that people have to pay, increases would be kept to the CPI or less, and I am pleased to say that that has happened. He went on to say that any tax increases at all would be introduced only as a last resort. Those were the Premier's words. Whether they were right or wrong, when the Federal Government reduced this State's income by about $200 million, it was the last resort. Therefore, these tax increases have been forced on us.

The alternative was wholesale dismissals in the Public Service and the Leader of the Opposition is on the record as saying that he does not support that but supports only

natural attrition. The Leader does not support compulsory redundancies. So, we have the same policy there but, if we maintain that policy, there is no way to avoid raising taxation to pay those people. I know that we will have the debate again from a number of members in the Committee stage, although I have answered any relevant comments made by members opposite. I summarise by saying that the total mix of taxes in this State is fair and appropriate; the level of taxation is fair and appropriate and, indeed, it is low compared to other States. I commend the Bill to the House.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Commencement.'

Mr S.J. BAKER: I move:

Page 1, line 15—Leave out this clause and insert new clause as follows:

2. This Act will come into operation on the first day of the month immediately following the month of the enactment of this Act.

The Minister has obviously observed, listened and understood that the Opposition adamantly opposes the Government's desire to take Parliament for granted. Yesterday, when we debated the Payroll Tax Act Amendment Bill, and as we have said on numerous other occasions, we said that retrospectivity—and this is a form of retrospectivity—is to be avoided in all cases. That is the Bible by which we have lived for a long time, and it is how we should continue to apply ourselves. This matter was canvassed extensively in yesterday's debate and it only remains for me to say that if there is an important principle it should be that no Government assumes that Parliament will pass its Bills without amendment, or indeed pass the Bills.

Therefore, any debate that occurs is important and it should not be assumed that a measure can commence before the debate in Parliament has commenced. This is a matter of logic and it is a matter to which the Parliament should apply itself on all occasions. At this time it is not sufficient for the Minister to say, 'The Premier notified everyone in his speech that that was what he was going to do.' The Premier should have done what he did in 1983, namely, push for the early introduction of the Bill or, alternatively, deferred the date until he could reasonably assume that Parliament would have sufficient time to debate the Bill. Whilst the Minister will reject the amendment, I will be asking him, if the amendment should fail, why 1 October was chosen.

The Hon. FRANK BLEVINS: As the Opposition suspects, the Government opposes the amendment. We believe that a period of close to two months is reasonable. Clearly, it is a prospective measure: prospective from the time that the announcement was made. That is done every day by every Parliament in the Westminster system. It is not a measure of any consequence whatever. If we put a date on it at all, to some extent one assumes that the Government will by that date have got the measure through Parliament. If one is saying that one cannot pre-empt Parliament at all, then there would be no date included and it would be purely at the discretion of the Parliament as to when the measure came into effect.

No Government in the Westminster system can work its budget on that basis, particularly given the somewhat peculiar system we have here in South Australia where Bills can be held up indefinitely or rejected. The Government would be incapable of putting a budget together if the Opposition had the numbers elsewhere. Effective Government would not be possible, and obviously that proposition does not appeal; it did not appeal to previous Governments in this State which, overwhelmingly over the past 50 years, including Governments of a Liberal persuasion, saw it as a perfectly normal procedure, as is the case here. Therefore, the Government rejects the amendment and supports the clause as it stands.

Mr S.J. BAKER: The Minister introduces an interesting element into the debate. For 150 years of Parliament's debating matters of finance, the principle has, by and large, applied that a measure does not come into force until it has been debated by Parliament. That is how it has operated for 150 years.

Members interjecting:

Mr S.J. BAKER: I will settle for 100 years. However, if it is good enough for Parliament to survive and for the people of the State to flourish under a certain set of conditions, it would seem appropriate that that process should continue. Why should we depart from a process that has been highly successful over time? The Minister knows that in normal circumstances and with proper programming of the budget papers this measure would clearly be dealt with by October, unless the Government had its programming all wrong (that happens on occasions).

The principle has always been in this Parliament that the commencement date shall follow the debate in Parliament. It has always been successfully managed that way. There have been times in the history of South Australia when Oppositions have felt justified perhaps to reject budgets, but that has not happened. There has been no undue delay with budgets in the recent history of this Parliament, although I cannot go back earlier than the Second World War. All the matters raised by the Minister are inconsequential, and I commend the amendment to the Committee.

Mr INGERSON: Will the Minister explain to the Committee the practical ramifications to anyone who runs an account, whether it be business or private, in relation to this backdating? Does it mean that a special transaction will go through on the account, which is clearly identified as a back payment, or how will the customer be notified by the bank?

An honourable member: Is that for taxation purposes?

Mr INGERSON: No, purely and simply in relation to the backdating of this amount. In a normal transaction it just appears in the statement once a month. Will there be a special transaction that backdates it to this date, and how will that be notified on an account, whether that be an individual or business account?

The Hon. FRANK BLEVINS: To some extent it is up to the banks and the financial institutions as to how they go about this.

Mr Ingerson: Surely you must give them some guidelines?

The Hon. FRANK BLEVINS: It is up to them; the law is there. The tax has to be paid from a certain date. I know some financial institutions do not pass this on and it is up to them. The Government does not compel them to pass it on. All we are saying is that for that particular transaction, from that date, that is the tax that applies. How they take it out of the various accounts, and at what stage, is entirely up to them, as long as the State Taxation Office gets the cheque. I cannot tell the honourable member how each individual financial institution will go about it. It is purely up to them.

Mr BRINDAL: Under which provision would the Government take out this tax when the law has not passed the Parliament? Is the Minister saying that provision has already been made by the banks or the financial institutions to remove moneys at present? If not, how will the tax be taken out? It is clearly a retrospective measure and, as the Deputy Leader pointed out, it is a very serious matter for this

Parliament. The Minister refers to dates and to the need for Government to fix dates. I remind him that in connection with the Marine Environment Protection Act, there was a row because the Government could not and would not fix a date well into the future—several years into the future—and yet the Minister at the table says that we must have dates; it is the only way to run this place. He cannot have it both ways.

The Hon. FRANK BLEVINS: If the financial institutions are going to charge their customers—and, as I say, that is up to them—they do not collect the tax until November. They go back to the previous month and collect it in November. So, there is no problem or issue for the banks in this. In November, when they collect October's tax, it will be at this rate.

Mr Ingerson: That is not the way it works.

The Hon. FRANK BLEVINS: I am sorry, the Commissioner of Taxation advised me that that is how it works. To finish my answer to the member for Hayward's question, the Marine Environment Protection Act has absolutely no relevance. The date in that did not relate to a budget measure. It is not something about which we have to construct a budget in this financial year. It has no relevance.

Mr INGERSON: With respect, it does have relevance because for transactions in the month of October, or from any month, after 1 October, as a result of this tax, the consumer is paying at the rate of 4c, as from this Bill's implementation, whatever date that is, the tax paid will be 10c. We have passed 1 October and, although any transactions are now being charged out at 4c. As soon as this Bill is passed there will be a backdating or a retrospective element. Therefore, there will have to be two charges on the account because every transaction going through the bank that is charging its customer now is, in fact, going through at the legal charge as of today. So, another charge—a retrospective charge—will have to be made to anyone operating a private or business account. That is the principal reason why we are arguing against this retrospectivity: it means that people out there who are transacting now will cop a double tax. They will cop a tax before the Bill is even passed by this Parliament. That is unfair and unreasonable, and it is why I oppose this retrospectivity provision.

The Hon. FRANK BLEVINS: I do not know that I can add anything more. The position is that on 21 November, the financial institutions will have to calculate the rate of duty payable from 1 October. There is no mystery about that; that is normal procedure. How the institutions choose to comply with the law is up to them. Whether they choose to forgo the amount, whether they choose to forgo the lot or whether they do not charge any—as long as they do not charge too much—they are well within the law. It really is their business as to how they do that. I have no idea what they will do. I think the PSA credit union, for example, does not charge anything.

Mr Becker interjecting:

The Hon. FRANK BLEVINS: That is a business decision they take. Other financial institutions also absorb it; they do not charge anything. It is entirely up to the institution. All we are saying is that on 21 November we want the appropriate rate of taxation or financial institutions duty applying as from 1 October. There is no great problem in it for them. I certainly have not heard from the banks or financial institutions that they will have any difficulty in complying with this. I have not received one item of correspondence. I am not sure whether—

An honourable member interjecting:

The Hon. FRANK BLEVINS: The State Taxation Office has not had any, either.

Mr BRINDAL: If I had a major account at a financial institution that charged FID and if I closed that account on 1 November, I understand the Minister to say that the liability to pay the FID rests with the financial institution. Would it be legal for the financial institution to reclaim the moneys from me at the new rate, or would it not? Who then bears the responsibility if that institution has, as its policy, the rule that customers pay the FID?

The Hon. FRANK BLEVINS: The member for Hayward has not been here very long, but I will now educate him. He will not get legal opinions from the front bench; that is just not done. Having said that, I will not give a legal opinion; I will give my opinion, which is not a legal opinion. That is a contractual matter between the financial institutions and the customer; it is not a matter for the Government at all.

Mr BECKER: Has the Minister or the Treasury contacted the financial institutions and advised them of the tax change from .04c to .10c? Yesterday, I received my Ampol credit card statement, and it advised me that it proposed to charge FID at .10c for the month of October. I was a bit surprised that my monthly petrol account should be subject to the increase in FID from 1 October knowing that the legislation had not gone through the House. Yet, it is written on the statement. Therefore, I was wondering whether the Government had contacted all these financial institutions and advised them of the ramifications of the legislation.

The Hon. FRANK BLEVINS: Yes.

Mr BECKER: The financial institutions are aware that the tax is payable from 1 October. Therefore, they have an obligation to charge and the banks and everybody will do so. If there is an alteration to the legislation, I take it that that money can be refunded or that there will be an attempt to refund it. At least, honest people will do it that way; the crook money lenders will not. The information that I seek from the Minister is how the budget estimates for this legislation were arrived at. In *Hansard* of 23 August, at page 585, when introducing the legislation, the Minister said:

> The revenue derived from these measures is expected to amount to $49 million in 1990-91 . . .

Last financial year the Government collected $49.3 million, yet it expects to collect less this year even though there will be nine months at the new rate.

The Hon. P.B. Arnold: It is more than double.

Mr BECKER: The member for Chaffey says that it is more than double. It is an increase of more than 150 per cent. Therefore, one would expect the Government to receive about $123 million in a full year, yet it has been estimated that it will collect only $74 million. From that must be taken a quarter, because a quarter of the financial year has already been lost; therefore, I assume that would be about $109 million. We are then told that the amount to be collected for the Local Government Natural Disasters Fund will be $4 million for 1990-91, and $6 million in a full year. I want to know how these figures add up, because they do not make sense to me.

The Hon. FRANK BLEVINS: I am sorry that it does not make sense. It is a very simple calculation: what we got last year, and the estimate for this year, plus the percentage increase. There is nothing complex about it; it is very simple arithmetic. Of course, it is for only eight months, not for the full financial year.

The CHAIRMAN: The member for Fisher.

Mr BECKER: I am very disappointed. We have a Minister of Finance and that is the attitude that he takes.

The CHAIRMAN: Order! The member for Hanson is out of order. The Chair called the member for Fisher before

the member for Hanson rose to speak. The member for Fisher has the call.

Mr SUCH: Can the Minister indicate what the inflationary impact of FID is, and has any assessment been made of it by the department?

The Hon. FRANK BLEVINS: It depends on what is called inflation. I understand that FID does not come into the Australian Bureau of Statistics CPI calculation.

Mr SUCH: Has a financial impact statement been undertaken in respect of FID?

The Hon. FRANK BLEVINS: Yes, there has been a financial impact statement, and the budget shows what the financial impact will be.

Mr SUCH: Does the Minister accept that FID is ultimately passed on by the business and professional sectors to consumers, including the not so well off; and how does that fit with the Government's so-called social justice strategy?

The Hon. FRANK BLEVINS: It depends on the marketplace. If businesses could pass on additional charges, as a matter of course, no business would ever go broke. There is a market out there. Some businesses will pass this on to the consumer; others will not. I cannot give a 'Yes' or 'No' answer. If those businesses or financial institutions do not pass it on to their customers, it is not inflationary. I do not know whether the member for Fisher was here when I provided a long list of exemptions for people at the lowest income level.

[*Sitting suspended from 6 to 7.30 p.m.*]

Mr BECKER: As I said before the dinner break, in my opinion the Minister's calculations do not add up. I believe that Parliament may have been misled when we were advised, as I remind the Committee:

> The revenue derived from these measures is expected to amount to $49 million in 1990-91 and $74 million in a full year.

The $49 million proposed for this year is exactly the same as it was the previous financial year. It has already been mentioned that one large South Australian credit union carries the impact of FID, which I believe was in the vicinity of $600 000 last financial year. However, it has warned its members that it will not be able to do that in the future. Such is the impact of this tax, of which the Minister said:

> One of the chief attractions of FID is that it is a broadly-based tax and so can be imposed at a low rate. Therefore it has little impact on the average family.
>
> On reasonable assumptions about income, mortgage repayment and loan repayment obligations, it is likely that such a family would pay less than 40 cents per week at present rates. Even after the proposed increase in the rate to .1 per cent the cost to the average family will be less than $1 a week.

A dollar here and a dollar there from 40 cents soon adds up. The Government has admitted that it is a tax that is a low charge at a low rate but, right across the whole community, the impact is horrendous. It could generate for the Government an income of somewhere in the vicinity of $123 million—not $49 million or $74 million but a windfall amount for the Government in a good year.

I believe that this insidious tax has a bigger impact on the community than the Minister has said. He has not given us a reasonable explanation as to the financial impact on the taxpayers of South Australia, let alone the impact on the rural community which is in crisis and struggling for every dollar it can get. We find that the cost of slaughtering sheep is three times the value of those sheep. The price of $8 to slaughter a sheep is incredible and cannot be understood by people in the metropolitan area. If this tax were delayed for one month, what would be the financial impact on South Australia? If we made the commencement date 1 November instead of 1 October, would the impact be all that great? As I said, I just cannot make these figures add up. There is a 150 per cent increase in the tax, yet the Minister says there will not be any increase during this financial year.

The Hon. FRANK BLEVINS: I am not quite sure why the member for Hanson is confused. The budget papers show that the receipts from FID this year will be $109 million. The breakdown of that—and this is how we do our estimate—is as follows: receipts, 1989-90, $49 million, natural growth, $7 million; increase from .04 to .095 for eight months (that is, the remainder of this financial year from 1 October), $49 million; and the increase of .005 to be transferred to local government, again for eight months (the remainder of this financial year), $4 million. That makes a total of $109 million, as printed in the Estimates.

Amendment negatived; clause passed.

Clause 3—'Interpretation.'

Mr S.J. BAKER: I have a number of questions. During the second reading debate I referred to the fact that there was likely to be some considerable outflow of financial transactions from this State, if not a movement of offices involved with finance. What studies has the Government undertaken? I understand that is a Victorian treasury document suggests that, if Victoria had gone a smidgin over .06 per cent, it would have seen significant outflows to Queensland. We have gone to .1 per cent, so I suggest that we are more at risk of losing considerable moneys, expertise and branch offices to the Sunshine State. Will the Minister inform the Committee whether his Government has undertaken any studies in the area?

The Hon. FRANK BLEVINS: We just do not believe that it will happen. However, if there is any evidence to the contrary, obviously the Government will consider it.

Mr S.J. BAKER: I find that fascinating, if not a little alarming. I should have thought that the first thing the Government would do would be to look at the immediate impact of possible taxation changes. In the 1970s the Government put up the excise on brandy and said, 'We will collect a large amount of additional revenue through this measure.' As a result, the Government destroyed the demand for brandy, as people went for substitutes. The gurus in Canberra who devised this tax simply had no comprehension of the likely outcomes and had not even undertaken a test as to whether the demand curve was susceptible to price change. In respect of FID, another survey might have been very handy, particularly for large transactions.

We know that transactions of $1 million attract financial institutions duty of $1 000. We are talking about very substantial amounts of money that can be saved if people do not subject themselves to South Australian law. I find it quite alarming that the Minister has done no studies, and I guess that he will not do a study to prove whether I am right, wrong or indifferent but just hopes that I am wrong. I suggest that the Minister will lose some taxation because of that factor.

My second question relates to the Federal BAD tax. The Prime Minister and the Federal Treasurer offered the BAD tax to the States, and I understand that it will be handed over in December. No effort has been made to bring in the legislation in this State to allow us to piggyback on the Commonwealth or accept moneys from the Commonwealth or, indeed, to allow us to collect that tax, should the Federal Government actually live up to its promise.

Will the Minister inform us what negotiations have taken place to date and whether, if we do get the BAD tax, this extraordinary rise in FID will be offset by our taking the

plunge and scrapping the BAD tax? Will the Minister inform the Committee of his Government's intention with this tax?

The Hon. FRANK BLEVINS: The statement made by the Deputy Leader initially was not a question but rather he was restating the position. I am not sure of the point of constantly restating the position and I will resist the temptation to restate the Government's position. As regards the BAD tax, a meeting was held last week between State and Federal Treasury officials to work out a method of handing it over. The Commonwealth has taken the decision to hand over the tax to the States and at the same time to reduce by the same amount the financial assistance grants. The States will be no better off. Legislation will come before the Parliament eventually to outline the administrative arrangements. The State will be no better off as far as I can see.

Mr S.J. BAKER: My information is that, if the Minister has not been communicating with the right people, if he is not in a position to accept the offer when it is made, the Commonwealth will say, 'We will keep that taxation, but you will do without the special grants.' The State will lose money. If the Minister has not got his act together, I cannot help him. Does the Minister intend to legislate for the establishment of the local government natural disasters fund so that it is subject to the scrutiny of Parliament, or does he intend to set up a fund that will be utilised according to the determinations of the Government? That is a crucial question, given that the Minister has used the excuse for collecting an extra $4 million for that purpose.

The Hon. FRANK BLEVINS: The Deputy Leader could not have been listening when I responded to the previous question.

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: I will come to that in a moment: that was the second part of your contribution. The first part related to the BAD tax. The Commonwealth is handing over the BAD tax to the States. Officers of State and Federal Treasury had a conference last week at which administrative arrangements were worked out and legislation will eventually come before Parliament. The understanding at the moment from the Commonwealth is that financial assistance grants (and it is nothing to do with special grants) will be reduced by the same amount as is collected by the BAD tax, which is precisely what I said before. With regard to the natural disasters fund, discussions are being held with local government at the moment and as soon as those discussions have been completed the people of South Australia will be advised.

Clause passed.

Clause 4—'Certain bodies not to be regarded as financial institutions.'

Mr S.J. BAKER: Since it is to be deleted from the Act, will the Minister enlighten the Committee on Funds Transfer Services (SA) Limited?

The Hon. FRANK BLEVINS: It was a clearing account used by building societies but is now redundant. If that does not make it clear, I will be pleased to write to the Deputy Leader and make it clearer.

Mr S.J. BAKER: I presumed it was something like that, but I was not sure. When these devices spring up, will they be covered by regulation rather than in the legislation, as all other instrumentalities are mentioned within the body of the legislation? Some of these devices may be set up and I wondered how they would be handled in future.

The Hon. FRANK BLEVINS: My advice is that that is what we are doing. We are ahead of the Deputy Leader. By regulation the replacement for that operation is Funds Transfer Services (SA) Limited, which was regulation No. 57 of 1989: everybody knew that.

The Hon. JENNIFER CASHMORE: In his second reading explanation the Minister said that the fund to help pay the Stirling bushfire debt from the .005 additional surcharge on the FID will remain in place for five years. The Minister stated:

> The first call on the fund will be repayment of the loans made available by the South Australian Government Financing Authority to pay the Stirling bushfire claims.

If the amount exceeds the amount for which the Government has budgeted, as is assumed it might by the description 'the first call on the fund' will the funds be directed straight into general revenue or will there be any other call on the funds?

The Hon. FRANK BLEVINS: A fund is being established with local government and when it has been negotiated the details will be made public. It is intended to be exactly that, a natural disasters fund, not forever but certainly for five years. I cannot recall what was the Stirling debt—around $10 million, I think. Even if the fund stays at that rate over five years it will have taken $20 million or more. We will have a substantial natural disasters fund, and that is long overdue.

Clause passed.

Clause 5—'Returns by financial institutions.'

Mr S.J. BAKER: I will use this clause as a device for further questions that I wanted to ask under clause 3. The question has been raised with me on a number of occasions about people who receive their pay cheque by electronic funds transfer. I have spoken to the Minister about this previously. If a firm pays money into a savings bank and it is transferred to an individual's bank account, the Treasury collects twice. That is fundamentally wrong. It is inconsistent that we should be taxing the same amount of money twice. What change does the Minister envisage to overcome this obvious anomaly? If it is contested, the Minister would find himself in a great deal of difficulty explaining to the courts how the Government can get the same tax twice.

The Hon. FRANK BLEVINS: I will investigate that question further but, again, my understanding is that there is only one actual transfer; for example, company X will send $1 million to the State Bank for one thousand well-paid employees, and my understanding is that there will be one individual transaction for each of those accounts. When the money from the company hits the State Bank, it is designated to each of those accounts, so it attracts FID only as it goes into those accounts. That is my understanding, but I will have it researched further.

Mr S.J. BAKER: I can assure the Minister that that is not the case. It may be that the employer has to be more specific in his specification of the account; it may be an anomaly in the way in which the employer puts the money in the accounts. The Minister challenged the Opposition and asked us what we would do. The Opposition has made its statements quite clear in the moment of crisis. We suggested quite strongly that the SAFA surplus was an appropriate means of overcoming some of the anomalies and, quite frankly, I would not have been too distressed if the Government had lifted the rate to .06 per cent—because that would have been in line with the level in other States—and had made an honest attempt to reduce the cost of government in the process. The Minister asked me the question so I am now responding. I have no more questions.

The Hon. FRANK BLEVINS: I thank the Deputy Leader for responding to my challenge. The only problem with his suggested solution—that we lift FID to the same rate as imposed in the other States, for consistency and to obtain the revenue that the Government needs—is that payroll tax would also need to be lifted. One cannot have it both ways; it is the mix. At the end of the day, for the people who are

conducting their affairs in South Australia, it is the total tax take that counts. Apart from Queensland, which has dreadful public services, this is the lowest taxing State in Australia, and it is our aim and intention, barring disasters, to keep it that way.

Clause passed.

(Remaining clauses 6 to 11) and title passed.

The Hon. FRANK BLEVINS (Minister of Finance): I move:

That this Bill be now read a third time.

The House divided on the third reading:

Ayes (22)—Messrs L.M.F. Arnold, Atkinson, Bannon, Blevins (teller), Crafter, De Laine, M.J. Evans, Ferguson, Gregory, Groom, Hamilton, Hemmings, Heron, Holloway, Hopgood, Mrs Hutchison, Messrs Klunder, McKee, Mayes, Quirke, Rann and Trainer.

Noes (22)—Messrs Allison, Armitage, P.B. Arnold, D.S. Baker, S.J. Baker (teller), Becker, Blacker, Brindal, Ms Cashmore, Messrs Chapman, Eastick, S.G. Evans, Goldsworthy, Gunn, Ingerson, Mrs Kotz, Messrs Lewis, Matthew, Meier, Oswald, Such and Venning.

Pair—Aye—Ms Lenehan. No—Mr Wotton.

The CHAIRMAN: There being an equality of votes, I cast my vote for the Ayes; the Ayes have it.

Third reading thus carried.

LAND TAX ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 23 August. Page 587.)

Mr S.J. BAKER (Deputy Leader of the Opposition): This Bill represents an absolutely pitiful attempt by the Government to reconcile the huge and difficult costs that have been borne by businesses, particularly small businesses, over a period of time. It is a second-rate attempt by the Government to placate the many rightfully angry small business people out there in the community, and some of the landlords, who have found their businesses being destroyed by the taxes and charges of this Government and by the economic policies of the Federal Government. One thing we can say is that there is at least some light this year for those people who are renting premises in the fact that it is estimated that the land tax bills will increase by a rate that is less than the increase in inflation.

That is all we can say about it. We cannot say anything more for the measure, because it is a cop out and does not even attempt to deal with the difficulties caused by the taxation measures introduced by this Government. Members should refer to the debates on land tax over the past five years. I commend those debates particularly to new members who have not understood the enormous increases in land tax that have had to be paid by people leasing premises.

Year after year we have had debates about the way the system has worked and about the cruel costs for which tenants have been unable to prepare. The House has heard often of some of those costs. They have increased from $500 in one year to $5 000 the next, and that is not unusual.

As to the future of business in this town, many businesses have been pushed to the wall through the land tax imposed by the Bannon Government. At this stage I wish to pay tribute to certain people, especially Chris Binns from the Land Tax Protest Group. He gathered a large group of people together and said, 'We will not pay the bills this year; let the Government prosecute us, because we have nothing left and we cannot keep giving. The taxes we are paying do not reflect any return that we are getting on the properties we are operating.'

When the revenue of a business is not keeping up with the rate of inflation, and when land tax has still increased by five, 10, 20 or 100 times the rate of inflation, we know that there is an anomaly. Many people in Adelaide and other areas said that enough was enough, and the Land Tax Protest Group told the Government, 'We are willing to put into the Government coffers only what is represented by inflation, and you can pursue and prosecute us for the balance.' That at least was the start of the Government's rethinking the position. I seek leave to have a table of a purely statistical nature inserted in *Hansard* without my reading it.

Leave granted.

Land Tax Revenue

	1982-83 $'m	1990-91 $'m	Change Per cent
N.S.W.	186.2	735.5	295
Vic.	139.3	404.0	190
Qld.	28.4	190.0	569
W.A.	35.0	110.0	214
S.A.	23.7	80.0	238
Tas.	8.0	27.2	240

Estimated inflation 1982-83 to 1990-91 = 76 per cent.

Mr S.J. BAKER: The table indicates clearly that land tax receipts in South Australia have increased by 238 per cent over the period 1982-83 to the estimate of 1990-91. Estimated inflation over that period is 76 per cent, so we have land tax revenue increasing by three times the rate of inflation. No wonder the business community is feeling battered and bruised. We are not the only State to have indulged in reaping land tax revenues because Queensland, for example, through its large-scale developments has collected much more than South Australia has. Interestingly, though, if we compare relative populations, the per capita cost in South Australia is higher than it is in Queensland, despite its massive increase over the same period.

I cannot emphasise enough that the business community in South Australia has suffered far too long from land tax. This Bill does little: it just changes the rates marginally and assists particularly those people leasing property in the $300 000 to $2 million range, but it does not help anyone outside that range. I intend to spend much more time on land tax reform when we debate the Landlord and Tenant Act Amendment Bill, although I will briefly refer to some items raised by the Land Tax Protest Group. It is important to realise that the group did not say, 'Let us scrap land tax': it recognised that land tax is part of the Government's revenue armoury and that to do without it would mean that another form of tax would have to replace it. So, the group did not say to the Minister or the Premier, 'Let us scrap land tax.' The group said, 'We want a fair deal.'

In the process it advanced a number of propositions which, as I have said, I will not debate here, because the Minister will appreciate that we will debate them strenuously in relation to the Landlord and Tenant Act. There is reference to the adoption of capital value as the tax base. Many of the recommendations have been answered in the Minister's second reading speech. Another recommendation is the abolition of the general exemption to widen the base. A further recommendation is the introduction of legislation to prohibit the inclusion in lease documents of provisions requiring tenants to bear the cost of land tax, and that is followed up in another document, namely, the landlord and tenant legislation. The fourth recommendation was that land tax payers with large accounts could pay through instal-

ments, and the fifth related to the diminution of the exemption on the principal place of residence and in respect of rural land.

The only recommendation accepted in the whole process relates to landlords, and we will be dealing with that matter later. I have raised this matter to show the House that business people have not said unkindly to the Government, 'Let's take this tax away altogether.' Instead, they have tried to be constructive, despite that fact that some people believe that land tax has contributed largely to the present woes that they are experiencing. However, people have been constructive; they have tried to assist the Government and not tried to reduce the amount of revenue that the Government may receive.

They deserve a big round of applause from the Government because of the constructive way in which they have approached the matter. Perhaps the Government does not deserve the same round of applause for the way that it has sought a solution, but we can debate that later. It should be pointed out that indicators suggest that South Australia has the lowest level of activity of the mainland States. Certainly, I have a set of indicators substantiating that, over the past eight years, that has been the case under the Bannon Government. It has varied on occasions but over that period we have generally done worse or not as well as the other States.

Mr Ferguson: We beat Tasmania hands down!

Mr S.J. BAKER: True, as the member for Henley Beach suggests, we beat Tasmania, but that is not much consolation. However, what is really needed is a fresh outlook on taxation. This Bill provides no fresh outlook, as it is merely a fiddling at the edges, providing no guarantees that anything will be done at all. The Government has not approached the heart of the problem. While there is an adjustment that reduces the cost to people leasing medium value premises, in the long term there is no guarantee that we will not be faced with big cost increases again, because the same system is still in force. It is exactly the same system; there is no change. Any escalation in land values will mean a huge increase in land tax.

I will briefly outline the positives of the new measures—and there are very few. First, the metropolitan levy has been abolished. That was just another device for increasing taxation, so its abolition is all to the good. Secondly, there are lower rates applying and there are substantial savings for those with property values between $300 000 and $1 million. However, those savings tend to peter out beyond the level of $2 million.

The negatives of the measure are, first, that 6 000 new taxpayers are paying land tax in the system. Secondly, huge increases on previous years are firmly embedded in the system. Members will recall that I have already pointed out to the House the large number of properties that have escalated in value to extraordinary amounts in previous years. They are still locked into the system, so there is still no relief for those people. Importantly, often those values and the land tax that was applied had no relationship at all to the turnover or profits being made by the businesses being charged the land tax—they were totally unrelated. So, they are already locked into the system and there is no relief. Thirdly, the chance of innovation and greater fairness has been wasted because the Government really has not come up with a new system. It is the same old system, only the numbers have altered. Therefore, we have not really advanced the argument very far.

Fourthly, there are no guarantees for the future; in fact, quite the opposite. The Government seems intent on saying, 'We will adjust some rates this year and see if we can get this other legislative measure through, which makes the landlord pay the tax up front.' But, we all know that the tenant will eventually pay the cost. Therefore, we have not really achieved anything. There is still a cost on business, which is quite often unrelated to the prospects of that business.

Fifthly, the opportunity for the system to be shifted to a single rate to reduce the anomalies associated with aggregation has not been taken up by this measure. We still have all the anomalies that we have always talked about in relation to aggregation. That means that a person who is renting a property valued at $80 000, pays nothing in land tax, but the same person renting a property from an owner who has a very large number of properties—in excess of $2 million—pays a very large sum in land tax, at a rate of about 20 cents in $10.

The next negative item in this measure is the fact that there is a retrospective element, in that it starts on 30 June. However, the Opposition will accept that there is a practicality involved in this measure, because it really becomes due when the land tax bills start to be sent out during November. So, we can live with the anomaly, which has been part of the system for, I guess, as long as land tax has been levied in this State. Of course, I suggest that if we wanted to be purer about the legislation, we should actually insert a provision that the legislation commences as of 1 November 1990, based on valuations as at 30 June. That would have meant that I was totally consistent in my argument and then we would not have any difficulty living with the principle of retrospectivity or non-retrospectivity. I am saying that there was a way of doing it, but it was not worth the effort.

The Government could have considered the fact that every Government instrumentality or department that is out there competing in the marketplace should be paying into the land tax coffers. I hope that over a period some of the anomalies can be corrected and that the Government will embrace this principle so that everyone is operating on a level playing field, that the land tax revenues are boosted and that the cost to business reduces. In fact, it is a decent way of widening the base, even though the Minister may say that it is only a transfer payment between various arms of Government.

Acknowledging that the negatives far outweigh the positives, the Opposition supports the Bill and will leave the major part of its debate on land tax until we consider the amendments to the Landlord and Tenant Act.

Mr GROOM (Hartley): If ever I heard a waffling—

An honourable member interjecting:

Mr GROOM: I will not be long.

An honourable member: Don't be provocative.

Mr GROOM: No, I will not be provocative, but regrettably that was a very waffling, rambling contribution. The honourable member said, 'Let's have a fresh outlook in relation to land tax.' Well, I waited to hear what was the Opposition's policy on land tax; what was its fresh outlook. But, once again, as in every financial measure, we are sadly disappointed because we do not hear what are the alternative policies. We just do not hear them, probably because the Opposition is devoid of policies. The fact of the matter is that South Australia, under this Government, is a low tax State. As the Minister said, it is second to Queensland and it has been maintained as a low tax State as a consequence of the policies of this Government.

Each State has to strike a balance with regard to its tax mix. In its tax mix, South Australia, as I said last night during the other financial debate, is a low tax State. I quoted

from the financial papers issued by Treasury to illustrate the fact that South Australia has a relatively low taxation/gross State product ratio and is second only to Queensland. I will quote from the report of the Land Tax Review Group. It is no good suggesting that South Australia is a high tax State when it comes to land tax. Page 29 of the report states:

> Compared to land tax systems interstate, South Australian land tax yields a per capita return that is below the six State average.

The report then goes on to quote a table. In relation to that per capita return, I will—

Mr Becker: How do our wages compare?

Mr GROOM: The honourable member's wages probably compare very well. I would not have thought that was quite relevant.

Members interjecting:

Mr GROOM: I know that members opposite find it painful to listen to the fact that South Australia is a low tax State, because they seek to pretend to the outside world that South Australia is a high tax State. In doing so, they downgrade South Australia. Again today, I heard suggestions that business ought to move interstate. I do not believe that that is a responsible way to present policies. When the Deputy Leader got up and said, 'Let us have a fresh outlook', as I said, I waited to hear what was the fresh outlook. But nothing of any substance, other than a waffling, rambling contribution, emanated from the honourable member's lips. However, the Land Tax Review Group stated that South Australia ran third on a per capita basis. The fact of the matter is that Queensland came in first with $24.93.

An honourable member interjecting:

Mr GROOM: I know that the honourable member wants to hear my speech, but I am not prepared to delay the House unduly, other than to make a few relevant points. The figure for Queensland was $24.93 per capita; Tasmania, $26.90; South Australia, $40.40; Western Australia, $47.96; Victoria, $54.66; and New South Wales—a Liberal State—$72.98, which is very high in relation to land tax.

An honourable member interjecting:

Mr GROOM: That is very high; the Liberal Government in New South Wales is presiding over a very—

An honourable member interjecting:

Mr GROOM: Well, it is a very high land tax regime, simply because land values are very high in New South Wales. Therefore, they get a higher percentage. In South Australia, if one goes back one page in the report, one finds that the percentage of the total land tax accounts for about 5 per cent of State taxation receipts. It ranks as the State's fifth largest tax source. It is about 5.1 per cent of the total. In 1988-89 it raised $63.7 million. Each State has to balance out its taxation resources; it has to develop its own State tax mix. Looking at the overall position, South Australia maintains itself as a low tax State.

There have to be revenue increases. There is no disputing that there will be a revenue increase, but the increase, as a result of these measures, is about $9 million in a full year. The State Government has sought to keep land tax down as much as it can, consistent with our economic troubles. There are crises, despite the fact that South Australia is a well managed and well governed State financially. It is a low tax State, it has been reducing its tax burden, and it compares favourably with its interstate counterparts. We face a number of crises, but we have the overall financial capacity, as a result of the Government's policies, to ensure that we can grapple with those crises.

No-one denies that we are going through a rural crisis, because great economic problems are facing Australia. No-one pretends that that is not the case, but only as a result of capable financial management will this State weather the difficulties. It will weather the difficulties because of sound financial responsibility on the part of the Government.

What I find hypocritical is the fact that the Opposition continues to downgrade South Australia for nothing more than short-term political gain. It is legitimate to attack increased taxes and say that taxes should not be increased, but in the process the Opposition should present alternative policies to counteract what is proposed. However, I have not heard any of this. On the one hand, Opposition members say that the Government should not increase taxation because the rural sector is in crisis; on the other hand, they say that they will introduce a consumption tax, through their Federal counterparts, which will ensure that the rural crisis is deepened. The rural community has had enormous exemptions built in over many decades in relation to sales tax legislation, and those exemptions will go under a consumption tax. I cannot understand how members opposite can get up and grieve about the rural crisis and at the same time support a Federal Liberal Party which, in Government, will bring in a consumption tax.

Members interjecting:

Mr GROOM: I know it is painful for the member for Kavel to listen to that, but members opposite sidestep the issue of a consumption tax on every occasion; they will not grapple with it. Some members opposite are not happy about it, but it is the policy of the Federal Liberal Party. It will be imposed and it will deepen the rural crisis if the Federal Liberal Party ever gets the opportunity to bring it in. South Australia is a low tax State. Our land tax system is highly competitive interstate and our per capita return is below the six-State average.

The Hon. E.R. GOLDSWORTHY (Kavel): This is another of those thorny problems with which the Government cannot come to grips. One of the enlightened activities of the former Liberal Government, of which I was a part, was to get rid of land tax on the principal place of residence. That gave much needed relief to the struggling householders of this State who had had a decade—the Dunstan decade—of heavy imposts, including this land tax impost on the home.

The Hon. H. Allison interjecting:

The Hon. E.R. GOLDSWORTHY: My colleague says that the Tonkin Government was 10 years ahead of its time. We were a bit stiff. As I said earlier today, Premier Bannon—the then Leader of the Opposition—told a few blueys in the election campaign, and on election night he was backpedalling very fast.

Mr Ferguson: You were right.

The Hon. E.R. GOLDSWORTHY: What was I right about?

Mr Ferguson: About Roxby Downs.

The Hon. E.R. GOLDSWORTHY: I know, but that is the problem.

Mr Ferguson: They would not take your advice.

The Hon. E.R. GOLDSWORTHY: We tried to do the right thing. We thought that the project was more important than the Government. Anyway, we live and learn. As the Minister said, anybody who thinks that politics is fair has rocks in his head. You win some; you lose some. We all know that if you reckon politics is fair you are in the wrong game.

I was referring to land tax on the principal place of residence. That was one of a number of tax measures designed to make South Australia the lowest taxed State in the Commonwealth, and indeed we achieved it. Of course, we hear much about micro-economic reform and the need to come to terms with the size of the public sector. We

know that the Government is trying hard to come to terms with the size of the public payroll and it is having a great struggle, because the most powerful unions bar none in this nation are the white-collar Public Service unions.

Members interjecting:

The Hon. E.R. GOLDSWORTHY: They are affiliated to the Trades and Labor Council, so what is the difference? They are there by the back door.

The Hon. Frank Blevins interjecting:

The Hon. E.R. GOLDSWORTHY: Is the Minister suggesting that the Public Service unions do not support the Labor Party? Many of the members do not; they are too sensible for that.

The SPEAKER: Order! The honourable member is obviously raising a point about unions, but the Chair is having great difficulty in relating his comments to the contents of the Land Tax Act Amendment Bill. I ask the honourable member to consider his remarks and remember that at all times they must be relevant to the debate.

The Hon. E.R. GOLDSWORTHY: Mr Speaker, I acknowledge the good sense in your remarks, as usual. I was distracted by the Minister. As I said, that was one of a number of taxation measures designed to give relief to the hard pressed householder. We got rid of land tax on the principal place of residence. Unfortunately, when the Labor Party came to office in this State, as a result of telling a number of fairly large blueys, it immediately got on to the business of restoring and increasing taxes. The Labor Party firmly believes that the Government can spend taxpayers' funds better than they can spend them. I have never subscribed to that view. I have always liked to spend my own money. I always think that I can spend my own money better than Governments, but the Labor Party does not subscribe to that view, so up went the taxes. The problem was that the Government needed revenue from land tax, which are the subject of the Bill, so it cast around to see how it could maintain revenue from land tax. The only way was to soak small business.

We have had a continual outcry from small business because of the progressive nature of this tax. It does not go up by a linear progression; it goes up on a parabola—the higher the valuation, the steeper the tax. It is not a linear progression. Small business has really had a very hard time with this tax, so much so that it has waited on the Premier on numerous occasions to try to come to terms with this tax, but the only advice it got from the Premier was to sell up and go where it was cheaper. It is cold comfort to a shopkeeper on Norwood Parade, who had probably been there all his working life and built up his business, to be told that he has to go to Gillman or somewhere else where the land tax is rock bottom. Unfortunately, the residents of Norwood are not keen on shopping at Gillman, so that suggestion was not worthy of the man who, whatever else his unfortunate characteristics may be, is not unintelligent. However, that was a fairly unintelligent comment.

So, that did not wash and the problem has not been solved. Land tax is an enormous burden on small business. We sought to come to terms with it by saying that the owner of the premises had to pay the land tax and could not pass it on to the tenants. Of course, he will catch that up when the lease arrangements fall due and he will see that he gets his return on his large shopping centre. It will then be passed on.

There is another inequality in this: if the Government is the landlord, the tenants do not have to pay land tax. In essence, that is similar to the problem we have when the Government sticks its nose into business in competition with the private sector—and unfairly, since the Government does not pay tax. I could speak at length on the business activities of this Government. I am pleased that this particular Minister is on the front bench, because he knows how I feel about the State Clothing Corporation.

The Hon. Frank Blevins: You know how I feel about it.

The Hon. E.R. GOLDSWORTHY: I know that the Minister feels a warm inner glow because the corporation employs 30 women in Whyalla. It has cost the taxpayers millions. I did the sums and they are on the record. If we had divided those millions spent since 1982 among the 30 women, we could have made them wealthy. They could have been given the money and sent home to do their knitting or to wash the dishes. They would have been wealthy women for the rest of their lives and the taxpayers would have been better off.

Coming back to land tax, the Government seeks to go into business enterprises in competition with the private sector. It does not pay tax yet it still cannot make a go of it. My only regret is that I will not be able to buy my work shirts at Harris Scarfe for $3! That is what the State Clothing Corporation charges for stuff that it cannot sell. However, I do not really expect to buy work shirts subsidised by the taxpayer.

We have the situation in which the Government is the landlord; it rents property but land tax does not apply, as with a number of other imposts. So, there are many anomalies in this tax. The Government seems to be able to dream up all sorts of new taxes. We had the FID earlier today which, as I said, hits the general public, but this land tax has a limited application.

We have heard all the arguments. I saw a letter from the Premier in which he blames the Liberals, saying that we took the land tax off the principal place of residence, so that those who are left must pay more. If the Government had looked at the record of the Liberal Government, it would see that we did come to terms with the size of the public sector and still managed to deliver services economically and efficiently with fewer people on the public payroll. That seems to be all the go in Australia at the moment.

We have to reduce the size of the public sector. Looking at the depredations of Treasurer Jolley in Victoria over the years, if ever a fellow ought to be hanged, drawn and quartered it is Jolley. I remember him at the Premiers Conference, this fresh faced, new fellow straight out of the ACTU, being made Treasurer. Someone told me that he even had an economics degree, but you could not shut him up—he knew it all. Howard was the Treasurer and John Stone was the top guru in Treasury, but Jolley could talk them all down. He knew it all, this brand new fellow who had had the job for a week.

He knew the lot: Fraser, Howard, Joh Bjelke-Petersen—all idiots; Jolley knew the lot. In his first budget he borrowed $700 million extra for public works. Anyway, this is an anomalous and pretty crook tax. It will really soak the small business community, which is struggling. These people have had enough of Keating with his high interest rates and enough of this Government with its tax imposts.

Mr BECKER (Hanson): I must protest about this tax—another insidious tax, an impost on those who wish to save and provide further income for themselves and their families. This tax is a disincentive to those who wish to save and make some contribution to this country. It is interesting to note that, last financial year, land tax collections went from $64 million actual to $72 million in 1990. During that period, the arrears of taxes and fines increased by 100 per cent, going from $1 million to $2 million, and the number of taxpayers went from 17 000 in 1989 to 21 000 in 1990.

When you look at the number of taxpayers affected, it comes to 21 000. When he introduced this legislation into the House, the Minister described the new tax scale. A property valued at between $80 001 and $300 000 will pay 35 cents for every $100; a property valued at between $300 001 and $1 million will incur a tax of $770 plus $1.50 for every $100; and over $1 million the tax will be $11 270, plus $1.90 for every $100.

The city square mile will carry the biggest burden of the land tax. In the central business district property values run into the millions, and this new formula will add an extra 6 000 taxpayers to the base. Therefore, 27 500 individuals, companies and so on will be involved.

This scale will produce revenue of about $78.5 million, which represents an increase of 6.8 per cent over tax assessed in 1989-90 of $73.5 million, which is broadly in line with CPI estimates for the year. No-one seems to mind. People seem to take the view that, if the Government can bring its taxation measures within the CPI, that is acceptable. The point is that no-one can say that the CPI should be the fair and reasonable benchmark. The tragedy we are experiencing at present is that in some areas property values have fallen, yet we never experience a reduction in property values. We never have a mini budget or supplementary budget halfway through a financial year and say, 'Whoops—we have made a mistake: our valuations were too high at the beginning of the financial year, therefore we will reduce the impact.'

The poor old taxpayers never seem to get any relief. Governments always seem to find some way of raising the taxes and roughing it out, if it is a stormy passage, then the public settles back with typical Australian apathy and accepts it, while the Government finds a way of spending that money. That is a disappointing feature of land tax, because it is based on a property valuation set by an individual on a theory that that property, if and when sold, will be worth a certain amount.

I have always said that property valuations are an educated guess, and no-one will convince me otherwise. That was proven during the boom years of the late 1980s when we had developers and entrepreneurs such as Alan Bond, who would buy property for $1 million, immediately revalue it at $1.5 million, then borrow $1.6 million to redevelop it. That type of shonky financial deal went on in this country: entrepreneurs were buying companies and immediately placing a higher value on them, instantly. Property valuations are not any better, so the Government really is in the same business. It does not act as irresponsibly as in the example I have given, but the Government is gambling on the fact that inflation will increase property values.

Financial advisers will tell investors that if they buy a property chances are that it will increase at least by the rate of inflation over the next 12 months. By using this method of taxing, the Government is capitalising on that system and theory, namely, that if the taxes are increased by the rate of inflation, the Government improves its financial position. That is the whole tragedy of the system. It is a pity that the Government comes up with a method taxing those who wish to save and invest in property, those who meet the market demand for the need to provide accommodation, be it commercial or residential. Somebody has to own the property and somebody has to take that risk in collecting the rent: or covering costs to meet the provision of that type of accommodation. To turn around and hit them with this type of tax is totally unfair, because the people who make a profit on letting premises or charging rents already will pay income tax, but they are now being hit with tax after tax. The shame of this tax is not only the unfairness of it but that another 6 000 people, companies or partnerships will be brought into the taxing method so that the Government is increasing the number of taxpayers involved from 21 000 to 27 500.

If we look at the total population of South Australia, we see that the number is very small indeed. It would make up about 1½ electorates, so it has little electoral impact on the Government. As the member for Hartley says, it is sharing the wealth. That is not the best way of putting it. The member for Hartley really wants redistribution of the wealth, and that does not work. Years ago, a former Premier of South Australia, Don Dunstan, said that we would tax the tall poppies. I laughed at him and said that it would not work; tall poppies would take bigger profits from their companies, foundations, estates or whatever. I said we would not impact on their style of living one iota, but we would hurt the average citizen, as there would be fewer job opportunities—people would be sacked. Companies would cut their operating costs and that would have an impact within the community. That is exactly what happened. Dunstan made no impact at all on the tall poppies in this community. I wish that the Government would forget the philosophy of redistributing the wealth: it cannot be done. We hurt too many of the average working class and middle class people, and the rich will still get richer, just as this Government is getting richer by the minute as it keeps putting up taxes.

Mr S.G. EVANS (Davenport): I wish to outline one concern about the legislation, namely, that a landlord may issue a lease to an individual at a rental that is not allowed to include the land tax as a separate item (and it might be a five year lease), but during the period of that lease the Government may increase land tax by a huge percentage. There is no law to stop the Government doing that. There may be reasons why a Government should not do it, but it can increase the land tax by a huge percentage and the landlord is, in essence, losing money.

Mr Groom: Why should he pass it on to tenants?

Mr S.G. EVANS: I am saying that I am concerned about that aspect. I am not happy with this Bill and the way we are taking it. I am also concerned about that aspect for the future.

The Hon. FRANK BLEVINS (Minister of Finance): I will be very brief as the Deputy Leader has foreshadowed that the Opposition will debate quite extensively the passing on of land tax etc. in another debate on Tuesday next week, so there is no point in my going through it at all. However, I am forced to mention, given the debate over the past two days (this is the fourth of the taxation measure), that the Deputy Leader has complained bitterly in relation to all those Bills about alleged retrospectivity. Despite the fact that he was wrong, he still complained bitterly about what he saw as retrospective legislation.

This Bill represents a retrospective tax decrease. If there were any consistency in the Parliament, we would expect to hear objection to this retrospectivite tax decrease. Of course, we will not have that. The question of land tax is a vexed one—there is no doubt about that. The land tax protest group came up with a proposal that would have broadened the base and removed aggregation: the wealthier sections of the community would have paid less and it would have been spread amongst many more land owners. It is not a proposition that endeared itself to this Government for many reasons.

We have gone some way in broadening the base of this tax. The principal place of residence was removed some time ago and land tax on primary production was removed. We had several submissions from the business community

in this State to bring those two groups within the provisions of this Bill so that the principal place of residence and primary production were both subject to land tax. We resisted that. We held the threshold at $80 000, which ensured that the base was broadened quite significantly from about $22 000 to $28 000. It is a considerable broadening of the base in one hit. It will be a decision for future Cabinets as to whether that continues and, with a gradual broadening of the base, who knows?

This Bill merely makes some slight rearrangements: it makes it a little more progressive; and it removes the burden somewhat on taxpayers who are at the lower end of the scale whilst increasing it slightly on the taxpayers at the top end of the scale, so that there is a slight redistribution within the present group of taxpayers. Overall it provides for a CPI increase in the rate of land tax—that means no real increase. Given that it is virtually the *status quo* and that the debate will be quite extensive on Tuesday, I commend the Bill to the House.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

New clause 5—'Exemption from land tax.'

Mr S.J. BAKER: I move:

Page 1, after line 16—Insert new clause as follows:

3a. Section 10 of the principal Act is amended by inserting after paragraph *(l)* of subsection (1) the following paragraph:

(m) land that is within the areas affected by the Mount Lofty Ranges Supplementary Development Plan (as brought into operation on 14 September 1990) or the Angaston, Barossa, Light, Kapunda and Tanunda—Barossa Valley Area Supplementary Development Plan (as brought into operation on 18 September 1990), in respect of the 1990-1991 financial year.

Really, it provides that these areas are to be exempt from land tax. The Opposition is clearly signalling its disgust at the measures taken by the Government to stop all activity within the prescribed areas that I have just outlined. The Opposition believes that the heavy hand of the Minister for Environment and Planning will cause a great deal of distress to a large number of people for no good reason. I will not enter into that debate tonight either, but, simply as a mark of some faith on the part of the Government, it would be appropriate for the Minister to declare that area exempt from land tax. The land values have fallen extraordinarily; they will not be reflected in the 30 June values, as the Minister is well aware.

The 30 June values that will be used are far in excess of the ones that prevail today. As I understand it, the land values in some of these areas have dropped to about a third or a quarter of their natural values, given that there is some doubt about whether any development can take place in certain of those areas. Bearing those considerations in mind, and, given that there will be some huge anomalies in those areas for people who have more than one holding, I would recommend to the House that it support the new clause.

The Hon. FRANK BLEVINS: I oppose the new clause. If the Liberal Party has any complaint at all about the supplementary development plans that were announced, there is a better way to approach the problem, from its point of view. The Land Tax Act Amendment Bill is not the appropriate forum in which to deal with whatever problems members opposite may see. It is not just properties that may be affected by the supplementary development plan that would be exempted from land tax; there would be other businesses. It has had no change at all in the value of land tax that would be exempted. There is absolutely no rationale at all for this new clause and, therefore, the Government opposes it.

Mr S.G. EVANS: There is an important principle involved in this new clause. Perhaps it does not pick up one aspect, which is that some of those properties to which land tax is now applicable are valued for land tax purposes as at 30 June but, as from 14 September, some of them have been made virtually valueless. For example, a person may own a piece of scrub land from which there can be no productivity; they cannot cut the timber for firewood; they cannot graze the land, even with goats, to reduce the native vegetation—that is also unlawful; but they might have bought it with the intention of building on that property a home for rental or for part of the business operation or for their own occupation. Land tax would have applied to it, because the people own more than that holding and may own enough land for the land tax to apply to them. If they could have built their own home on this property and moved to it, land tax would not apply to the land itself. So, we now have people whom properties were valued as at 30 June at a very high value, (because properties were bringing quite high values) and suddenly, overnight, they lose the right to use the land for the purposes they intended and there is no other use.

I give one example of how people can be caught out. The White family at Carey Gully (and I declare some interest, as they are related to me) gave to the Government a large piece of land for the purposes of conservation, because it was scrub land. They were very elderly people and they had the devil's own job to obtain a pension, because they had given an asset to the State. Not many people are prepared to make themselves as poor as that on behalf of conservation. I cite that as one example of how people get themselves into a difficult position. But, in this case, the State has said that, as from 14 September to whatever time in the future, their land cannot be used. It is a little different if it is grazing land and it can still be used for grazing. I know that the Minister is opposing this.

The principle about which we have been arguing relates to multiple holdings. Many people's properties have been devalued significantly from 30 June to 14 September. That devaluation might apply only to the end of November—the previous Minister gave an extension—but we do not know. The point is that it might not; it might apply for the whole of this year. If the land is devalued and no compensation is paid or, even if compensation is paid, as of 30 June next year, the other valuation that has been brought about by this Government's ruthless action will apply. In the meantime, the tax will be applied to something that is of much less value than when the tax assessment was made on 30 June. So, I support the new clause. There is a principle involved. I know it will be defeated, but somebody has to show that many people have been hurt unnecessarily because of the Government's inability to do something in a rational way.

New clause negatived.

Clause 4 and title passed.

Bill read a third time and passed.

ADJOURNMENT

The Hon. D.J. HOPGOOD (Deputy Premier): I move:

That the House do now adjourn.

Mr MATTHEW (Bright): In the time I have available to me tonight, I would like once again to address some other aspects of the issue of law and order. Members may recall that on 7 August I found it necessary to bring to their attention the plight of a number of people who live in my

electorate and who had been subjected to violent incidents in the city. After making that speech I was subjected to a number of accusations by members opposite during other grievance debates and also during their Address in Reply contribution. It is to some of those aspects that I wish to turn my attention and to substantiate some of my claims with further evidence. Prior to doing that, I wish to report with some disappointment that, after analysing the plight of John and Vera Koop, the Attorney-General had to advise me that it was unlikely that any appeal against the leniency of the sentence of the person convicted would succeed. So, at this point, that matter must be laid to rest, but I wish now to turn to a number of statements that were made in this place.

The first such statement was made on 8 August in this place by the member for Albert Park. I wish to concentrate on just one sentence and, for the benefit of members, I will quote that sentence:

> The stark reality is that between 1979 and 1982 there were many problems to which he did not allude.

To place that statement in context, the member for Albert Park was attempting to point out that, whilst there are certainly problems within our society with crime today, somehow things were far worse during the period of the Tonkin Government. I have taken up the challenge by referring to documents put out by State Government employees and I refer the House to two statistical reports produced annually for the benefit of the public so that people can analyse the crime in our State. The first report is the 'Statistical Report, Crime and Justice in South Australia 1989, Office of Crime Statistics'. That section of the Attorney-General's Department produces that publication on an ongoing basis to enable some sort of comparison of statistical data to determine trends.

I refer also to the report recently tabled in this place 'The South Australian Police Department, Commissioner of Police Annual Report 1989-90', which also includes quite extensive detail about crime in South Australia, together with some statistics. Because the latter report is the most recent, I will refer to it and quote statistics that provide some interesting comparisons between 1980-81 (that is, from the middle of the Tonkin regime) and the most recent period reported, 1989-90. For the benefit of members opposite I refer first to violent crime. Violent offences are described in the report, as follows:

> Violent offences consist of murder and attemped murder, rape and attempted rape, serious assaults (excluding injury caused by negligent driving) and robbery.

It is interesting to find that, in 1980-81, 1 161 violent crimes were reported or became known to the police, yet we find that by 1989-90 the figure had increased by 155 per cent to 2 965. However, the increase does not end there. For property offences the following description applies:

> Property offences consist of breaking and entering, total larcency (including motor vehicle theft) and false pretences, fraud, forgery and misappropriation.

In 1980-81 we had 77 262 property offences reported or becoming known to the police, yet that figure had increased by 55 per cent in 1989-90 to 120 561. These figures have been increasing each year during the period of the Bannon regime.

Members interjecting:

Mr. MATTHEW: Members opposite can bleat and challenge statements that I make in this place, but the simple fact is that their own Government's reports show drastic increases in crime.

Government members try to tell me that the situation was worse during the Tonkin regime. Perhaps they will claim that the population has increased, but there the police report is a useful document, as it tells us what the population levels were and it also provides rates of crime per 100 000 population. In the case of crimes of violence per 100 000 there were 88.44 violent crimes in 1980-81 compared with 207.08 in 1989-90. In respect of property offences per 100 000 in 1980-81 there were 5 923 and in 1989-90 the figure was 8 420.

The member for Albert Park can draw my attention as much as he likes to crime figures during the Tonkin regime but the simple fact is that the crime situation is progressively getting worse. Certainly, I do not doubt the sincerity of some members opposite who have been complaining about some statements that I have made in this place. Knowing those members as I have over a period, I am sure that they are genuine in their commitment and endeavours, which is why I wanted to take the opportunity tonight to draw their attention to these documents so that members will find that the things they are told in Caucus or by their Minister do not bear too much relation to the factual situation. The facts printed in these documents show that such crimes have increased.

Government members can turn to any part or sub-part of those categories and see the same trend. In the period from 1980-81 to 1989-90 component areas such as rape and attempted rape increased by 129 per cent; serious assault increased by 214 per cent; robbery increased by 103 per cent; breaking and entering increased by 94 per cent; motor vehicle theft increased by 125 per cent, and so the list goes on.

The Government can point as much as it likes to the systems that it tries to publicise and put in place as being successful, but at the end of the day this Government is not doing anything to reduce crime in South Australia. While many members opposite like to jump on the band wagon of programs such as Neighbourhood Watch, they cannot claim it as their band wagon because Neighbourhood Watch has gone on and has gone ahead despite, and not because of, the actions of this Government. It is a program where the police have taken it upon themselves to go out and obtain funding from Commercial Union. Despite continual requests from the Neighbourhood Watch Association State Executive, this Government has refused to fund that body. I know a little about how that organisation runs because I spent time on the State executive and was privy to some of the negotiations that occurred between that organisation and the Government.

Repeatedly, those pleas for funding and assistance fell on deaf ears. Now, to the credit of the people involved in that program, we have at least two vehicles that have been funded to assist in the launching of Neighbourhood Watch programs—once again by private organisations. To its credit, after the Government refused to help, Commercial Union said, 'If the Government will not help, we will.' It provided a vehicle which proudly carries that company's emblem, and so it should. The Cooperative Group has done likewise by donating a van, which also carries the emblem of that group. To that organisation's credit it is assisting in bringing down crime in some areas.

Overall, crime figures are still high and members opposite have not been able to demonstrate that figures are decreasing. The facts are clear: these are the Government's figures and I am merely quoting the figures prepared by Government workers, that is, workers employed by the Government. Government members have challenged me and I have taken up the challenge. I invite them to come up with ways to convince the public that the figures are wrong: the figures speak for themselves. Crime is increasing. I hope that members opposite will sit down impartially and look at the ways

in which we can do something about reducing crime in this State instead of indulging in rhetoric.

The SPEAKER: Order! The honourable member's time has expired.

Mr HAMILTON (Albert Park): Yesterday in this House I asked a question about Health and Life Care Limited in Victoria. A constituent of mine had received a letter of demand from that organisation stating:

This letter is to advise that Health and Live Care Ltd no longer own Medical Rehabilitation Centres. An audit has been done on all outstanding accounts and it has been brought to my attention that the above amount remains unpaid. Therefore, please forward to my office by return mail a cheque for the outstanding debt. If you wish to discuss this matter please telephone me on the above number. Failure to finalise this overdue debt will result in legal action incurring further costs to you.
Signed Mrs H. Edwards,
Collection Department.

My constituent approached my office, and I wrote to the organisation, as follows:

I have this day been approach by Mr. . . . of . . . Trimmer Parade, Seaton, in relation to your correspondence dated 26 September 1990, account no: 8198.

Mr. . . . is a long-time personal friend of mine and a constituent within my electorate of Albert Park, here in South Australia. Mr. . . . has advised me that he has previously received an account for services allegedly rendered by your organisation. Despite trying to obtain information from your South Australian office in the past, no details were forthcoming in relation to this account.

Upon contacting your office at 16.02 hrs (Adelaide time), this day—1 October 1990—I was advised by Cheryl that this account had come from South Australia. Upon further questioning Cheryl was unable to provide me with details of the time, date or location where this service allegedly was given to my constituent. Moreover, no information was available from your staff member as to the name of the practice or organisation which supposedly provided this service to my constituent.

Therefore as his representative in the South Australian Parliament, I urgently request that you supply details of this account for services which were allegedly provided to my constituent.

In closing, I would point out that in the 15 years that I have known Mr . . . he is a man of the highest integrity, and has a reputation for his honesty and good standing in our community.

Finally, should I not receive your advice on this matter within a week, it will be with the greatest reluctance that I raise this matter in the South Australian Parliament for investigation by the Minister of Health, Dr D. Hopgood.

That letter was sent by registered mail on 1 October and was received by that organisation on 3 October. I will refer to that later. Today I received a letter, dated 9 October, at my electorate office from Health and Life Care Limited. The letter states:

Dear Mr Hamilton

WITHOUT PREJUDICE

I refer to your letter of 1 October 1990 (copy attached) concerning our conduct in our efforts to collect an amount of $32 which our records indicate is outstanding from your constituent, Mr [name given].

Let me assure you that it is neither our practice nor do we have a system which simply generates patient accounts. On the other hand, we recognise that, as a result of relocation and divestment in the practice concerned, the depth of our records has considerable shortcomings.

While this does not change the basic issues at large, we have taken the decision to write off the $32 involved and formally apologise to Mr . . . for any action on our part which he felt constituted harassment or unnecessary pressure.

We do, however, take exception to the underlying intimidating theme of your letter. Surely it would have been a more reasonable approach to simply request the relevant information from a senior person within out organisation rather than expect a junior office girl to take full responsibility and satisfy all your demands.

Nevertheless, it is this style of approach and attitude which appears to be typical of Labor governments throughout Australia and has driven the country into economic recession. Equally, it is a major influence in our decision to cease all operations in South Australia and, in the light of this decision, to withdraw all employment opportunities.

We had, however, retained a number of supply and service contracts with South Australian firms which will, in the circumstances, be terminated within the next seven days with acknoledgment of your contribution to this course of action.
Yours faithfully,
for Health & Life Care Ltd.
(Signed)
John Rashleigh,
Managing Director.
c.c. Mr J. Bannon, Premier of South Australia.
Mr D. Baker, Leader of the Opposition, South Australia.

I find that absolutely outrageous. This organisation initially threatened my constituent with legal action. I provided the organisation with the courtesy of a telephone call to its head office in Victoria and, as indicated in the correspondence, asked to contact them if there were any queries. Indeed, I did exactly that, only to be told that Mrs Edwards was not there. I questioned the person concerned—Cheryl—on the telephone, who could provide no information. The correspondence, as I indicated, was sent from my office on 1 October and was received at the Health and Life Care office on 3 October. There was no telephone call to my electorate office, no Sir! Talk about courtesy! Courtesy is a two-way street.

At least I gave the organisation every opportunity to telephone me and say, 'Mr Hamilton there is some problem with this matter. No, I waited for more than the week I had stipulated following which I said I would raise this matter in State Parliament. but still nothing. I waited until yesterday—16 October, 15 days later—still giving them plenty of time. Today I received a letter dated 9 October at my electorate office. It took eight days to come from Victoria. How ridiculous! They talk about the problems in their office, they talk about the depths of their records having considerable shortcomings—to say the least. Then they talk about their auditing problems and their outstanding accounts. My constituent tried 12 months ago to get information from the South Australian office but nothing was forthcoming. He ignored the account and quite properly so; I applaud him for that. Nothing was forthcoming.

I genuinely tried to get that information; I even sent a registered letter and provided every opportunity. They then come at trying to blackmail me. No-one in this world will ever blackmail a Hamilton. I can say that much. There is absolutely no way that that will happen. I will not put up with intimidation and bullying such as this. I can cop that, but I do not expect any of my constituents to cop this sort of nonsense from some firm that writes 'without prejudice' and all that sort of guff.

I am just a basic, simple man from a working-class area. I am proud of that, and I do not expect any working man in this State, or anyone else, to cop this sort of nonsense from some jumped up, upstart in Victoria who wants to threaten one of my constituents with legal action and then intimidate, or attempt to intimidate, in my opinion, this State Government and, indeed, me. Absolutely not! I will not wear that, and I do not believe that anyone else in this place, on either side, would cop that.

It would be very easy for me to go into a great deal of detail and reflect upon this organisation, but I will not do that. If that organisation wants to be so churlish as to say that it will withdraw its contracts in South Australia, that raises the very question of whether a decision about its intention had been made earlier. I will not be bullied or initimidated by any organisation from any State; absolutely no way. I do not want this job if I have to back away from organisations such as this. I do not believe that anyone in this Parliament would tolerate this. I made a simple request for relevant information from a senior person. I telephoned Victoria and asked for Mrs Edwards. What happened? I

spoke to a lass called Cheryl; I would not know her from a bar of soap. She sounded very pleasant to me, but she did not have the information. I do not blame her. But then, in correspondence, to blame her and suggest that I had not attempted in any way to get the information from the organisation—to put it bluntly—stinks.

The organisation had the opportunity from 3 October; from that date someone could have used the telephone. I have the receipt here from Australia Post with the dates 3 October to 9 October. I invited the organisation to ring me at any time and say, 'Mr Hamilton, there is some mistake. Can we sort it out?' The company backed down. It said it had considerable shortcomings. For any organisation—and I suspect that this issue would have been checked out by one of the organisation's lawyers—to admit that it had considerable shortcomings and apologise to my constituent about what he may have felt constituted harassment and unnecessary pressure, is enough for me to indicate to this Parliament and to the people of South Australia that my course of action in supporting and protecting my constituent was absolutely justified. I will not let this matter rest here; I will do further work and bring this issue up in Parliament at another stage. I thank my colleague the member for Napier for bowing to me tonight.

Members interjecting:

The SPEAKER: Order! The honourable member for Morphett.

Mr OSWALD (Morphett): This evening I will raise a matter that has been brought to my attention by a constituent who came to visit me a couple of weeks ago about his Supa Pup ultra light aircraft project. In 1985 this gentleman was involved in the design of an ultra light aircraft. Initially his involvement was with one individual, with whom he formed a partnership to produce the aircraft. As the partnership expanded, and as others got involved, the result has been his loss of the aircraft, loss of access to the partnership and loss of finance. In addition, this has involved the loss of a potential light aircraft industry to the State. The State had money invested in the project and from that point of view I think this House should also be interested in the fact that the department that allocated the money did not in fact follow the investment through, first of all, to ensure that the money had been wisely invested and also to query, at some stage down the track, why this money, having been invested, was not seen in the form of establishing a viable industry.

In the short time available to me, I should like to put on the record some of the correspondence and affidavits which have been passed to me. I am pleased that the Minister of Industry, Trade and Technology is in the House, because most of the correspondence is directed to him, through me. The first document is a letter which I received from Mr Puddifoot, who is a highly qualified aerospace engineer from Great Britain, who is now retired in Australia, and who has had considerable experience in the British aerospace industry and also at Woomera in South Australia on behalf of the British Government. In his retirement he has become involved in various projects associated with aircraft, and this was one of them. In his letter he says:

> Would the honourable member question with the honourable Minister of Industry, Trade and Technology, Mr Lynn M.F. Arnold, the actions of the Innovation Management Proprietary Limited at Technology Park in regard to their support of a manager/partner who is in direct conflict with the designer—

that is, Mr Puddifoot—

> of an ultra light aircraft project? This support of the manager, appointed by them—

Innovation Management Proprietary Limited—

> in a partnership with Mr S. Puddifoot . . . extends to the flying of an aircraft developed by Mr S. Puddifoot without his authority, or reference to his design data, so misrepresenting the aircraft to the Civil Aviation Authority and effectively breaking the law and placing the public at risk.
>
> Innovation Management Pty Ltd (presumably a Government supported institution) have invested $15 000 in a project designed by S. Puddifoot, introduced a further partner and appointed him manager, and now support this manager's actions although they have caused the project to fail.
>
> S. Puddifoot is contemplating legal action to recover his investment of $15 000 and more importantly the custody of his aircraft designs as defined in prototype aircraft and drawings, designs, specifications produced by him over 18 months of work on this project.

Mr Puddifoot then presented me with the sequence of events. The point that will be made through the whole of this presentation of documents is that, by a sequence of events, Mr Puddifoot was squeezed out as the project came to its conclusion, the plane was taken to Victoria, and the project failed, and the project is lost to South Australia. The sequence of events is as follows:

November 1985

1. As a professional aeronautical engineer, Puddifoot, in association with Schwartz, carries out a feasibility study into the engineering of an ultra light aircraft to meet new civil aviation legislation with a view to production. Puddifoot invests $15 000.
2. Puddifoot completes feasibility study, producing specifications, drawings, jigs, fixtures and starts the building of a prototype aircraft. Intellectual property and ownership of design is shared equally by Schwartz and Puddifoot.
3. Puddifoot, on behalf of partnership, seeks additional finance from Innovation Management Pty Ltd, Technology Park.

1986

4. New agreement reached with Innovation Management Pty Ltd introducing a further partner, Antel, who contributes $10 000 and is nominated by Innovation Management Pty Ltd as Manager.
5. Puddifoot continues development, and as the Manager cannot provide services agreed in contract, makes arrangements and is approved by CAA as project engineer.
6. Development of aircraft continues under Puddifoot control, to completion of pre-flight tests to confirm airworthiness.

July 1987

7. Puddifoot calls meeting to demonstrate success of prototype aircraft and to seek additional effort or funds to complete data package. Project is 90 per cent complete.
8. Manager, at meeting on 5 July 1987, raised vote of no confidence in Puddifoot and this is supported by Innovation Management Pty Ltd. Puddifoot resigns as engineer, but not as partner, and grounds aircraft from further flights under his authority as CAA Project Designing Engineer.
9. Puddifoot seeks to recover his investment in project in letter to Innovation Management Pty Ltd dated 1987.

There was no reply. It continues:

10. Puddifoot seeks to change manager without success.
11. Manager seeks involvement of another aeronautical engineer and fails.

June 1990

12. Manager, without references to Puddifoot, misrepresents aircraft to CAA, transports aircraft to Holbrook and allows flights.
13. Puddifoot reports unauthorised flights to CAA and manager is instructed by CAA not to fly aircraft.
14. Puddifoot considered that he has faithfully carried out all of his commitments and more on this project and that actions/lack of actions by his partners resulted in its failure to meet objectives.
15. Puddifoot seeks repayment of his $15 000 investment and/or the custody of his designs as defined in drawings, specifications, tests, jigs, fixtures and the prototype aircraft produced to these designs. Puddifoot considers that his partners forfeited their rights when they raised a vote of no confidence in him and hence his designs.
16. Puddifoot considers that his designs would meet any independent professional assessment and that 'lack of confidence' vote has no substance in fact.
17. Puddifoot's professional time spent on this project is 18 months continuous amounting to some $60 000 or so.

That is the sequence of events as put to me by Mr Puddifoot. I should now like to summarise some of the concerns that I detected with Mr Puddifoot.

We have the potential to set up an ultra light aircraft factory in South Australia. We have a designer who overseas has been involved in the design of aircraft and rocketry all his professional life and who is well known in the British aerospace industry for that knowledge. We have a series of events in which the partners, including those involved in Innovation Management Pty Ltd, have set in course a sequence of events which has resulted in Mr Puddifoot no longer being involved in that partnership. As a result of that, according to Mr Puddifoot, the aircraft was taken to Victoria and flown illegally there. I gather that the aircraft is still in Victoria and it is now bogged down in the courts.

As State money is involved, I believe that, through the Minister, we can get some resolution of this matter and find out why the project has failed and why the factory is not in full production. I have had assurances that the aircraft is sound and of excellent design—the type of thing which deserves the putting up of money for innovation and design. If we have an anomaly here—and it is perhaps a good one to follow up—whereby money is granted for such projects, someone in the department should follow them through. If we find that nothing eventuates from a project, then we, as taxpayers, would like to know why not.

The SPEAKER: Order! The honourable member's time has expired.

Motion carried.

At 9.28 p.m. the House adjourned until Thursday 18 October at 11.00 a.m.