

HOUSE OF ASSEMBLY

Tuesday 10 September 1991

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

SUPPLY BILL (No. 2)

Her Excellency the Governor, by message, intimated her assent to the Bill.

PETITION: COMBUSTIBLE CHEMICALS

A petition signed by 164 residents of South Australia requesting that the House urge the Government to prohibit the sale of combustible chemicals for non-commercial use was presented by Dr Armitage.

Petition received.

PETITIONS: WATER RATING SYSTEM

Petitions signed by 152 residents of South Australia requesting that the House urge the Government to revert to the previous water rating system were presented by Messrs Armitage and Wotton.

Petitions received.

PETITION: BUS BAY

A petition signed by 70 residents of South Australia requesting that the House urge the Government to construct a bus bay near the intersection of Bundeys and Hackney Roads was presented by Dr Armitage.

Petition received.

PETITION: FRANCESCO PANGALLO

A petition signed by 1 114 residents of South Australia requesting that the House urge the Government to prevent the early release from custody of Francesco Pangallo was presented by the Hon. P.B. Arnold.

Petition received.

PETITION: JUNIOR SPORTS POLICY

A petition signed by 1 176 residents of South Australia requesting that the House urge the Government to suspend the junior sports policy and reconvene the public consultation to produce a new policy document was presented by Mr Oswald.

Petition received.

PETITION: PROSTITUTION

A petition signed by 31 residents of South Australia requesting that the House urge the Government not to decriminalise prostitution was presented by the Hon. D.C. Wotton.

Petition received.

QUESTIONS

The **SPEAKER**: I direct that written answers to the following questions on the Notice Paper, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 3, 6, 11, 13, 14, 18, 28, 29, 31, 32, 40, 43, 45, 48, 58, 61, 62, 63, 69, 88, 89, 91, 93, 94, 100, 103 and 104; and I direct that the following answer to a question without notice be distributed and printed in *Hansard*.

STOCKYARD PLAINS EVAPORATION BASIN

In reply to **Hon. P.B. ARNOLD (Chaffey)** 15 August.

The **Hon. S.M. LENEHAN**: Discharge into the Stockyard Plain disposal basin began in July 1990 and increased with the progressive commissioning of the scheme. Flow has been relatively constant at a rate of about 15 megalitres per day since September 1990. The Stockyard Plain basin site consists of a series of natural depressions. The water level has risen steadily since pumping started, consistent with the progressive filling of each subsequent depression. In future years, as the effect of evaporation increases due to the growing water surface area, there will be a periodic ebb and flow in the level between summer and winter.

The implementation of the Woolpunda project is accompanied by a detailed monitoring program. Groundwater level observations are being made monthly in 125 observation bores. There are 22 observation bores in the locality of the Stockyard Plain basin. Bores in the main aquifer close to the present ponded water have shown an expected modest increase in the groundwater level. No increase has been observed in bores at the western perimeter of the site towards Blanchetown. There has been no impact by the basin on groundwater flow to the Murray River at Blanchetown, some 20 km away. The discharge of groundwater at the base of the cliffs in the Blanchetown area is caused by seepage induced by the nearby irrigation activities. This discharge is aggravated following very high river flows, such as occurred in the past two years. This phenomenon is a result of groundwater seeping back to the river over many months after having been stored in the adjacent aquifers.

AUDITOR-GENERAL'S REPORT

The **SPEAKER** laid on the table the Auditor-General's Report for the financial year ended 30 June 1991.

Ordered that report be printed.

MINISTERIAL STATEMENT: CERVICAL CANCER

The **Hon. D.J. HOPGOOD (Deputy Premier)**: I seek leave to make a statement.

Leave granted.

The **Hon. D.J. HOPGOOD**: On Thursday 29 August in response to a question by the member for Walsh, I indicated that cancer of the cervix, overall, was on the decline. I would like to clarify my comments. I now have some more detailed information which indicates that cervical cancer is showing an increase overall thought to be due to human papilloma virus infection. However, while the incidence has increased significantly in younger women (under 50 years of age), it has decreased for older women.

The increased incidence in younger women appears to have peaked in 1988 with the suggestion of a downward trend in 1989 and 1990. This may be due to a pronounced

increase in cervical screening during the past two years. There is also evidence of improvements in survival rates of a number of cancers, including cancer of the cervix, again mainly for older women.

PAPERS TABLED

The following papers were laid on the table:

- By the Minister of Agriculture (Hon. Lynn Arnold)—
Egg Marketing Arrangements in South Australia—Report to the Minister of Agriculture.
- By the Minister of Education (Hon. G.J. Crafter)—
Supreme Court Rules—Supreme Court Act 1935—Discovery and Interrogatories.
Commercial Tribunal Act 1982—Regulations—Judgments and Orders.
Landlord and Tenant Act 1936—Regulations—Commercial Tenancies.
- By the Minister of Transport (Hon. Frank Blevins)—
Metropolitan Taxi-Cab Act 1956—Applications to Lease, 14 August 1991.
- By the Minister of Finance (Hon. Frank Blevins)—
Business Franchise (Petroleum Products) Act 1979—Regulations—Licences and Fees.
- By the Minister for Environment and Planning, for Minister of Public Works (Hon. M.K. Mayes)—
Parliamentary Standing Committee on Public Works—64th General Report.
- By the Minister for Environment and Planning, for the Minister of Recreation and Sport (Hon. M.K. Mayes)—
South Australian Totalizator Agency Board—Report, 1990-91.
- By the Minister of Marine (Hon. R.J. Gregory)—
Boating Act 1974—Regulations—Speed Limits.

MINISTERIAL STATEMENT: ENVIRONMENTAL ENHANCEMENT PROGRAM

The Hon. S.M. LENEHAN (Minister for Environment and Planning): I seek leave to make a statement.

Leave granted.

The Hon. S.M. LENEHAN: I am pleased to report to the Parliament on the Government's Environmental Enhancement Program funded by the sewerage levy. The levy was commenced on 1 July 1990 and will apply for five years. It is 10 per cent of normal sewerage rates and in the first year has raised \$10.2 million. The funds generated from the levy are being used to accelerate effort to give protection to inland water resources of the State and the coastal marine environment. A major aspect of the program will address how we treat and dispose of the two end products from sewage treatment works along the coast. The Government will stop all sludge from entering the sea, and a multi-pronged approach has been taken to deal with effluent by improving quality and transferring waste into a useful resource.

The program includes 24 projects, and in the first year \$2.9 million was spent. Some of these projects have been accelerated while others would not have been undertaken in the foreseeable future without the levy. As the projects are developed through design and construction phases, all moneys raised by the levy will be spent on environmental enhancement projects. Expenditure is expected to increase to \$14.5 million during 1992-93.

Expenditures in the first year of the program included: \$742 000 spent on sewerage works in the Adelaide Hills,

(the total cost of this work is estimated to be \$4.5 million); \$383 000 spent on preliminary work for the pipeline which will take sludge from the Glenelg and Port Adelaide sewage treatment works to the Bolivar works for drying and land-based disposal (the total estimated cost of this project is \$13 million); \$372 000 spent on a scheme to pump effluent from the Mannum sewage treatment works to the golf course to be used for irrigation. Effluent disposal to the river at Mannum ceased on 6 June 1991.

In this financial year, expenditure will be \$8 million and major projects on the program to receive funding include:

- The Glenelg to Bolivar sludge pipeline will receive a further \$3.2 million.
- Sewers in the Adelaide Hills—\$1 million. The estimated total cost is \$22 million, of which \$6 million will be provided by the levy.
- Construction of the Port Lincoln sewage works—\$350 000. The total cost of this work will be \$5 million.
- Murray Bridge land-based effluent disposal—\$1.2 million.
- Hahndorf sewage treatment works effluent disposal—\$375 000.
- Sewerage scheme at Aldinga—\$300 000. The levy will contribute \$2.4 million to the estimated cost of \$5.6 million.
- Nutrient removal at the Glenelg, Port Adelaide and Christies Beach sewage treatment works—\$670 000.
- Nutrient removal at Gumeracha—\$20 000.

It should also be noted that the Engineering and Water Supply Department is examining alternative options for effluent disposal from 10 country sewage treatment plants. Overall, I expect the levy to bring in about \$47 million over its five year life. All of this will be spent on projects that will greatly improve our environment and, indeed, our quality of life in South Australia.

QUESTION TIME

STATE BANK

Mr D.S. BAKER (Leader of the Opposition): What assurance will the Treasurer give the House that the Government will not in future enter into any secret pre-election deals with the State Bank?

The Hon. J.C. BANNON: The Government will not enter into secret pre-election deals with the State Bank and, indeed, has never done so.

HEALTH COMMISSION

The Hon. J.P. TRAINER (Walsh): I address my question to the Minister of Health. What is the number and what are the duties of the doctors and nurses in the Central Office of the Health Commission? Will he indicate what effect moving these staff to front-line health units would have on services provided by the Health Commission to the community?

The Hon. D.J. HOPGOOD: It seems that the Leader has done some fairly remarkable restructuring of Government departments from Opposition, and I suppose he should be given some credit for that. If the Leader is to be believed, only last year he was claiming that there were 800 or 900 employees in the Health Commission. I assume that the honourable member is referring to an interview on ABC radio last week with Keith Conlon. The Leader was suggesting a number of between 500 and 600 employees, which

would mean a 30 per cent cut in staffing during that period. Therefore, I welcome this opportunity to explain the position in the Health Commission.

There are 233 employees in the Central Office of the Health Commission. Those people are involved in supporting and coordinating the delivery of health services by some 26 000 staff in more than 200 health units in the State. In addition, there are 105 staff in the Public and Environmental Health Division carrying out such vital services for the community as surveillance of communicable disease, monitoring of food and hygiene standards, radiation control and monitoring of hazardous substances.

I want to be perfectly fair to the Leader, therefore I think that I should quote his very words to the House, because this is what the transcript of that interview would suggest that he said:

Baker: We've already said in our health position paper we will get rid of the Health Commission, we... and those people...

Conlon: But you can't turn them into nurses either.

Baker: Well. A lot of them are, I mean, that's the whole point, there are a lot of people in there, in those positions that are qualified nurses, are doctors, are the people that are needed at the coal face, if you like, to look after sick people. We have said, and discussions we've had in the police area are that there are a lot of policemen sitting behind desks doing jobs that could be done by, if you like, clerics [sic] from the Health Commission.

What is the position as to the numbers of doctors and nurses employed in the Central Office of the Health Commission? There are two medical officers in the Central Office of the Health Commission and another eight medical officers are working in public and environmental health in areas such as epidemiological research and environmental health. There are eight nurses working in the Central Office and five nurses are working in the public and environmental health area. I suppose I could transfer those two medical officers from the Central Office and the eight in public and environmental health and the eight nurses from the Central Office and the five nurses working in the public and environmental health area out to the field, but I would then be in trouble with the Leader of the Opposition's advisers, the members for Adelaide and Coles, who have been raising the matter of the numbers in public and environmental health in this place. Who am I to please? Am I to please the Leader or his two colleagues who apparently want more people employed in this area? These people have a very important job to do, as has been recognised by the two members, and it is time that the Leader of the Opposition also gave them that sort of recognition.

Finally, as to whether we would be prepared to transfer our 'clerics' to the Police Department, we will not. We value our 'clerics'; we do not want to lose them. Indeed, the Acting Chairman of the Health Commission has already been called Father Blaikie, Dr Jelly, who is one of the two whom I have mentioned, has been called the Rev. Michael Jelly, and I am the first protestant pope.

STATE BANK

Mr S.J. BAKER (Deputy Leader of the Opposition): Will the Treasurer initiate immediate investigations to determine whether the State Bank has deliberately misled the Federal banking inquiry? On 30 April this year the then Chief Executive of the State Bank, Mr Paddison, was questioned by the Federal Banking Inquiry about the bank's latest estimate of its non-performing loans and losses. Mr Paddison said in his evidence that the bank was still within 10 per cent of the estimates announced on 10 February of losses of \$990 million from non-performing loans which could rise to \$2.5 billion. However, a memorandum pre-

pared for the March meeting of the bank board shows that, as at 28 February 1991, these estimates had already been significantly increased with a rise of 40 per cent in non-performing loans to almost \$3.5 billion and losses of just over \$1.3 billion—a rise of more than 30 per cent.

The Hon. J.C. BANNON: As has already been explained in some considerable detail both by the bank and in the statements made in connection with the budget, the final result of the State Bank, the audited annual report of the State Bank, was only completed and signed off on, I think, 28 August this year. Over a considerable period assessment was being done on the exact status of a series of loans—a series of exposures—that the State Bank had.

Again, as has been explained, the reason the figure has grown to such a large extent, among other things, is the bringing forward of certain identified non-performing loans or possible liabilities in a prudent and more conservative approach, involving an ongoing operation that could be brought to its fruition only when the final accounts were being prepared and were signed off by the State Bank and the auditors. So there is already that section and, if you analyse the figures of that category of exposure, you will see that there is not a great deal of difference at all from what was said in February and what was the final result. In addition, there is a considerable group of abnormals—I think some \$500 million or so—which were—

Members interjecting:

The Hon. J.C. BANNON: Members opposite may scoff, but the fact is that some very eminent corporations in this country make a considerable difference between the impact of abnormals on their profit and loss result and, in fact, on their core result. Indeed, one of the most prominent and largest corporations in the media was able to declare a profit in the headlined report of its annual results recently while at the same time the smaller print indicated that, when one took abnormals into account, it was really a very large loss.

So, it is not sufficient for members opposite to scoff and chortle over that. They certainly will not get support from some of the business community nor indeed from the media, because the media has accepted that that is a legitimate way of trying to analyse the situation. I repeat that that large group of abnormals obviously had a major impact on those State Bank results. They were not identified at the time the matter was under consideration, as has been quoted by the Deputy Leader. It is a lot of nonsense to say that misleading information was given, if one traces the course of events and the proper analysis.

I do not know what is the honourable member's purpose in raising this, unless it is part of this fixation on what has occurred in the past, part of this desire to twist the knife as much as possible and part of the desire to try to put maximum pressure on a bank board and management that is trying to correct the situation. There can be no other reason because, first, the honourable member is wrong and, secondly, his motives on the way in which he raises this can add nothing to the debate or the assessment of the situation. The situation is as set out in the annual accounts of the bank, and the way we are dealing with it has also been detailed very precisely. I know that that has caused the Opposition considerable dismay. They thought that they would be dancing up and down on the grave of the State Bank and, therefore, the grave of the Government. Well, that is not going to happen, and they had better find a few constructive things to say and do, rather than try to rake over the coals in this way.

SOUTH AUSTRALIAN INDUSTRY

Mrs HUTCHISON (Stuart): I direct my question to the Minister of Industry, Trade and Technology. Given the economic conditions we are currently facing, will the Government continue to provide assistance to the South Australian industrial sector? What plans does the Government have to ensure that South Australia's industry will remain competitive in the global marketplace?

The Hon. LYNN ARNOLD: In the very difficult economic circumstances that we face, the budget this year contains many exciting opportunities and provisions to help industry become competitive or maintain competitiveness. First, we have the \$13.5 million financial package providing payroll tax relief for employers. The reduction in payroll tax rates makes it significantly less than in other major manufacturing States in this country. In New South Wales and Victoria payroll tax rates are now significantly higher than they are in South Australia. Through the South Australian Economic Development Fund we have \$28.6 million with \$13 million in special assistance to industry, supporting a broad range of companies in manufacturing and high technology. There is \$1 million for an incentive program to encourage international business activities of South Australian companies and \$4.3 million for the MFP project this financial year, as well as additional allocations to the information utility and to the transport hub project.

There is also the proposal to effectively double the amount of money available to regional development committees from just over \$600 000 up to \$1.2 million. I remind members that last year up to 62 per cent of projects funded through the South Australian Development Fund were in regional areas.

That point is worth noting because it was interesting to hear the Leader of the Opposition last week on the Keith Conlon show give his views as to what should happen with respect to support for industry. On the program the Leader stated, 'I think we pay far too much credence to the regional economy.' What are his views on the regional economy? He says that we are paying far too much attention to it whereas various other members opposite have been standing up in this place saying that we should be paying more attention to regional economies. Indeed, a number of members have quite willingly in this House quoted figures that they knew to be wrong regarding regional assistance that the Government had given, but they quoted them nevertheless, just so that they could make some cheap political point.

The really interesting point is to determine where the various factions of the Liberal Party stand on the matter of assistance to industry and regional assistance. On the one hand, we have the Leader of the Opposition saying that we pay far too much credence to the regional economy and, on the other hand, we have the member for Bragg, while launching the Fleurieu Regional Development Committee, waxing eloquent on the need for support for regional development. He was winning the audience and people's hearts and minds with his statements about what a Liberal Government in the long distant future would do for the regional economy, while his own Leader was busy speaking on radio and pulling the rug from under him. Or, was it the other way around, and is this the start of a proposal to pull the rug from under the Leader of the Opposition?

I know where the member for Goyder, with his 'wonderful' proposals, would get his support from. His catfish farming proposal would never get up under the Leader of the Opposition, but it might get a guernsey from the member for Bragg. The Opposition owes to business and industry

in this State the courtesy of saying exactly what it believes should be happening to support business. We have said so in this budget. They are firm, positive proposals, made in these difficult economic times, which will be of assistance to industry, and the best that the Leader of the Opposition can do is say, 'They don't pay too much credence to the regional economy.'

UNEMPLOYMENT

Mr INGERSON (Bragg): Will the Treasurer advise what is the State Treasury's forecast of the likely peak unemployment rate this financial year? The Federal budget estimates that national unemployment will rise from its current level of 9.9 per cent to a peak of 10.75 per cent. The State Budget makes no forecast but admits that 'average employment could fall significantly in 1991-92'. Unemployment in South Australia is already at 10.4 per cent, which is well above the national average, and the ANZ job vacancy series released yesterday suggests that our performance will remain worse than average.

The Hon. J.C. BANNON: I refer the honourable member to the appropriate pages in the budget documents where, in fact, the economic outlook is explored in some considerable detail. As I have already said, the Federal estimate of 10.75 per cent, as the peak implies, is based on the normal historical structure of our economy; and we will go higher than that, but I hope it is not too much higher. In relation to the job vacancy figures that the honourable member refers to—

Mr D.S. Baker interjecting:

The Hon. J.C. BANNON: The member for Bragg is getting assistance from his Leader now. I suggest that they sort out their respective attitudes on the regional economy before they start trying to interject in support of each other. However, it is nice to see them papering over the cracks. South Australia has held up remarkably well through this recession in terms of job vacancies and employment. Indeed, for most of—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: The Opposition is delighted to find the worst possible interpretation and the worst case scenario for South Australia. It typifies the Opposition's attitude as others in both Government and business try to struggle out and set themselves for recovery. Those opposite spend all their time trying to tell everyone that the situation is hopeless, it is a waste of time doing it, to have no credence for the regional economy and to give it away. That is not the message South Australians want to hear—certainly not from those who purport to be the Government of this State. It is quite disgraceful.

The fact—and nothing the Opposition says can disguise it—is that over a long period our employment held up much better, and our job vacancy rate ran way above the national average through much of last year and early this year. Did we hear one statement on that? Was there one press release from the Hon. Mr Davis, the member for Bragg or the Leader of the Opposition? Was I asked any question on that by those opposite? Of course not, because all that suits their purpose is to find the worst case, give it the worst interpretation and try to talk the State down. If they think they can scramble into Government in that way, they are very wrong indeed.

PUBLIC SECTOR RECRUITMENT

Mr QUIRKE (Playford): Will the Minister of Finance outline the implications of imposing a uniform and indiscriminate across-the-board reduction of 9 000 people in the public sector workforce within a 12-month period? Early last week, the Leader of the Opposition said that he would impose a total freeze on public sector recruitment with the objective of reducing the public sector work force by about 9 000. He claimed that the work force reduction was based on an attrition rate of 9.5 per cent.

The Hon. FRANK BLEVINS: I can inform the member for Playford that I did hear that interview and that it did not make very happy listening. Being as charitable as I can, I think it was sad to see a Leader so out of touch with reality in relation to what he is attempting to do—and I assume that that is to take the reins of Government in this State. I will not canvass all the issues that arose from that single interview. It has been commented on, I think fairly, in the press and by commentators within the State and, indeed, outside the State. Everybody has read and heard those comments, and I do not wish to enlarge on them.

If the Leader is serious—and he sounded serious to me—what would be the implications to the delivery of services in South Australia if the present Leader became Premier? If the honourable member was telling the truth, the following implications would apply. If we accept the assertion that the attrition rate is about 9.5 per cent or 9 000, adopting the Opposition Leader's proposal would result in 1 450 fewer teachers (that is the number who would resign and would not be replaced); 352 fewer police officers—

Members interjecting:

The Hon. FRANK BLEVINS: Apparently, we are not going to replace police officers. Further there would be 1 132 fewer nurses; a reduction of over 500 other health workers; 155 fewer preschool teachers; over 80 fewer social workers; and a similar reduction in the number of correctional officers.

An honourable member: And five clerics!

The Hon. FRANK BLEVINS: Yes, and five clerics. I think that highlights the absolute stupidity of the statement that, if a freeze was applied to the public sector, it would have to be a blanket freeze. It would be absolutely disastrous for essential services in this State if the present Leader of the Opposition became Premier and implemented this quite stupid policy. I ask the House to contrast the Opposition's policy with the policy of the present Government, under which we replace instantly any personnel who leave employment in essential services within the public sector. We have no hesitation in doing that.

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: We do not say that we will have 1 400 fewer teachers or 1 100 fewer nurses. In fact, we replace them. However, what we do, and what we have been doing for a number of years, is that where people resign and we feel that we can do without those positions, they are abolished. Over the years, that particular program by this Government has kept a lid on the public sector and has ensured that the public sector work force is appropriate. Because of our policy, in the areas of nursing, police, correctional services and many other essential services—and we are very proud of this—we have been able to increase the number of these people working in the public sector.

We have increased numbers in the public sector, and we are very pleased to have done so. That is the Government's policy. We have reduced numbers in areas where we feel there is no longer a priority and we have increased numbers

in areas where we feel there is a priority. Whilst we have been doing this, overall we have kept a ceiling on numbers. If members look at their budget papers, they will see that the Government actually reduced numbers last year. That is the policy of this Government, and I ask the House to contrast that policy with the nonsense spoken by the Leader on the Keith Conlon program last week.

STATE BANK

The Hon. B.C. EASTICK (Light): What investigations has the Premier undertaken to determine whether recent State Bank board minutes have been altered in material ways and, if it is shown that any current bank director has been responsible, will his appointment be immediately terminated? Some of these alleged changes were made after 10 February this year.

The Hon. J.C. BANNON: I think the honourable member needs to be more specific about alleged changes and the timing of them. The royal commission has certain matters under inquiry and, as the honourable member would well know, those matters cannot be canvassed in this place. I am not aware—

Members interjecting:

The Hon. J.C. BANNON: These matters have been raised before the royal commission.

Members interjecting:

The Hon. J.C. BANNON: If the honourable member would like to provide me with more information, I should be happy to look at it.

MURRAY RIVER

Mr HOLLOWAY (Mitchell): Will the Minister for Environment and Planning inform the House of the results of her discussions with Australian Newsprint Mills on ceasing the discharge of treated waste water into the Murray River at Albury, and will she also say whether the company has given a commitment to purchase recycled newsprint from South Australia?

The Hon. S.M. LENEHAN: I thank the honourable member for his question. Members may recall that the Opposition asked me a couple of questions during this session about my own and the Government's position with respect to the brightening plant at Albury and expressed concern about the quality of the water in the Murray River and, I guess, the position of ANM with respect to the establishment not only of a brightening plant but of a de-inking recycling plant. I think it is appropriate that I now inform the House because, in answering that question, I indicated that I would provide the House with an update with respect to my discussions as the Minister representing South Australia on the Murray-Darling Ministerial Council and on behalf of my colleague the Minister of Agriculture. Indeed, I now have pleasure in doing that.

Following a resolution which was carried by the Murray-Darling Ministerial Council just over a week ago, which called on Australian Newsprint Mills to cease the discharge of effluent both from the current operation, which is the newspaper production plant, and any future plants by the beginning of 1995, I had a meeting last Friday with Mr Graham Ogilvy, the Managing Director of ANM, who came to Adelaide to meet me. I was able to gain from Mr Ogilvy a guarantee that ANM would meet the very stringent conditions which we in South Australia had laid down and

which had been supported by all Ministers on the ministerial council, including the New South Wales Minister.

To that end, I can therefore inform the House that ANM will do everything within its power to ensure that there is off river disposal of treated effluent from the current production plant and from all future operations by the end of 1994. To indicate that it is serious about this, it has committed itself to remove 20 per cent of the effluent by the end of this year and a further 50 per cent by the end of 1993. I do not believe that anyone in this House or, indeed, across Australia would have believed that we could have moved in this situation as quickly as we have. It is important to acknowledge publicly that the Opposition, in the person of the member for Heysen and, indeed, the member for Chaffey, has given bipartisan support to the dual aspect of this proposal, first, to ensure the cleaning up of the Murray River and the removal of these discharges and, secondly, the second part of the announcement (which was extremely good news for South Australia), that ANM has given an undertaking to accept a minimum of 15 000 tonnes of our newsprint for recycling and, indeed, may well take up to 20 000 tonnes.

The reason why the second part is so important is that it is proposing to start taking 50 per cent of that quota from 1 July 1992. The other thing which has not been picked up in the media and which is extremely significant is that this decision now means that no new project can discharge its effluent into the Murray River. In other words, the benchmark has been set. It has been agreed to in consultation with the private sector—that is, ANM. Through discussions and working with industry we have achieved a remarkable situation whereby we in South Australia in a bipartisan way can apply great pressure to all discharges into the Murray-Darling Basin. We have got our own house in order. There were 18 separate points of discharge along the Murray. We have removed all of those. There are four remaining, being the effluent ponds of the Riverland towns. We are working with those local councils to look at a better solution.

Indeed, as the member for Murray-Mallee would attest, we are working to remove the treated effluent that the E&WS is putting into the river at Murray Bridge. We can say to the rest of Australia that we are getting our house in order. We have now a commitment from one of the major dischargers, that is ANM, and I believe that this augurs well for the future negotiations and discussions right up the river and with other State Governments. Therefore, I would like again to congratulate the Opposition on the bipartisan support it has given to the Government and me as Minister.

The SPEAKER: Before I call for the next question, I remind Ministers that the ministerial statement procedure is available to them. The member for Fisher.

STATE BANK

Mr SUCH (Fisher): Given his powers under the State Bank indemnity deed, why did the Treasurer claim that he does not have the power to control the level of salaries paid to State Bank executives, and why did he allow the massive increases which have been revealed in the bank's annual report? The deed of indemnity between the board of the State Bank and the Treasurer, which was signed on 6 February, states that 'the bank must comply with any direction of the Treasurer whatsoever relating to . . . employment of personnel (including salaries and wages).'

The Hon. J.C. BANNON: The State Bank Act makes quite clear that the board has responsibility for managing the bank and laying down the salary levels.

Members interjecting:

The Hon. J.C. BANNON: I refer members to the debate that took place on the occasion—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: I refer members to the debate that took place when the Act was introduced into this Parliament, at which time that point was canvassed, and canvassed in some detail. In response to a question on that matter from the member for Hanson, I said that, in terms of remuneration of State Bank employees, flexibility is needed for individuals, and that is one of the points of a prescribed office; the basic purpose of the merged banks and the Act which empowered that was to allow it to operate in a commercially competitive sense.

That simply goes beyond what sort of services are offered. I think it goes to the way in which its chief executives and its managers are employed and the sort of package of remuneration that may be given to attract them or to retain them. It was made perfectly clear in that Act that the employees of the State Bank were not to be considered public servants or as part of the Public Service wage and salary structure. As such, the Government of the day, particular Ministers or the Treasurer, was not to have jurisdiction or responsibility in that area. Interestingly—

Members interjecting:

The Hon. J.C. BANNON: Members want to interject, because they do not like the way that this argument is developing. Interestingly, this was agreed to by the Opposition. Indeed, the honourable member who asked the question conceded about the need for confidentiality and that the bank must operate as a commercial undertaking. Indeed, he went on to say, 'I accept the Premier's explanation.' Suddenly it appears appropriate, because it suits the short-term political opportunism of members opposite, to turn that on its head and to say that as Treasurer I should be in there fixing the salaries of employees of the State Bank.

Well, there is no way I will do that. I am not qualified to do that job; I am not responsible for doing that job. It is a job that the board is charged with and it must exercise its responsibility. It would be a complete abdication of its responsibility to do anything other than that. If the Leader of the Opposition—or members opposite or even the honourable member who asked the question—thinks it is the appropriate role and function of the Government or the Treasurer to do that wage and salary fixation, let him say so. Let him not just ask questions about it: let him move an appropriate amendment to the State Bank Act which would ensure that that happened.

This indemnity question is continually being quoted. I have explained the structure of the Act and the philosophy behind my activity. The indemnity provisions are there to protect the Government's interest in terms of the work-out of the non-performing loans that are the subject of support by the indemnity.

Under that, the Government does have certain powers to ensure that our money is protected in terms of the work-out procedures undertaken by the bank, and that responsibility will be discharged. However, it does not go into the Government replacing the administration of the bank, supplanting the board and taking over responsibility in this area. The honourable member refers to the major leap in the salaries and wages bill and this structure of salaries. I presume that he is talking about the increase in numbers in particular categories of high salaries in the bank. If one compares June 1990 with June 1991, one sees certain increases of that kind. This reflects the fact that the additional cost of salaries and wages related to the United Bank,

to Pring Dean McNall, IBIS and Campbell Capital, all entities which have contributed to the group result for the first time in 1991. Their salaries and wages are included for the first time in 1991.

In conclusion, it is not my function to defend the salary structure of the State Bank. I have spoken to the Chairman about this matter. He assures me he has taken control of the issue and, indeed, proper assessment of appropriate salary levels is taking place and certain reductions in salaries have occurred and will occur. That is as far as I believe that both the Act requires me to go and indeed it is proper for me to go as Treasurer. I come back to the point that, if the purpose of the honourable member's question is to say that it should be the role of the Government to get into this area of detail, let him say so. Let him not do it with innuendo. Let him explain how and in what way the Treasurer of the State should handle this area of wage fixation and I would be happy to hear it. But, let him first clear it with his colleagues who voted unanimously for the Bill that set this matter in the Act, and particularly clear it with the member for Hanson, who took the lead in the debate and agreed totally that that was the appropriate way for the Act to be structured.

YACHTING REGULATIONS

Mr ATKINSON (Spence): Will the Minister of Marine say whether he intends to review yachting regulations with a view to implementing simpler, less interventionist rules, that are more consistent with Commonwealth regulations? I have been approached by the proprietor of Lincoln Cove Yacht Charter who claims that the Department of Marine and Harbors requires him to spend \$6 000 modifying each of the new Beneteau yachts that he imports from France. These yachts have already received survey certificates from the Bureau Veritas Classification Society, a certificate recognised in some Australian jurisdictions but not in South Australia. Our Department of Marine and Harbors requires a fresh survey of Beneteau yachts which Lincoln Cove Yacht Charter claims costs it \$2 000 per yacht.

Members interjecting:

The Hon. R.J. GREGORY: I thank the member for Spence for his question and appreciate the support he gets from members opposite. I hope that the member for Newland agrees that there should be no compromise on safety, nor should people's lives be put at risk when they go to sea. In our history as a seagoing nation, we have a number of wrecks around our shores in which a considerable number of people have died.

Mr S.J. Baker interjecting:

The Hon. R.J. GREGORY: I note the member for Mitcham's remark about that, and I understand his attitude to the lives of the people who go to sea. It is not something to joke about but something to be taken seriously. I have had extensive discussions with the principals of Lincoln Cove Yacht Charter and understand their views. However, I do not share their views on how boats ought to be used for hire in this State. I note that the member for Goyder wants us to have different laws in South Australia from the rest of the Australian States and to bend the uniform shipping law code that controls all shipping regulations in this State and provides safety for people. Very few people die in our waters, because this Government insists that safety standards be maintained.

If we follow the advice of some members opposite, more people will die at sea. The member for Goyder wants fewer standards and regulations and to put people's lives at risk.

I recall the honourable member some time ago asking the then Minister of Labour, Jack Wright, if he would relax safety standards in a Maitland engineering workshop so that it could stay in business. He wanted that company to be in a position to injure more people in a year than any other company and to be given an unfair advantage. He does not care about the lives and safety of people.

All States except South Australia regulate the operations of hire-and-drive craft, including bare-back boat charter. We intend to do that in the interests of safety, and we have had considerable discussion with people involved in this industry as we are moving to legislate to regulate this area. These regulations are based on the experience of other States as well as the laws that cover passenger-carrying yachts with crews. A considerable number of people hire out surveyed yachts, and their association has for many years complied with laws similar to those in the other States. I object to Lincoln Cove's proposal for lesser standards, and rightly so, and I should think that this would get the support of members opposite. I do not accept the view which essentially says that, because hire vessels do not have crews, they can have a lesser standard of safety; that just does not make sense. We will not compromise on safety: we never have, and we never will, because we value the lives of South Australians too much.

STATE BANK

Mr MATTHEW (Bright): Why has the Treasurer allowed the State Bank to avoid reporting its total off balance sheet exposures, including exchange rate and interest contracts, in its annual report, unlike reporting by other banks such as Westpac and ANZ, and how large are the State Bank's off-balance sheet exposures?

The Hon. J.C. BANNON: I am not aware that I have allowed the avoidance of certain reporting. The accounts certainly reflect a fair and true statement of the bank's affairs. Incidentally, as was mentioned at the time I tabled these accounts, more detailed accounts will be issued shortly according to accounting standard AAS24. The printed annual report available in October will contain additional information showing the effect on the balance sheet of consolidation of all entities controlled by the group.

The accounts tabled contain within the profit and loss statement the financial impact of any deficiencies in shareholders' funds or any loss in value and assets within these entities. Accordingly, the supplementary information provided in October will be a restatement of those. In doing so, the State Bank is ahead of any other bank of which I am aware in terms of its reporting procedures and compliance with that standard. At the time the report was issued it was made clear that further and supplementary information will be provided by October.

I had insisted on the State Bank having its accounts available in time for tabling with the overall State budget. I think that was welcomed; it was certainly welcomed by the market, by the community and, I would have thought, by members seeking to have maximum information. So, rather than waiting until October, that was done. Therefore, I do not understand the purpose of the honourable member's question, because it has all been set out in the statements already made.

JOBS RECOVERY PLAN

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Employment and Further Education inform the House

of his reaction to the 12 point plan drawn up by the ACTU with the aim of creating at least 125 000 new jobs each year? The House will be aware that the ACTU charter includes a provision to accelerate the reform of training and education in line with award restructuring, bring forward infrastructure development, ensure sustainable lower interest rates, and intensify micro-economic reform and workplace change. The House would also be aware that in June the South Australian Government announced a 12 point economic plan, which was designed to kickstart an Australian jobs recovery. In light of this, I seek the Minister's view on the ACTU's new policy.

The Hon. M.D. RANN: I am pleased that the ACTU has given its strong backing for a plan for a national jobs recovery, and I certainly endorse the general thrust of that plan. The member for Napier was right, because in June this year the State Government placed before the Commonwealth Government, other State Governments, employers, unions and welfare groups a similar 12 point plan for a national jobs recovery. We did so because we were concerned that jobs growth would lag behind other parts of the national economy when Australia moved out of recession and into recovery.

Importantly, the State Government's proposal was designed to kickstart employment growth without jeopardising Australia's low inflation levels or the Commonwealth Government's medium-term structural primary budget position. However, we made it clear at the time that the plan, while wide-reaching in its potential impact, was not a comprehensive blueprint for Australia's economic recovery. We maintained then, and maintain today, that this could be devised only through consensus agreement between Governments, employers, unions and welfare groups. That is why four months ago we called for a national employment summit.

I was pleased that the State Government's plan received wide support locally from every single group that put up its head—except the State Opposition. Some points were picked up in the recent Federal budget, that is, in relation to better targeting of Austudy and increased funding to labour market programs. Of course, there has now been a significant lowering of interest rates, which was part of that 12 point plan. Of course, we know that the State Opposition opposed the employment summit and the 12 point plan for recovery. In May this year the Leader of the Opposition even put out a phoney statement saying that there was unemployment of about 15 per cent. However, when we actually checked the details we found that he had Tasmania's figures. I understand that there is a problem in his office. By the way, I also support what the member for Adelaide says about his Leader.

At the time, I was disappointed that there was little positive reaction to the State Government's plan from the ACTU, so we are now delighted to note that the plan it has unveiled and ours follow similar intent, arguments and proposals. By way of example, in June we suggested bringing forward the commencement of infrastructure projects of national strategic importance and encouraging private investment in these projects by removing impediments and providing tax incentives. We talked about speeding up reforms to employment and training systems, and reviewing taxation policies and practices nationally that hinder employment development and/or skew investment into non-productive areas. We also talked about lowering interest rates.

It is still not too late for the Federal Government to act in terms of tackling comprehensively this tragedy of unemployment. Whilst I believe that the Federal Government

should have done more to prime employment recovery, it would be foolhardy for the Commonwealth to refuse to budge or to abandon any chance of a national consensus commitment to a jobs recovery. If a national consensus can be reached in coming weeks in terms of a jobs recovery, I believe that every effort must be made for its implementation.

POLICE CORRUPTION

Mrs KOTZ (Newland): Does the Minister of Emergency Services still believe that there is no widespread or institutionalised corruption in the Police Force?

The Hon. J.H.C. KLUNDER: What a strange question. Perhaps I can recap by saying that on no occasion do I recall having said that there was no corruption in the South Australian Police Force. I have always held that in any organisation of that size there will be some kind of corruption. I can only take the view of the Commissioner of Police on this matter. He is much closer to the situation than I am and he tells me that he does not believe that there is institutionalised corruption in the South Australian Police Force. That does not mean that from time to time we shall not get small groups of people getting together for a particular purpose. If the honourable member wishes to define that as institutionalisation, I guess she can have her definition and do exactly what she likes with it.

WAIKERIE SALT INTERCEPTION SCHEME

Mr FERGUSON (Henley Beach): Will the Minister of Water Resources advise the House when work will commence on the Waikerie salt interception scheme and when that project will be completed?

Members interjecting:

Mr FERGUSON: It affects my electorate.

The Hon. S.M. LENEHAN: I thank the honourable member for his continuing interest in matters which relate to the quality of water. I am delighted to inform the House that work on the Waikerie salt interception scheme will commence next month. The total cost of that project will be \$12 million. Indeed, it is hoped that the scheme will go into operation in 1993. The scheme, which is to be funded by South Australia, Victoria, New South Wales and the Commonwealth Government under the auspices of the Murray-Darling Commission, follows the completion of a similar scheme at Woolpunda. The scheme at Woolpunda is currently in operation and diverting 170 tonnes of salt per day from the river; in other words, 170 tonnes of salt that would normally arrive at the Murray River is now being intercepted and pumped to an evaporative basin.

The Waikerie scheme is part of some of the medium and short-term remedial action which the Murray-Darling Commission and Council are undertaking to decrease the salinity levels in the Murray River. The scheme will do that, and it will also enable the protection and rehabilitation of vast areas of prime agricultural land throughout the basin of the Murray River and its tributaries. The Waikerie scheme consists of a series of 17 bores to intercept the groundwater, which has a salt content of 60 per cent of that of seawater, and it will protect a 90 kilometre stretch of the river next to Waikerie.

ELECTRICITY TRUST

Mr LEWIS (Murray-Mallee): Will the Treasurer refer the principle of taking \$45 million from ETSA this financial

year, which is forcing ETSA to borrow \$16 million for its capital program, to the Auditor-General for his opinion? I note that in Financial Paper No. 1 and in the Auditor-General's Report the Government estimates that it will collect \$42.8 million from ETSA this year as a levy on electricity sales. In addition, it is taking \$45 million from ETSA which it calls a return on capital. But the Government has only \$110 million of capital in ETSA, which means that the effective interest rate on the so-called return is 41 per cent.

The Hon. J.H.C. KLUNDER: The honourable member plays with figures in an interesting way. He has in the past put out a press release indicating that there should be a 4 per cent real rate of return on ETSA. Indeed, the Deputy Leader at one stage put out a press release saying that there should be a 7 per cent real rate of return, and he was kind enough to clarify that by saying that it really meant 14 per cent. If one looks at the amount that the Government has received from ETSA, it does not come close to the 4 per cent real rate of return and it certainly comes nowhere near the 14 per cent that the Deputy Leader put out in his press release. We are now getting to a situation where the real rate of return is defined as being on \$110 million as distinct from the total net assets minus the total liabilities. That is really an interesting argument, but not one that I want to continue here.

QUEEN ELIZABETH HOSPITAL SECURITY

Mr De LAINE (Price): Will the Minister of Health indicate what protection is available to nurses who work in the Queen Elizabeth Hospital casualty unit? I have been reliably informed that nurses are at risk from drunken and violent patients who are brought to the hospital with injuries, especially during the night and in the early hours of the morning.

The Hon. D.J. HOPGOOD: I seem to recall that some time ago I answered a similar question concerning Flinders Medical Centre. It is a problem, and one with which we have to do all we can to mitigate. I am advised that the Queen Elizabeth Hospital has two medical orderlies on duty in the emergency service 24 hours a day, and that Wormald security guards patrol the grounds between 6 p.m. and 6 a.m. The charge medical orderly can contact them via a two-way radio. All members of the emergency service staff are to wear duress alarms from this week. These pager-sized units alert the charge medical orderly, who immediately sends out two additional medical orderlies and two Wormald guards when the latter are on duty. I am informed that there have been no untoward incidents recently, although there are always some abusive and occasionally aggressive patients (and visitors) in the department.

One would wonder why but, in fact, that is the experience around the world in accident and emergency, and alcohol, as the honourable member says, is clearly a contributing factor. It is anticipated that the duress alarm system will provide an additional sense of security for all staff working in the department. The honourable member would probably be aware that specific money was allocated in the last budget for security services at our hospitals. Perhaps members would be interested in knowing that security services already cost our major metropolitan hospitals more than \$1 million per annum. One approves that allocation a little grudgingly, but it is something that we have to do.

CRISIS CARE

Mr OSWALD (Morphett): Will the Minister of Family and Community Services say whether his department is

planning to reduce the hours of Crisis Care to a night-time only service and, if so, when do the new hours come into operation and why is this occurring when rising unemployment and recession are increasing the level of community problems? It has been put to me by several social workers that a decision has been taken to terminate the day-time operation of Crisis Care and transfer that role to the existing regional offices of the department. It has also been put to me by social workers that departmental offices are not staffed to be able to cope with the long interviews or the urgent and immediate follow-up action that is often required.

The Hon. D.J. HOPGOOD: The honourable member would be aware of the very fundamental restructuring that occurred within the department last year as part of the award restructuring exercise and, in some cases, that has meant that services that were delivered in a particular way are now delivered in a different sort of way. I believe that the honourable member will be in my office later this afternoon and we will be discussing just one of those situations. It does not necessarily mean that there is any reduction in effort: it simply means that different people or the same people are involved in a different way. As to the specific matter he raises, I will get some information for him.

ORGAN DONATION

Mr QUIRKE (Playford): Will the Minister of Transport say what the Motor Registration Division is doing to ensure privacy when renewing motor vehicle licence holders are asked sensitive questions pertaining to organ donation? A constituent has raised a question about this matter. A Motor Registration Division cashier asked him whether he was prepared to donate his organs in case of a fatal accident. The constituent made the point to me that a person may have many reasons for failing to complete that question on the licence renewal form and that, at a counter where other people are waiting for service, it is an inappropriate forum for the matter to be raised again.

The Hon. FRANK BLEVINS: I will have the method of asking this question examined to see whether it can be refined a bit. I point out to the honourable member and to the House that I believe it is extraordinarily important that this matter is drawn to the attention of every person applying for or renewing a driver's licence. That facility enables people to indicate that they have no objection to certain organs or tissue being taken from them in the event that, after their death, they would be useful to someone who is alive.

I agree that there should be no pressure on people to indicate that but, by the same token, I am a strong supporter of the issue being raised at that time. Of course, I will speak with the Registrar of Motor Vehicles to ensure that all staff are aware that when raising this—and I am very pleased that they do—they do it in a manner that in no way embarrasses the person applying for or renewing their driver's licence.

ABSENCE OF CLERK

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

That one week's leave of absence be granted to the Clerk of the House of Assembly on account of absence on Commonwealth Parliamentary Association business.

Motion carried.

The SPEAKER: I inform the House that, during the absence of the Clerk on Commonwealth Parliamentary

Association business this week, under Standing Order 24 his duties will be performed by the Deputy Clerk, Mr D.A. Bridges, and I have appointed Mr G.W. Thomson, Clerk Assistant, to carry out the duties of Deputy Clerk and Sergeant-at-Arms.

FAIR TRADING (MISCELLANEOUS) 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

This Bill introduces a variety of amendments to the Fair Trading Act 1987. The purpose of such amendments is to preserve uniformity with the Commonwealth Trade Practices Act and fair trading legislation in other States and other general purposes relevant to the Office of Fair Trading. The Fair Trading Act was proclaimed in 1987 and since that date has been under the administration of the Commissioner for Consumer Affairs. In her administration of the Act, the Commissioner has become aware of certain difficulties in respect of that legislation which now require amendment. The proposed amendment to section 22 concerns provisions on door-to-door trading. The present section 22 only allows cooling-off where offences have been committed against that section of the Act.

The proposed amendments widen the scope of cooling-off to allow cooling-off in the cases of non-compliance, including procedural non-compliance, which may not be regarded as technical offences under the relevant legislation but still compromise the consumer's position sufficiently that the consumer may wish to cool-off. It is proposed that recent changes to the Western Australian Fair Trading Act be used as a model for these amendments in keeping with the uniform legislation of South Australia, Western Australia and Tasmania. At the meeting of Consumer Affairs Ministers (SCOCAM) in July 1989 it was agreed by Ministers that door-to-door legislation be amended to provide consumers with the rights now expressed in this Bill. It is proposed to repeal section 39 of the Fair Trading Act. Section 39 is intended to prohibit the practices of offering goods for sale only on condition that other goods are first purchased. However, the Commissioner may give approval to this practice on the application of the trader. Of applications made to the Commissioner for Consumer Affairs, only one has ever been refused in circumstances which were entirely unique to its case.

As a precaution, the Commissioner proposes to monitor the effect of the repeal of section 39 once that section has been deleted. Section 58 of the Fair Trading Act incorporates the provisions of section 53 of the Trade Practices Act (Commonwealth) but applies the duties and obligations therein to persons rather than to corporations. Section 58 of the State legislation is intended to complement the Commonwealth provisions. In 1988 sections 53 (a) and 53 (aa) of the Commonwealth Act were amended to include the word 'value' after the word 'quality'. This effectively prohibited a corporation from falsely representing that goods and services had a particular value which they did not have.

It is now proposed to bring the Fair Trading Act in line with the Trade Practices Act so that these protections may also extend to consumers who are not corporations. The final amendment affects section 81 of the Fair Trading Act. Section 81 allows the Commissioner or a person authorised by the Commissioner to institute proceedings for breaches of assurances given under the Fair Trading Act. The proposed section 81 allows proceedings to be commenced on the authorisation of the Commissioner and thereby removes the administratively inconvenient situation of requiring either the signature of the Commissioner or a particular authorised person before important proceedings can be instituted.

Clause 1 is formal.

Clause 2 amends section 22 of the Act which deals with a consumer's right to rescind a contract in specified circumstances.

Paragraph (b) of subsection (1) is substituted. The effect of the new paragraph is that any contravention of or failure to comply with the provisions controlling door-to-door trading practices (Part III Division III) in the course of or in relation to the negotiations leading to the formation of the contract results in the consumer having a right to rescind the contract within six months of the date of the contract. At present such a right arises only if an offence against those provisions has been committed by a supplier or dealer.

Paragraph (b) of subsection (2) is also substituted. The current paragraph provides a consumer with a right to rescind a prescribed contract (defined in section 16 as a contract in respect of which the total consideration is not ascertainable or is above a prescribed limit) within six months of the date of the contract if there has been failure to comply with section 17 (1) which contains various requirements relating to the form of the contract. The new paragraph extends this right to where there has been contravention of or failure to comply with section 18—a provision that prohibits a supplier or dealer accepting any money or consideration, or providing any services, before the expiration of the cooling-off period.

Clause 3 repeals section 39 of the Act which prohibits conditional sales of goods or supply of services.

Clause 4 amends section 58 of the Act which prohibits false or misleading representation in connection with the supply of goods or services. The amendment extends the prohibition to representations relating to the value of goods or services.

Clause 5 amends section 81 of the Act which makes it an offence for a trader to act contrary to an assurance accepted by the Commissioner. The right to prosecute such an offence is currently limited to the Commissioner or a person authorised by the Commissioner. The amendment requires the commencement of proceedings for an offence against the section (rather than the prosecution) to be authorised by the Commissioner.

Mr INGERSON secured the adjournment of the debate.

SELECT COMMITTEE ON THE GULF ST VINCENT PRAWN FISHERY

Mr QUIRKE (Playford): I move:

That the time for bringing up the committee's report be extended until Tuesday 8 October.

Motion carried.

APPROPRIATION BILL

Adjourned debate on second reading.
(Continued from 29 August. Page 634.)

Mr D.S. BAKER (Leader of the Opposition): When I spoke to the no-confidence motion before the House some four or five weeks ago, I mentioned some famous names in Australia, names like Skase, Bond, Burke, Cain—

An honourable member: Elliott.

Mr D.S. BAKER:—and Elliott, and they are etched in the minds of all Australians. They have been at the helm of some of the biggest corporate and State collapses that this country has ever seen. However, just under two weeks ago someone else leapt right to the top. When the budget was handed down, the Premier of this State became the \$2 billion-plus man in the biggest State corporate collapse that Australia has ever seen. He has now become famous in that, and his name goes to the top of the pile. What this means is that now every man, woman and child in South Australia has a debt hanging over their head of \$4 524. This man, with his budget, sold his soul and put all the problems onto future generations in this State.

The tragedy of this is that, unlike all the people I have mentioned, some of whom have recently been sacked, have gone to Ireland or are hiding in the Mediterranean, or have found other traits and things to do in life, the Treasurer of this State is still here and still trying to convince South Australians that it was not his fault. His freewheeling and dealing, which has perpetrated this loss, is an absolute disgrace and should haunt him and every South Australian for a long time. He is the architect of 'South Australia Incorporated', whether he likes it or not. As he struts around the national stage, saying that we need more money for infrastructure costs, the absolute stench of SA Inc. follows him.

We have heard of the sleazy little deal which has just come to light concerning the pre-election issue and which was between SAFA, the Treasurer and the State Bank. We had all the pre-election promises, including things like free bus travel for students. However, it lasted only until this budget, when it was taken away again. It could not be sustained. He used such things to try to bribe his way into the election. We saw what was to be the magnificent Home-secure scheme, although that was in one day and gone two days after the election. It was just a vote-buying gimmick. Although it got Labor through the election, one notes that the Labor Party did not get even 50 per cent of the vote in South Australia. However, they remain the *de facto* Government in this State.

The Hon. T.H. Hemmings: You are sitting on just 20 per cent.

The SPEAKER: Order!

Mr D.S. BAKER: I will deal with the honourable member's interjection in a minute. What has happened in this budget is that the Premier has been unable and unwilling to take the steps that are necessary to put South Australia in a better position in years to come, and not in a worse position, as he has done. We are a proud and parochial people in South Australia. There are many people who say that we have the best State, and a lot of people work very hard to make South Australia a great State. All the pioneers who went out into the dry areas of the driest State on the driest continent worked very hard to better themselves and to make South Australia a great place.

In the past we have had Premiers who have run this State very frugally; in fact, they ran it so frugally that they were able to attract people to South Australia. With our taxes and charges they provided some incentive for people to

come here and to prosper. But what has happened now? We are a run-of-the-mill State. By any stretch of the imagination, all the things that South Australia has to offer are mediocre and like those offered by all the other States of Australia. Unfortunately, this is because of the State Bank disaster, which has been perpetrated by the Premier of South Australia, and it was because he did not have his finger on the pulse.

What has happened in this budget? The budget has put the responsibility for this whole problem onto the next generation. The Premier had three options when framing this budget: he could have cut expenditure, he could have increased taxation or he could have increased debt. The Premier wimped out. All he did was increase borrowings, and it was because he was not prepared to take the tough decisions that are necessary to get South Australia out of the mire. With the budget there is a real increase of 8 per cent in outlays, and they have now gone to some \$5.2 billion. There were no cuts in departmental spending.

With this budget the Government is going to borrow \$147 million a year for recurrent expenditure—or, putting that in a simpler way for members opposite, day-to-day operations—just to prop up this situation. This happened not only this year but also last year. This is like the householder going out and borrowing money for food and clothes for his family and also borrowing money to pay the mortgage on his house. Quite clearly, if that is not corrected very quickly, that householder will go broke. Quite clearly, if we do not correct the problems that we have in this State very soon, the level of taxes and charges will be at such a level that there will be no incentive for people to come and work and prosper in this State, and in future there will be no incentives for individuals to come to South Australia and do business.

Mr Ferguson: What about the goods and services tax?

Mr D.S. BAKER: I will get onto that in a minute. This budget has hurt ordinary South Australians. It has affected small business people and is forcing them out of business. It has forced up the charges for electricity, water, gas and petrol. A question was asked today and we said that the Premier has been milking institutions in South Australia for the last couple of years. He started off last year with the SGIC, when he milked \$27 million out of that organisation. Just look at the financial shape that SGIC is in this year. As the questioner said today, in relation to ETSA, the Premier has milked just over \$87 million out of ETSA this year.

What will that do for our electricity charges? How can we be competitive with the rest of Australia when the Premier is milking these financial institutions to try to prop up a failing budget with only increased borrowings. That is on the income side. Let us look at the expenditure side. The Premier has been running around beating his chest and the poor hapless Minister of Finance has been doing the same with regard to what he will do about GARG (Government Agency Review Group).

We have heard some quite fantastic ideas on what GARG will do. We are told that it saved nothing last year—nothing at all—but that it could save 1 000 public sector positions, such as FTEs, this year. I was very pleased with the Dorothy Dix question from a member opposite about Public Service numbers. The Premier put out a press release on Friday 5 June 1987, which in big headlines, stated, 'The Premier announces Public Service freeze'. The release contains a few very interesting statements by the Premier and states:

Mr Bannon said the freeze on recruitment would be indefinite and would begin immediately. The only organisations not subject to the freeze would be the State Bank and SGIC. Mr Bannon said these bodies have been exempt because they were commercially

orientated and only took on extra staff if their business activities justified it.

That is a pretty good statement for a start! What happened in 1989—election year? What happened to Public Service numbers? When the heat is on, the Treasurer is gone. What happened in election year was nothing to do with this freeze, this big announcement made by the Treasurer; the number of full-time equivalents in the public sector went up by 2 400. There was no freeze—the numbers went up by 2 400 FTEs. About 1 400 of those positions were in the State Bank or SGIC. We admit that and the figures show that, but it meant that in the two years since the freeze 1 000 extra positions were created in the public sector, on which the Premier said there was a freeze.

With this farce of GARG, all that the hapless Minister of Finance is doing now is ensuring that he gets rid of those extra 1 000 people who were put on during election year. The failure to control expenditure and financial management has put this State an extra \$2.3 billion in debt, and we now have real debt levels as we had back in the Dunstan era. SAFA has borrowed overseas an extra \$3.4 billion and has put this State in hock to foreigners to try to prop up the financial institutions.

It is about time the Premier went out to the people of South Australia and told them what is going on. He should go for a bit of a jog around the State; he should say how he will raise the \$220 million that he has to find to prop up South Australia. He should start off by jogging down to the Royal Adelaide Hospital and telling all the people on the waiting list how they cannot have elective surgery and apologising for that. He should say, 'It will take \$50 million to fix it but I'm sorry, you can't have it because I blew the bank'. He should wander down to his own electorate, see the schools in the District of Ross Smith and tell the parents, 'Sorry, I can't increase maintenance to schools because I blew the bank. Sorry, you can't have increased teacher numbers, because I blew the bank. Sorry, you can't get extra amenities, because I blew the bank.' He should go out to the shopping centres of the District of Briggs and talk to those people about law and order; he should tell them that, because he has blown the bank, the Police Force is undermanned and we cannot do anything about juvenile crime and graffiti. He should tell the member for Elizabeth about the problems in his district with the unemployed and in regard to child-care. He should have a good chat to the member for Elizabeth, because he is needed to keep up the numbers.

The Premier should then go down to Semaphore and tell the member for Semaphore about the problems down there regarding all the families living in poverty. The Premier should tell him that he cannot help them because he has blown the bank. They are the problems being faced by South Australians, and all because we followed the South Australia Inc. formula of this Treasurer. As one back bench member said to me the other day as we walked down the passage and in regard to South Australia Inc. 'With a berk like Bannon, we are sure to get the cane at the next election.' That is what they think about it on the benches opposite.

What would the Liberal Party do? I can tell the House. First the Liberal Party would not have got the State into this mess but, faced with the current situation, would have brought down a budget that would cut recurrent expenditure rather than capital expenditure. We would have dismantled South Australia Inc. and got out of all those fraudulent, illegal deals in which it has been involved. We would have reversed Labor's massive debt burden that has been put onto our children with a coordinated debt reduction strategy.

We would do it in two main, simple areas: we would have a full audit by an independent auditor of all the assets in this State under the auspices of the Auditor-General. We would then know exactly what assets we had. We would bring in three year forward planning so that our public servants knew where they were going, and so that departments knew where they were going and could plan forward. Such moves would be sensible, but I am afraid that this Treasurer will not take them on. Unfortunately, because of the fraudulent mismanagement that has gone on in this State, we will have to transfer some assets very soon and reduce the State's debt. This State, unfortunately, is bleeding to death and, unless someone has the guts to take some action—

The Hon. J.C. BANNON: Will you be specific?

Mr D.S. BAKER: I will be specific, if you listen. We must remove the risk of further calls on the taxpayers of South Australia, and to this end let me put down what we will do. The Liberal Party will transfer ownership of the State Bank from the public sector to the private sector. Employees will be offered preferential shares at a discount, and shares will then be offered to all South Australians. I hope, and I know, that South Australians value that instrumentality enough to take up those shares. The head office of the bank will remain in South Australia. The institution would then become accountable to the shareholders rather than to the non-accountable Premier. We will transfer the SGIC from the public sector to the private sector and, in the same fashion, we will offer preferential shares to the employees and then to all South Australians. That will allow SGIC to be properly capitalised and then be allowed to compete fairly with other insurers in this State. We will sell off the forests in South Australia by tender, retaining the land; the Woods and Forests Department will replant the forests when they are clear felled. We would honour all existing contracts for timber that have been entered into with the private sector.

There are some areas in which the Government is involved that have very little value at all, and I mention just two: the State Clothing Corporation and the State Linen Service. The poor, hapless Minister of Finance; he lives next door to the State Clothing Corporation and he cannot get even that to work, so he has not much hope of getting anything else in this State to work.

We will hand over management and ownership of those corporations to the employees at a peppercorn rental, and that will give those people the incentive to compete and to prosper. The Liberals will provide a public sector that the taxpayer can afford. We will return the ownership of the State Bank and the SGIC to hardworking South Australians so that those companies can become accountable to the shareholders and not be a burden on the taxpayers. We will lift the debt burden from around the necks of our children by paying off some of the debts of this State. We will stop borrowing to fund recurrent or day-to-day expenditure when bringing down the budget.

We will provide an incentive once again for the people of South Australia to live and work here. We will reduce current interest costs because, if we cannot pay off some of the State debt and reduce recurrent interest costs, we will never reduce our taxes and charges to a level that will provide incentive for people again to make South Australia great.

We will restore the pride in South Australia which so many people have built up in the past. We will do this as soon as the Premier has the guts to go to the people. Last week he said that the buck stops on his desk. Unfortunately,

he hand-balled it to the next generation to pick up the tab for the problems that he has got this State into.

Under this Premier there will be no jobs and no hope for future generations. When will the Premier stop defrauding the people of South Australia? When will he stop defrauding the families that have worked so hard in this State? When will he stop taking us once again through this marathon of misery through which he has been taking us for the past eight years? Please, Mr Premier, rid this State of its greatest failure: resign.

The SPEAKER: Order! Before calling the next speaker in this debate, I draw the attention of the House to the use of certain words. Words such as 'defraud' and 'defrauding' must be used very carefully. Any words that impugn or imply some action on the part of another member could be ruled out of order. The honourable member for Napier.

The Hon. T.H. HEMMINGS (Napier): I have spent 14 years in this Parliament and, since I have been here, this is the first time that I have seen an Opposition Leader trying to tell South Australia and the world how he will regain his hold on the leadership and, at the same time, provide the formula to save this State. He spent 19 minutes speaking which, if one really thinks about it, reflects his standing with the people: he has a 20 per cent approval rate within the community.

Mr BRINDAL: On a point of order, Mr Speaker, I thought debates in this Chamber needed to be relevant to the subject under debate, and I ask you to rule on this matter.

The SPEAKER: It being one minute into the honourable member's debate, I think we could allow some leeway for him to develop an argument. I take the point of order, and I ask the honourable member to keep his remarks pertinent.

The Hon. T.H. HEMMINGS: As I said, the Leader of the Opposition has a 20 per cent standing in the polls. His Party dictated that he should be allowed only 19 minutes to put the Liberal Party's case in response to the budget that was brought down by this Government. Last night on Channel 10 the Leader was seen trying to reassert his hold on the leadership. He was going to tell the people of South Australia how the recovery would happen under Liberal leadership. Today's *News* refers to the Leader as follows:

Mr Baker was expected to announce major initiatives on key issues as part of the Opposition's plans for South Australia's economic recovery. Sources said he would tackle State Government rip-offs.

In those 19 minutes, he did not talk about the recovery plan for the future until he had seven minutes left. With three minutes to go he stopped talking about the recovery and went off into cuckoo land with the rhetoric that we are used to hearing from him.

What will he do? In four minutes he served notice on the South Australian public that he would sell the State Bank to all his rich mates in the South-East. He would sell SGIC to the private insurers, sell all our forests and cut the Public Service. In those four minutes he did not tell us how he would do that, which of those public servants would go or how many policemen, teachers and nurses would lose their jobs. Every television channel was filming him, and tonight he will be on our screens and all those teachers, policemen prison officers and nurses will be asking themselves, 'Is it us? How will he do it because he spent only four minutes telling the Parliament about this?' Will he pay for it all by selling the State Bank? Will he pass over to the private sector, to his rich mates, the piggybanks of all those children who bank through the schools? I need more information on this matter as, I am sure, does the electorate of Napier, as well as my colleagues.

Mr Ferguson: And the press.

The Hon. T.H. HEMMINGS: Not even the *Advertiser*, which does so much to cushion the Leader from the wrath of the people of this State, would have the effrontery to accept a four minute explanation by him as to what he will do. I am sure, Mr Speaker, that your stomach turned when you heard those words, 'I will sell off the State Bank.' Mr Speaker, I am sure that people will be knocking on the door of your electorate office tomorrow morning demanding to know how and why the Leader should achieve this objective. I am sure many members will have a policeman, a teacher or nurse asking, 'Where do I fit into this new El Dorado that the Leader of the Opposition is offering to the people of South Australia?'

In picking up the Leader's remarks—and I know the Premier will ignore me—I would dearly like to go to the people of South Australia before the required time for an election and let the Leader of the Opposition explain to the people why he would do these things. Mr Speaker, you and I know that he does not have the guts to do it. We both know the speech he delivered was cobbled together by himself; he would not even trust his own minders because they have switched allegiance to the member for Bragg. He cobbled up this speech in the car on the way to the Parliament. I saw the look of shock on the faces of members opposite when he said that he was going to sell the State Bank. I will deal with some of the positive responses that I and I am sure other members will make to the Leader and Opposition speakers in this debate.

We have been talking about debt. The Leader of the Opposition gave us his crocodile tears with his shawl over his shoulders. He said that the pioneers of this country went out there and made this State great—I agree with that—and I have no problem with it—but he said also that the Premier and this Government have carried this debt on to future generations. So, I would like to dwell on debt.

The net indebtedness of this State, even with the impact of the Government's support for the State Bank, continues to enjoy acceptable levels. I am not making that up; I read that on the day that we heard this stupendous news about the Leader's popularity reaching a low of 20 per cent and the fact that this Government would have been returned to office if an election was held on that Saturday morning. I am glad that it was not, because I was doing some paving for my daughter and it would have been a bit awkward.

Rex Jory told us that our indebtedness is much less than it was when we came into Government, or when the Tonkin Government was in power, and even less than when Steele Hall was in power. Rex Jory understood that. We got a good deal from Rex Jory that day, but he started to back-pedal afterwards. Where do we stand now? The net debt per head of population in the Northern Territory is \$6 840; Tasmania, \$6 452; Victoria, \$5 908; Western Australia, \$4 555; and then we come to good old South Australia with \$4 524, after taking into account the \$2.2 billion recapitalisation of the State Bank under this Government's indemnity agreement with the bank. Without that amount, South Australia would be way up on the top of the list. Then we come down to New South Wales, which has a figure lower than South Australia's of \$3 317, and Queensland, \$1 512.

Those figures defeat what the Leader says when he alleges that the Government will transfer the debt to future generations. By good management over the years, by building up and supporting such organisations as the South Australian Financing Authority, with prudent investment, and by delaying capital works projects to the tune of \$195 million, this Government has been able to deliver a sound budget.

Last Thursday week, when the Treasurer introduced the budget, I had never in my life seen such a collection of

stunned mullets—they were flabbergasted. The yellow stickers came out. They were trying to find a chink in the Treasurer's presentation, but they could not find one. The only thing on which they could hang their hat was the one cent per litre increase in the price of petrol. We are still maintaining the differential between the different zones, so that, notwithstanding the price war, the constituents of my colleague the member for Stuart can still obtain petrol at a cheaper wholesale price. That was the only thing members opposite could find—a one cent increase in the price of petrol per litre.

Is it any wonder that, when the *Advertiser* polled 550-odd people asking them their views on not only the State budget but also the Premier and the Leader of the Opposition and on whether this Government would be returned after an election, we had the result that appeared the following day. I do not think that the *Advertiser* expected that result; I think it expected a somewhat different result, something that it could hang on its flagpole and then start giving out with some pompous editorials to the effect that it is about time this Government went. The Leader of the Opposition would have lived to fight another day, possibly for the next six months or so, but that did not happen.

One would have thought that the *Advertiser* learnt its lesson when it conducted the telephone poll in the seat of Elizabeth. It expected to come up with information that would have guided the member for Elizabeth in the way he should vote in a no-confidence debate. The people of Elizabeth showed prudence and a fair degree of intellect, for which the people in that area are famous, and they gave the clear message to the member for Elizabeth—not that he needed one—as to the way he should vote. I would have thought that the *Advertiser* would learn its lesson at that time, but it did not, and it held this recent poll which showed that the Leader of the Opposition has a 20 per cent standing.

If I were a member of the Liberal Party and I woke up on that Saturday morning, padded out to the front lawn and picked up my *Advertiser*—

Mr BRINDAL: I take a point of order.

The SPEAKER: Order! The member for Napier will resume his seat.

Mr BRINDAL: With reference to your previous ruling, Sir, the honourable member is now 12 minutes into his speech, and I fail to see what the standing of the Leader of the Opposition has to do with the budget.

The SPEAKER: That is a reflection on the Chair. The Chair has listened very carefully, and a lot of points have been made that are relevant to the budget. In a debate, of course one makes rebuttals. Those points were made by your Leader. I take the point that, at the moment, there is a little laxity in the honourable member's approach to the matter, and the Chair will listen to his remarks. I caution the honourable member on reflecting on the Chair. The honourable member for Napier.

The Hon. T.H. HEMMINGS: If I were a member of the Liberal Party, I would have padded onto the lawn and picked up my *Advertiser* feeling a warm, rosy glow. The budget has been delivered by the Treasurer, and members opposite all have their yellow stickers on the financial statement, the statement of account, expenditure, and social justice, and they are ready to go in and attack. They have Scrimber, the State Bank and SGIC under their belt, and they have all these other things going for them, and they are feeling rather rosy. They open the *Advertiser* and what do they see? They see that if an election has been held on that day they would have lost. They see also that the standing of their Leader is at the lowest it has ever been.

If I were a member of the Liberal Party, to be quite truthful, I would go out and cut my throat. Thank God, I am not a member of the Liberal Party. So, what did I do? I had an extra Weet Bix on my breakfast. Instead of two, I had three, and I had full cream milk—damn the skimmer. I celebrated that day. The attitude of the people is dead correct.

Today, we heard a 20 minute speech, four minutes of which was spent on telling us how the Liberal Party under the leadership of its present Leader would change the world. That was the Leader of the Opposition's total answer to the budget. What do we find now? He has delegated to the Deputy Leader the major thrust of their opposition to the budget. That is a joke! The member for Hayward has the right, but if he has the temerity to stand up twice on a point of order regarding my contribution, that of a mere backbencher—and I accept that—even before the Deputy Leader stands up I could have a ball about what he is going to say, but I know I cannot.

The figures that I read out to the House sum up what this budget and this Government are all about. We are about good management. There is not one other State in this great Commonwealth of ours that has over the years been able to turn around the net debt per capita as this Government has done. In nine short years we have reversed the debacle we inherited from the Tonkin Government and, even going as far back as the Steele Hall Government, we have reduced the net debt per head of population.

That can be summed up in two words—good management. The people of South Australia recognise good management. The people of South Australia know that what happened in the State Bank was wrong. They do not need politicians to tell them; they know that what happened in the State Bank was wrong. However, the people of South Australia also recognise what this Government is doing under its guarantee. The Government guarantees the funds of the State Bank. This Government put forward a rescue package that, in the first instance, took on concessional home loans and HomeStart loans. SAFA purchased those, and that enabled the money to go into the State Bank. The second time, when the complete non-performing loans area was identified, the money came from the South Australian Government Financing Authority because of prudent investment over the years.

The people of South Australia might not be the sharpies or the silvertails of the kind with whom the member for Adelaide drinks and sups, but they recognise that the Government is saving their bank. The State Bank is their bank. It does not belong to anyone else; it is their bank. It is the bank with which they saved when they were at school; it is the bank which gave them their first chance of home ownership. The people of South Australia saw that what the Government did in February and what it is doing in this budget is saving their bank.

What are they to find out tonight on the 6 o'clock news? The old flower seller over there, the Leader of the Opposition, is going to sell off the State Bank to his rich mates. I know that you will not be fooled, Sir, and let not the people of South Australia be fooled by this idea of selling it off to the private sector and letting the people of South Australia buy shares. That is a smokescreen. Members opposite will sell off the bank to their rich mates, and they will sell off SGIC to their rich mates in the insurance business.

I have faith in the people of South Australia and in the commentators who will expose this four-minute five point rescue plan for what it is. It is a shonky deal cobbled together on the trip from the South-East to Adelaide. The

people of South Australia will reject it. They will reject it now and they will reject it at the next election.

Mr S.J. BAKER (Deputy Leader of the Opposition): The contribution by the member for Napier epitomises everything that is wrong with this Government: it is tired, lazy and simply does not care about the people of this State. This budget is the culmination of a series of events which have brought financial disaster to this State. These events have brought dishonour and bankruptcy to one of our finest institutions, irreparably damaged our credentials at home and abroad and destroyed people's faith. The budget represents a cop-out. It is an abdication of responsibility. It is a dishonest and cowardly attempt to distance the Premier and the Government from the damage inflicted by the State Bank, the State Government Insurance Commission, Scrimber and all the others.

Under the prevailing circumstances it is appropriate to dust off the white feathers and ready the yellow paint for a special presentation ceremony to the Premier. The Premier knew that, if he took hard decisions in keeping with the economic difficulties that we face, the real impact of his culpability and the crash of the State Bank and SGIC would become apparent. People would quite rightly blame him for increases in taxes or reductions in services. In a stunning admission of incompetence, cowardice or sheer gutlessness, the Premier has heaped the problem onto future taxpayers—our children.

Those who were here in 1982, or who read *Hansard*, may well remember that the Premier, then Leader of the Opposition, responded to the 1982 Tonkin budget. I will quote from that response when he was Leader of the Opposition, prior to gaining Government. He said of the Tonkin budget:

... it is as relevant to the problems of the 1980s as those documents were to what followed in the 1930s. It has no new ideas. It has no strategy for overcoming our problems. It presents no comprehensive plan for growth and development in South Australia.

In view of what we have before us today it would be entirely appropriate for the people of this State to wash out the Premier's mouth with carbollic soap. In his budget response of 31 August 1982, the then Leader of the Opposition said:

Where are the policies to stop small business bankruptcies, which are standing at record levels—small business which is universally recognised as being an area with enormous potential to create jobs?

Those business failures are insignificant in comparison with those prevailing today, and I will speak about that later. The then Leader of the Opposition went on to say:

South Australia needs a new direction. It needs a Government willing to accept its responsibility to give a lead to the community.

That is what the Premier, then the Leader of the Opposition, said in 1982. On reflection, the people of this State have the right to wash his mouth out with sandsoap. The only direction that he has given is to encourage all South Australians to book up their debts on Bankcard or to extend their mortgages, consistent with the measures adopted in this budget.

The big difference is that Premier Bannon is relying on our kids to pay off his debt. I intend to pursue this further, but before doing so it is appropriate to review the tenuous assumptions behind the budget against the prevailing economic conditions. The Treasurer intends to spend \$5 200.4 million dollars in 1991-92, or \$387 million more than he did last year when net outlays were \$4 813.6 million. This represents a massive 8 per cent increase in money terms and 3.9 per cent in real terms. This is a time when all other areas are subject to enormous constraints. The spending increase is being financed by the generosity of the Com-

monwealth Government which is increasing its grants to South Australia by 2 per cent in real terms, by State taxation which is estimated to increase by 8 per cent in real terms and a 48 per cent (43 per cent real) greater contribution by the South Australian Government Financing Authority. In addition, the Government estimates that it will be necessary to borrow a shortfall of \$330 million.

There are some remarkable items in the budget that should be noted. First, the \$2.2 billion State Bank bail-out package does not feature directly, because it is being financed through SAFA. The interest component of \$220 million is, however, represented. Strictly speaking, the deficit or net financing requirement this financial year is not the \$330 million as shown, but \$1.6 billion. That is the real net financing requirement, the net deficit figure for this budget. That is made up of Treasury borrowing \$1.3 billion to meet the State Bank's bad debts and another \$330 million to 'balance the budget.'

It would be impossible to recall in any Australian jurisdiction, State or Federal, Labor or Liberal Government, a worse financial result per head of population in the history of this country, and that is going back to the days of the first settlements. This comes on top of a real deficit of \$1.3 billion for last financial year—itsself a record—comprising a net financing requirement of \$359 million and a State Bank bail-out of \$970 million.

Two years in a row Treasurer Bannon has achieved the record for the worst financial management in this country's history. Praise has been heaped on SAFA as the saviour of the Government. It almost appears as if it can make money at will to rescue the Government from sticky financial situations. Whilst the Opposition will agree that SAFA plays an important role, as intended when introduced by Premier Tonkin, it does not endorse the highly questionable manipulation of money by its principals, presumably under the Government's direction.

A critical input into this year's budget is the \$400 million from SAFA. Without the additional \$130 million from this source the Government would have been forced to apply itself to achieving real efficiencies within the Public Service, perhaps productivity improvements of 3 per cent or a still larger deficit backed up by further borrowings. Treasurer Bannon found both of these solutions unpalatable and brought forward capital gains by selling off valued assets from last year's SAFA result, which should have been utilised to reduce last year's borrowings. Members will note that the 1990-91 budget outcome was \$99.1 million worse than expected. I will speak a little more about that later.

Among the factors affecting the result was the unbudgeted cost of \$52 million in interest on the borrowings for the first State Bank bail-out package and a recurrent blowout from \$37 million to \$116 million. Here is the critical point: in order to raise the \$970 million, SAFA was required to sell a large slab of interstate semi-government securities. These securities had been purchased at a time when interest rates were much higher than those prevailing today. I am informed that the capital gain on those shares when sold was about \$93 million. That on its own would have eliminated the need for the extra \$99 million borrowing to prop up last year's budget.

After all, it was the additional interest requirement that contributed to the shortfall. Other capital gains were made when gas shares were sold and these, too, were held back for this budget. The real problem with SAFA is that only a handful of people within the South Australian Government actually understand how it works. Certainly, the Premier is ignorant of what makes it tick. His only interest lies in its capacity to produce money when needed. It might even be

suggested that there are parallels between SAFA and the State Bank.

The Premier has consistently adopted an 'I do not know' stance in respect of the State Bank, and I suspect, given the quality or perhaps the lack thereof of his answers to the Parliament about SAFA, he has not bothered to acquaint himself with the SAFA financing arrangements, just as it appears that he has made no attempt to really acquaint himself with the State Bank financing arrangements. That should be of extreme concern to all South Australians.

Returning to the issue of the SAFA surplus, the Treasurer can be accused of cooking the books because normal accounting practice would have required that the surpluses generated during 1990-91 should have been brought to account during that year to offset shortfalls in other areas. Alternatively, SAFA should have sold less of its high yielding assets, just sufficient to meet the State Bank obligation. However, I sound a word of warning: assets should never be sold to finance recurrent expenditure. SAFA is in danger of becoming a milt cow, with limited prospects for objective assessment and appraisal, because of its intricate and highly complicated financial dealings. Its accountability must be under question.

Further evidence of the way the Government is using SAFA—to hide the truth—is seen in the large loans to institutions such as SATCO, the Woods and Forests Department, the Central Linen Service, Enterprise Investments, the clothing factory and others, which have been converted to equity because of an incapacity to repay debt. These loans-cum-shares remain in the books as asset backing for very large borrowing programs. They are listed as assets, and one must be concerned about the real asset backing of SAFA in the circumstances. Of further note in this examination of the \$400 million contribution by SAFA is the extent to which SAFA's liabilities have exploded. The SAFA report shows borrowings of \$10.5 billion at 30 June 1990 and \$13.9 billion at 30 June 1991—in other words, a whopping 32 per cent increase. We are yet to be told why, and that leads to particular speculation.

The very best construction is that the Premier really did know of the extent of the State Bank disaster and instructed SAFA to get back into the marketplace and raise more funds. A more questionable reason for this surge of activity is that there are some problems with SAFA's assets, particularly its loans, and that it is attempting to trade itself out of the dilemma by generating more income from trading at the margin. There is no evidence of that but, when the finances are very complicated and known to but a few, the question remains.

Irrespective of the reasons for more borrowings, the fact remains that half of the extra funds raised have come from overseas. At 30 June 1990 overseas borrowings amounted to \$2 billion, compared with \$3.4 billion this year. From a national point of view the Treasurer's determination to increase our overseas debt when we in net terms as a country owe the rest of the world \$135 billion must also be of great concern. Alternatively, if the overseas borrowings are retained in the country of sourcing for trading purposes, the trading margins after the loans are secured for currency fluctuations and may well be insufficient to compensate for the risks involved. Given the pivotal role played by SAFA it would be entirely appropriate for the Premier to respond to this issue in his reply. We would like some answers from the Premier and would hope that the quality of his answers will be much improved on previous efforts in relation to the State Bank.

To settle the unease that is developing, the Premier must table SAFA's 1991-92 budget projections. Analysts are ask-

ing whether any rabbits remain to be pulled out of the SAFA hat next year. Another issue of importance is whether the lack of contingency provision is a competent piece of accounting or whether it represents a gigantic fiddle. Last year the Treasurer provided \$126.6 million for unexpected events, particularly unbudgeted salary increases. We know from the budget papers that \$96 million of that contingency was used on unbudgeted salary increases. In hindsight, we would conclude that he did not provide enough. The budget shortfall was \$99.1 million. Clearly, without a contingency provision the budget shortfall would have been \$225.7 million. This suggests that the Premier is a supreme optimist attempting to mislead the Parliament or else strategically placing himself to resist any demands for an increase in salary or superannuation contributions this year. To me, it is obvious that it is a combination of all three.

The Opposition supports the Treasurer's endeavours to save money, but we cannot condone the cheating with respect to this item. The credibility of the budget is highly suspect because there is no provision for any unexpected events leading to increases in costs or a shortfall in revenue. This leads me to the next point: revenue estimates appear to be optimistic. The budget documents suggest that the tax take will increase from \$1 333 million last year to \$1 488 million this year, which is an increase of 11.6 per cent.

This increase has been predicted in what are likely to be the worst economic circumstances since the Second World War. It will be a year of negative growth. Unemployment will continue to rise over the next few months and it is unlikely that the high unemployment situation will improve much before March next year. One of the first signals for a sustained improvement in employment is the level of investment in plant and equipment, but there is no upward movement in investment in plant and equipment. Indeed, there has been a fall of 20 per cent here in South Australia. Any injection now will take another six months to produce an uplift in jobs.

The Premier should not be at all shy about this situation, given the key role he played in supporting the Hawke-Keating high interest rate policy. Let us give credit where credit is due. No person in the history of this State has been as effective as he has been at destroying small businesses and wiping out the livelihoods of hundreds, in fact thousands, of hard working families. There is a sick story circulating at the moment and the question is asked, 'How do you establish a small business in South Australia?' The answer is, 'You start with a large one.'

The only people who would be happy with the Premier's performance would be that small group of people actively avoiding work, because they no longer have to make the attempt to look. The Premier normally provides an unemployment estimate upon which the budget has been formulated. This year he has failed to provide one, presumably because it will confirm record post World War II unemployment levels. I trust that he will remember all his past statements about unacceptably high levels of unemployment, particularly his vitriolic attacks on the previous Liberal Government.

I ask members to go back through *Hansard* and check the record for the time when the now Premier was Leader of the Opposition and for the years that followed when he was Premier of this State. One will note on how many occasions he took great delight in looking at the record of the Tonkin Government with regard to unemployment. At least Premier Tonkin had a good excuse: there was a world depression and the worst drought that this State has seen since World War II. Premier Tonkin can take solace in the fact that he did not play any destructive part in the eco-

nomic downturn, unlike the Premier who so capably supported the very policies that are tearing apart this State—and not only the State but the whole country. In view of the problems facing the State this year, it appears that there will be a significant shortfall in revenue, despite the fact that some of the increases represent the full year effects of the tax orgy on businesses contained in the last budget.

Members will recall that in the 1990-91 budget there was an increase of 18 per cent in taxes mainly falling upon businesses. I seek leave to insert in *Hansard* a purely statistical table.

Leave granted.

TAXATION INCREASES

Taxation is expected to increase by \$154.5m or 11.6 per cent, major changes (over \$5 m) being:

	\$ m
Casino and video games	+ 7.8
Lotteries	+11.3
Payroll tax	+38.9
Debits tax	+17.1
FID	+22.7
Stamp duty	+25.6
Petroleum excise	+15.8 (rate up)
Tobacco excise	+15.7

Mr S.J. BAKER: This small table identifies those areas where taxation increases of over \$5 million are expected this year. Almost \$20 million extra is expected from gambling revenue, and that does not compute with recent experience. Given the continuing deterioration in unemployment, the payroll tax figures appear to be a little high, taking account of the fact that an additional \$77 million was collected in 1990-91, with a reduction of \$4.9 million due to the rate decrease and the expectation of an extra \$38.9 million.

The most optimistic of the estimates is for stamp duties, which have continued to fall since the record 1988-89 year. The collection of an additional \$25.6 million this year, even with the full year effects of the CTP insurance levy (another way of taxing SGIC) is just not on. Even some of the smokers will give up and so reduce the Government's extra excise take below the extra \$15.7 million predicted. FID and debits tax increases are on the high side of conservative. A small increase has been predicted for liquor licence fees, but it would be more reasonable to assume a return lower than that last year, given the difficulties that many of the hotels face in paying their licence fees.

Whether we look at gambling, payroll tax, stamp duty or tobacco excise, it is my opinion—and it is shared by a number of people who have looked at the budget—that the revenue estimates are overly optimistic. This is against a background of no contingency allowance and space in which extra increases can be accommodated.

Little need be said about the massive increase in infringement revenue. The Government is expecting to collect an extra \$13.3 million or almost double last year's efforts. That, too, may be overly optimistic unless it devotes more police to motorist harassment and fewer to combating crime. All up, I would expect the budget deficit to be higher than predicted by \$70 million to \$90 million, provided another disaster does not occur, in which case it would be even higher. Those who expected a significant effort to increase productivity in the public sector and to eliminate useless functions this year will be sadly disappointed. GARG did not achieve savings last year. The 'tough' expenditure cuts of \$195 million this year are largely illusory. In fact, only \$27 million is expected to be saved, the remainder being attributable to the slashing of capital and infrastructure expenditure.

The document also assumes an inflation rate of 2.5 per cent compared with 3.5 per cent in the Federal budget. We all know that the inflation rate in South Australia was higher than the national average, yet the budget predicts a lower level. Net capital expenditure will decline from \$508 million to \$408 million. We must remember what the Premier has said on the national stage. He has asked for the national Government to increase infrastructure spending to give a boost to the economy, yet here we have a prime example of a Premier slashing his own capital expenditure to shore up a shaky revenue budget.

Where does this leave us? We have a document which is substantially flawed in many of its assumptions, which is dishonest in its intent, which borrows record amounts and which displays little or no effort to come to grips with the real challenges facing this State. The Premier should have resigned over SGIC, over the second bail-out of the State Bank, over Scrimber, over WorkCover and over this budget, which is deliberately misleading and downright dishonest.

I now turn to a more in-depth analysis of the budget changes. First, I refer to the issue of borrowing to sustain the recurrent revenue. I invite members to read with interest the Premier's budget reply speech of 31 August 1982. He expressed great reservations about capital borrowings being used to sustain recurrent expenditure. He thought they were causing problems for future Governments. Applying the same yardstick, how can he possibly explain the fact that this year he plans to borrow \$147.2 million to fund the recurrent deficit. This compares with an accumulated bill of \$141 million over the three years of Premier Tonkin. I ask members to make the comparison; the then Leader of the Opposition was abusing the then Premier Tonkin for borrowing \$141 million against current budgets over a three year time frame and in this case the Premier has managed it all in one year—\$147 million. How can the Premier stand up in this House and say that he has made every attempt to satisfy the needs of a very important budget? I seek leave to insert in *Hansard* a purely statistical table.

Leave granted.

CONSOLIDATED ACCOUNT OVERALL POSITION

	1990-91		1991-92
	Estimate (\$ m)	Actual (\$ m)	Estimate (\$ m)
Recurrent Operations			
* Receipts	4 616.8	4 594.2	5 071.7
† Payments	4 654.1	4 710.4	5 218.9
Deficit	-37.3	-116.2	-147.2
Capital Works			
* Receipts	334.3	321.6	311.5
† Payments	557.0	564.5	494.2
Shortfall	-222.7	-242.9	-182.7
Borrowing Requirement to Fund			
Recurrent Deficit	37.3	116.2	147.2
Capital Works	222.7	242.9	182.7
	260.0	359.1	329.9
Borrowings from			
* SAFA	266.3	365.5	326.3
* Commonwealth Government	3.7	3.6	3.7
	270.0	369.1	330.0
Consolidated Account			
Cash Surplus	10.0	10.0	0.1

Source:

* Estimates of Receipts 1991-92—page 7

† Estimates of Payments 1991-92—pages 5 and 7

Mr S.J. BAKER: The table shows that Premier Bannon also indulged in this practice last year when the Bill was

\$116.2 million. The table clearly shows that Premier Bannon is borrowing more rather than less to sustain recurrent revenue, and we know how dangerous that can be. The Premier is clearly responsible for double standards. As the Leader so eloquently put it, what the Premier is doing is equivalent to a household borrowing to buy the milk, the bread, the cheese and the petrol, and paying off the mortgage. We know what a disastrous effect that would have on a household; it would be finally overcome with debt and destroyed. In this case, of course, debts mount as do liabilities and interest bills and, whilst the Government may not be bankrupt, it eventually needs to resort to massive increases in taxation, and that will destroy more and more businesses and households in this State.

I wish to continue the budget analysis and look at the elements of backdoor taxation. I ask members to cast their mind back to the Electricity Trust of South Australia asset sales. Members will recall that in the 1987-88 budget the Premier proudly announced to the Parliament that he had sold off our power stations and turbines to the Japanese and that they were being brought back on stream under a lease-back arrangement. The Premier tried to explain to the Parliament and to the people that it was purely a money transaction and that it was in the best interests of all concerned because cheap money was available. We all knew that it was another device to get around the rules. The rules provided that there was a limit on the borrowings in which any State Government could indulge. So, the Premier decided to get fancy with his finance and to negotiate this arrangement with the Japanese.

An honourable member: It was a defeasance.

Mr S.J. BAKER: Yes, it was a defeasance of liabilities of \$543 million and lease financing arrangements involving Northern and Torrens Island power stations resulting in an up-front financial gain of \$53 million. According to the Premier, that was appropriate, because he finished up gaining almost half that amount for Treasury purposes. Of course, it was even better when the liabilities did not occur in the balance sheet because they were regarded as back-to-back assets, thus the liabilities associated with the loan were offset by the cash that had been generated in the process. In the past, the Treasurer has indulged in doubtful schemes, schemes on which the doors would close quickly when the then Federal Treasurer discovered that the rules were being flouted. They were good rules, because they sought to reduce our exposure to overseas debt and required State Governments to be far more responsible.

In this latest scam, the Premier is in the process of taking large sums of money out of the Electricity Trust of South Australia to shore up his budget. Of course, the outcome is that the consumers of electricity will be the major losers. I remind members, as has the Leader of the Opposition and the shadow Minister of Mines and Energy (the member for Murray-Mallee), that what the Premier is taking out of ETSA is the sum of \$87.8 million, comprising \$42.8 million levy on sales and \$45 million return on non-repayable capital. Members should cast their mind back to understand that the \$110 million of non-repayable capital was a loan that was converted to that form earlier. Of course, the whole deal is quite shonky; it was in that form so that the Premier had some means of going in through the back door to extract more money from ETSA—more than Treasury was entitled to. So, it created a debt under what I can only assume was considerable pressure.

If we look at the \$110 million of non-repayable capital, even the most optimistic—or pessimistic, depending on who was doing the estimating—will see that the highest interest rate cost we could associate with that sum would be \$15

million. Therefore, the Premier is gaining a \$30 million premium on this non-repayable capital. Worse still, the Electricity Trust is being forced to pay its contributions by borrowing. It is a matter of creative accounting; it is a matter of debt capitalisation; and, again, it is a matter of milking the Electricity Trust to prop up the budget.

If members refer to the SAFA document, they will find that the Electricity Trust of South Australia owes SAFA \$337 million. What has not been outlined in that document is the extent to which SAFA uses ETSA's cash surpluses, some of which were generated as a result of the defeasance deal of 1987-88. So, SAFA gets it both ways: it gets it from the front end in terms of the interest on the loans where it takes a margin, and it gets it from the back end where it uses ETSA's money on the money market, taking a cut. It is creative accounting. ETSA would never involve itself in such devices, because it just adds to the enormous burden it is facing as a result of the interference of the State Government in the form of SAFA and Treasury.

It is interesting to note that, in order to avoid taxation of a superannuation fund, the Electricity Trust of South Australia is required to pay \$56 million in superannuation into Treasury this year. I wonder about that because, first, the figure has doubled on the previous year's contribution and, secondly, the matter of superannuation is the subject of some difference of opinion between the State and Commonwealth Governments. In fact, the Commonwealth Government is challenging the State Government's right to absolve itself from paying some of the taxation on superannuation funds. I have many concerns about the way in which the Government is dealing with the Electricity Trust. We know who are the major losers: they are the consumers of electricity, the consumers who live next door to every member in this House, because everyone has to pay the bills. The businesses in this State, which are trying to compete under difficult circumstances, are also paying much higher electricity prices because of the intervention of the Government.

This year the Engineering and Water Supply Department has made a maiden contribution of \$8.8 million. I believe that is a new source of revenue for the Government. If we look at the changes in the rating system in South Australia, we can well understand what the Minister and the Government have been on about. We do have a new property tax—some call it a land tax, others call it a wealth tax—

An honourable member: Some call it water rates.

Mr S.J. BAKER: I think the Minister actually calls it water rates. That is a joke. We know where it is headed; it will be another area in which the Premier and Treasurer of this State will use and abuse the system and increase the capital surcharge to prop up a very indifferent budget performance.

Of course, the story does not end there. The Pipelines Authority of South Australia and the Urban Land Trust are also kicking in some extra money this year. We find that PASA, which made a profit of only just over \$2 million last financial year, is required to put in \$5 million this financial year. No indication has been given as to its capacity to afford that sort of impost. The Urban Land Trust, which has considerable reserves, is required to chip in an extra \$2 million to increase its contribution from \$6 million to \$8 million. It would be wrong of me not to look at the backdoor taxation arena—the massive increase in charges.

Members will well recall that fateful day of 27 June 1991 when all the Ministers fell over themselves attempting to get as many increases in charges as possible into the *Government Gazette* on the last day before the end of the last financial year. Members do not need to be reminded that

there were over 800 increases in charges, and that was the most extraordinary effort ever seen in the history of this State. Many of them were below the expected rate of inflation, but some were not. I draw members' attention to imposts such as fishery licence fees, which increased by 50 per cent; water and sewer inspection fees by 30 per cent; registration deeds, 25 per cent; and mortgage registrations, 25 per cent. They are all taxes—I call them taxes—that affect the people out there who are trying to survive in difficult circumstances. They are taxes, not fees for services, because they do not reflect the cost of providing services.

On top of those charges the rental of meters was increased as well as meter testing fees. Cremation permit fees—taxing the dead—increased from \$5 to \$20. Liquor licensing fees increased from \$6 to \$20; builders' licence fees by 16 per cent; and rural property fees by 25 per cent. All in all, it was an outstanding taxing effort by the Premier and his Ministers on the last day of the financial year, so that most of these increases could take effect as soon as possible.

I turn now to the issue of State indebtedness. As has been pointed out on a number of occasions, the Premier has bankcarded the problems of the State Bank. I seek leave to insert in *Hansard* a further table that is purely statistical.

Leave granted.

South Australian Public Sector Net Indebtedness
1949-50 to 1990-91

	Money Terms	Real Terms (a)	Per Head of Popu- lation (real terms basis) (b)	As Per- centage of Gross State Product (c)
As at end of:	\$ m	\$ m	\$	%
1949-50	284	4 366	6 154	61.2
1959-60	753	6 484	6 859	56.9
1969-70	1 476	9 241	7 980	49.6
1979-80	2 246	4 979	3 806	23.7
1980-81	2 400	4 833	3 664	22.9
1981-82	2 604	4 657	3 499	22.8
1982-83	2 952	4 865	3 615	23.5
1983-84	3 285	5 051	3 714	21.6
1984-85	3 431	4 992	3 641	19.8
1985-86	3 707	5 016	3 628	19.3
1986-87	4 046	5 105	3 661	19.8
1987-88	4 004	4 683	3 326	17.8
1988-89	4 165	4 468	3 136	16.4
1989-90	4 310	4 429	3 078	15.4
1990-91 (adjusted) (d) (e)	6 642	6 642	4 568	23.3

(a) Real terms adjustment based on the non-farm Australian Gross Domestic Product deflator rebased such that June 1991=100.

Source: Australian Bureau of Statistics (Cat. Nos 5206.0 and 5204.0).

(b) Population figures as at June each year.

Source: Australian Bureau of Statistics (Cat. No. 3101.0). A Treasury estimate for June 1991 has been used.

(c) Gross State Product at Market Prices (Treasury Estimates).

(d) At the time of preparation of this table not all the accounts of State semi-government authorities had been finalised: accordingly some estimates have been used.

(e) Adjusted for significant post balance day events, in particular further payments to State Bank under the Government's indemnity arrangement with the bank.

Mr S.J. BAKER: This table taken from the Premier's budget shows what has happened to public sector net indebtedness between 1949-50 and 1990-91. One of the few true statements in this House has been the fact that our net indebtedness is not as high in real terms as perhaps during the Dunstan years, for example. There is a very good reason for that; it is because we were providing infrastructure and the capital upon which this State's development has been based. Wharves, roads, bridges, hospitals and all those things

that are important in a developed country, all those items of infrastructure that make our life more comfortable and allow us quicker access from one place to another, were provided from borrowings. Whether those borrowings were made prior to the Second World War or during the Playford or Dunstan years, they were put to good effect.

Capital works such as our sewerage and water systems, reservoirs and airports, were built from borrowings to provide the basic infrastructure of this State. This is the sort of development through which every country in the world has gone. During a period of unparalleled growth and prosperity, it was absolutely appropriate that we should provide the basic infrastructure, the means not only for better living but for better production. I do not in any way feel ashamed of the way in which this debt built up in the State from the years 1949-50 to 1980-81, because it was built on productive effort. However, recent events tell a different story.

Let us be quite clear: between the years of 1989-90 and 1990-91, in money terms the State debt increased from \$4 310 million to \$6 642 million, an increase of \$2.33 billion. What do we have to show for it? Do we have one road, one reservoir, one hospital or one airport? Have we anything to show for the \$2.33 billion extra that has been added to the State debt? Of course, we have not. So, we have put ourselves into hock for that extra sum which will have to be serviced by an interest payment, without the repayment of principal, of \$220 million a year, year after year, decade after decade, until either it disappears because of inflation or the State—

Mr D.S. Baker: Goes down the gurgler.

Mr S.J. BAKER: —goes down the gurgler, as the Leader of the Opposition says. So, there is a huge task—to overcome the massive burden that has been placed on this State by the Premier. The Premier seems quite comfortable blithely explaining away that the State is in debt to the tune of \$6.64 billion. As the Leader of the Opposition has so eloquently said, that is \$4 524 for every man, woman and child in this State. The people are very angry. Why do not the Premier, members of Cabinet and backbenchers go out and talk to the small business people in this State and see what they think about this relatively good budget, as the Premier has described it?

We know that, on top of the high interest rate policies, this budget has destroyed many small businesses. Instead of giving small businesses relief, perhaps through payroll or land tax, we have now increased the burden and assured them that there will be no relief: in fact, there will be higher levels of taxation. It sticks in their gullet that these debts have been charged up on Bankcard. That was not available to small businesses. How many of those people who are now bankrupt were able to go to the bank and say, 'Just keep booking it up. I don't intend to repay it: I'll get someone else to repay it'? That is what the Premier of this State has done: he said, 'I'll make the debt—that's easy—and I'll let someone else pay the bills.'

So, all those proud people who worked the huge number of hours and who were destroyed by the Bannon policies, by the Treasurer's policies, whether they be high interest rates, WorkCover, payroll tax or a combination of things such as financial institutions duty, at least still had the desire to work hard and to get themselves going again. But here we have a classic demonstration of not only sheer incompetence but sheer cowardice, because the Premier of this State has not seen fit to come to grips with the problem, while these people have been forced to come to grips with their own financial problems.

Thousands of people in this State have found themselves in very difficult circumstances, not only the small business

people such as shopkeepers and those who have borrowed money to start a business but also the vast number of rural people who have served this State so well for so long and who have provided the income from overseas that has added to our standard of living. There has been no relief whatever for those people.

Of course, the possibility of relief has been diminished by this absolutely massive loss of \$2.2 billion. I ask every member on the other side to go and talk to accountants about the heartbreak being experienced by many of their clients, and they might find a number of people who have had to sell their house, who once were proud and had a good car in the driveway and a business of which to be proud, who are now in very necessitous circumstances. They may well find that a number of people who wanted to show that they could do something no longer make the effort, all because of the Federal Government's policies, supported by the Premier of this State and compounded by the final blow, the massive loss of the State Bank.

Why has the Premier heaped the disastrous result into 1990-91? That is a piece of creative accounting in itself. Obviously, the real result belongs in 1991-92, because some of the borrowings to bale out the State Bank relate to this financial year. The presentation of the budget suggested that the debt relationship and liabilities relate to the past financial year. That is to clear the books and is in keeping with the Premier's statement to the Labor Party conference, 'Let's not look at how we got into the problems: let's see how well we cope with them.' We know that he wants to distance himself as far as possible from the problems created by the failure of the State Bank, SGIC and all the others and that this is another smart way of putting it back to yesterday rather than dealing with the problem today.

What could we have done with \$2.2 billion and the \$220 million that will have to be paid year after year? I can think of a thousand suggestions as to how to spend \$220 million. However, it would be my desire to decrease taxation and to give this State an edge in the employment stakes, to give this State an edge where it counts and where it means we can attract businesses and improve the business prospects of those already here. That is what I would have done if I had \$220 million to play with. I would have decreased the taxation take to provide better levels of prosperity for those who—unlike the Premier—love this State and who want to see it go ahead.

There are other taxation areas which could have been reduced and which would have had a very positive impact. We could have wiped out land tax, for example, or looked at lower levels of FID. However, if we did want to spend the money, as the Leader covered in his speech, we could have looked at the areas of need at this moment. I remind this House that the Leader outlined where money is required at the moment. He spoke of the long waiting lists in hospitals and looked at the problems facing schools that have insufficient money even to do the most basic maintenance—and the list goes on. We can look at so many areas of need on which we could spend that sort of money but, unfortunately, we do not have it. We will never have it, because \$220 million will be blown out the window year after year with no positive benefit whatever.

Part of the budget accommodation comes from spending less money on capital works. There is a proposed expenditure this year of \$494.2 million compared with \$564.5 million last year. Previously, I mentioned the net capital expenditure as taken from the budget papers. The very vehicle that the Premier has identified for the resurgence of this State economically has been neglected and, in fact, reduced, and more money has been sucked out of the capital

budget to prop up the revenue budget. What we are doing is consuming and putting it on bankcard.

When we look at the failures of the Bannon Government, they do not rest only on the State Government Insurance Commission (where there is an official pre-tax loss of \$81.4 million posted) or the State Bank (with a \$2.2 billion loss posted). There are many other examples of where the budget has gone wrong, many other examples of where the Premier of this State has had a diabolical impact on the budget.

Let us look at items such as WorkCover. There is a problem with WorkCover within the State Government and in the scheme which serves private enterprise. We note, for example, the \$259 million overhang at the last count for the WorkCover unfunded liabilities. We remember the \$10 million by SGIC, and that is involved in the \$81.4 million loss this last financial year. We note the loss of \$12 million associated with the New Zealand timber mill and the blow-out in the Justice Information System from \$21 million to \$75 million. We have the \$3.3 million write down in the value of the Government's interest in 5AA. We have had the failure of the Marineland project of \$7.6 million, and the failure to occupy Yatala Gaol F Division of \$10 million. The increase in the cost of the ambulance service, because of the Government's decision to sack volunteers, is now running at \$5 million per annum. I understand that SAMCOR is now making a profit, but there was a general loss in the previous financial year of \$1.7 million.

The loss on the Tandanya institute is approaching \$1 million. There has been a blow-out in respect of free public transport for children. I note that the Government is now going back on its promise, but an extra \$2 million was involved there. We have an overpayment of swimming instructors of \$1 million. Empty teacher housing has totted up \$450 000 per annum. We have unrecovered overpayment of teachers' salaries of \$588 000 over the past two years. We have had the incredible impact of the Education department to upgrade Kensington TAFE, spending \$1 million and then selling it off. Of course, it was put to other purposes, so it never got back the \$1 million that it spent on the project.

We had the debacle of the Health Commission leasing empty premises and totting up a bill of \$1 million. We had the *Ultraman* fiasco where the production costs overran to the tune of \$890 000. We still have the situation where the Department of Road Transport is attempting to quit some of its unwanted assets. There is a saving of \$500 000, but that cannot be achieved because the union has applied a black ban. The State Clothing Corporation lost \$800 000 over the past two years. We have the purchase and lack of occupation of buildings by the Department of Arts at a cost of \$2 million.

We have the item mentioned by the Leader of the Opposition regarding 2 400 extra public servants who were put on during the 1989-90 election year at a cost of about \$72 million. There is the failure to implement the STA Fielding report where savings of \$20 million could be achieved. There is also the failure to control sick leave abuses in the public sector amounting to \$10 million per annum.

That is a checklist of recent events. That shows the complete incompetence of the Premier of this State. He could not manage a chook raffle. What is clearly demonstrated here is not only the incompetence of the Treasurer and Premier of this State but of every Minister on his front bench. The Premier has had no capacity to control the excesses of his departments and he has had no capacity to provide managerial leadership.

What we have is nothing new. It has been going on ever since the Premier first took the reins of this State. I remind

members, particularly new members, of some of the other disasters that have beset this State because of the lack of application by the Treasurer. Members should remember the Crouzet ticketing system, which cost an extra \$6 million. Some \$11 million extra has been blown on the *Island Seaway* and it still does not work properly. The new computing system for the Motor Registration Division has overrun by \$6.5 million. We can even look at little things like caravan parks, which are very sensitive to storemen and packers and to members opposite, on which they blew \$200 000. We can look at things like tea trolleys that run loose. We can look at the international sphere, where a contract with the Ethiopian Government by Landsat involved the loss of \$5.7 million simply through sheer incompetence on the part of the Minister.

We have had the failure to implement the promised cuts in employment, which would amount to an easy \$4 million per annum. The list goes on. We have a long list and, if members wish to be apprised of it, I am quite happy to provide them with copies. The list keeps going back, not just to recent events, but year after year we have had the same problems of sheer, utter, total incompetence. Even if we look back at such projects as the Festival Plaza, we see that the Government estimated that the cost of fixing it would be \$3.2 million and it came in at well over \$11 million, a matter of great concern to all, and I still do not think it actually works. Just to name another, back in 1986 we had the Youth Music Festival—another \$700 000 down the tube. Those problems clearly demonstrate that the Government has failed to live up to the faith placed in it by the people of South Australia. Time and again it has failed to provide managerial control.

The next area that I wish to canvass relates to South Australia Inc. The Leader of the Opposition briefly touched on SA Inc. in his contribution. I would like to deal with it now in a little more detail. The Premier firmly denied and continuously denies that there is anything called 'SA Inc.'. He says, 'Look, the problems in Western Australia related to a corrupt Government, and I do not have anything to do with those. The problems in Victoria related to a Government that simply could not perform, but here in South Australia we operate differently.' But, do we operate differently?

I put to you, Mr Speaker, that there have been some very cosy arrangements that have not been in the best interests of the taxpayer. I will go through one or two of them; I am just taking a selection, but there are many more examples. Let us look at the State Government Insurance Commission's \$520 million put option on 333 Collins Street. Importantly, what that did was to take the project from TriContinental Brooks just before Mr Cain's last State election and helped developer Becton (the Managing Director of which, Max Beck, is a major ALP donor) to get alternative finance for the bank and for the building, which included \$50 million from the State Bank. So, the white knight under these circumstances just happened to be the South Australian Government and SGIC. Members may recall Health and Life Care. The State Bank was a major contributor to Health and Life Care.

The Hon. Jennifer Cashmore: When it was about to go into receivership.

Mr S.J. BAKER: When it was about to go into receivership, as the member for Coles reminds me. Under those circumstances, the State Government Insurance Commission came along and bailed out the State Bank, at a price that was in no way commensurate with the price of hospital beds at that time and could not be condoned by any independent valuation.

The Hon. Jennifer Cashmore: Or justified.

Mr S.J. BAKER: Or justified. If one looks at those valuations and who did them, one must ask some serious questions about what occurred with Health and Life Care. I mention the much quoted example where SAFA provided \$400 million assistance to the then State Bank of Victoria at a time when it was technically bankrupt. The Premier could not even remember signing the documents, but sign them he did, and he provided the \$400 million to help out his smelly mates in Victoria.

I remind members of the SGIC and State Bank cosy deal at Centre Point in relation to the Adelaide Remm Myer building. Whilst the buying price was \$42 million (from memory), I now understand that the building is worth about \$20 million to \$25 million, a massive capital loss. However, in order to attract Remm Myer it appears to me, at least on the outside (and I do not have any inside knowledge), that this was another of the dirty little deals which were deemed to be in the public interest but which have proved costly in the long term.

Even the financing of the Myer Remm development must be questioned because of the huge overhang by the State Bank which, I understand, was responsible for providing \$300 million capital for that development. It also had to guarantee that any cost overruns would be financed through that bank. I understand that cost overruns were considerable, even though no-one is talking about that.

Members need to be reminded of SASFIT and State Bank involvement with Interchase in Queensland on the Brisbane Myer Remm Development. We have seen that SASFIT has had to write off its investment in Interchase, and the reports provide an interesting summary of what appears again to be a highly dubious deal, one that is not in the best interest of the taxpayers.

I bring forward the matter of WorkCover's lease of the Hooker Waymouth building, which happened again to ease the burden on the State Bank. It just appears by chance that the State Bank also was subject to a large liability on that building, and it was helped out by Workcover, which came along as the white knight to assist it in these circumstances. We know who is bearing the cost of that: it is all the firms in South Australia who are paying higher and higher premiums to WorkCover because the price of the building was far too high, and therefore the ongoing cost, whether it be the direct monetary input, which is the opportunity cost, or the borrowings associated with that building, are excessive in terms of the quality of the building obtained.

As to SAFA's equity interest in the South Australian Timber Corporation, there is some comment in the Auditor-General's Report this year. On each of those occasions it just so happens that a State instrumentality has come along and helped out either in an entrepreneurial fashion or in a way designed to prevent another institution being subject to critical examination.

There have been too many deals in this town, too many directorships and rewards for the mates of the Labor Party. By forcing SAFA into asset sales and taking \$400 million out of SAFA during a recession to fund its budget the Government may be pursuing another key financial institution, may possibly be pushing this key financial institution along a very dangerous path.

I would also like to take up at this time, when talking about SA Inc., the question of salaries and emoluments paid to directors. All members now have copies of the reports available to them from State Bank, SGIC, SAFA and SASFIT. Many of these will be examined in depth in the Estimates Committee. However, when the Treasurer of this State declares to the people of South Australia that he did

not have the opportunity or the right to intervene in respect of salaries and wages, when indeed the indemnity is quite clear that he did (and when it charged him with that responsibility), then I believe that Parliament and the people have been misled. That is also a good reason for the Premier to take the just course and resign.

I was flicking through the Auditor-General's Report and briefly looking at some of the performances last year by departments. I refer to program 4 of the report's addendum, and I note the support to Executive Council and Cabinet increased from \$2.1 million to \$8.5 million. Along with all South Australians, I would like to know how the Premier could spend an extra \$6.4 million in assisting himself in Executive Council. There are one or two answers required on that item alone, but there are other areas of activity that require explanation as well.

I refer to page 20 of the same addendum concerning road asset preservation by the Department of Road Transport. At a time when our roads are deteriorating daily and when funds are becoming very restricted, we find that the Premier appears to want to cut important road programs. There is an estimated budget provision of \$82.1 million for road asset preservation for 1990-91 and the amount actually spent was \$77.7 million. So, the Premier presumably saved \$4.4 million, but I wonder how many lives he cost in the process as our roads are in great need. Looking at the same area we find that interagency support services increased from \$21.6 million to a massive \$33.2 million. One thing that is very noticeable in these accounts is that the support areas, the non-productive areas, have increased dramatically in many circumstances, yet at the coal face we are seeing drastic reductions. In the case of the Police Department, interagency support services went up by some \$3 million, as against other areas which either remained static or marginally declined. Some items in the budget raise concerns about the way in which the Premier is managing the economy.

I take up the point of public sector expansion. We noted with some horror the expansion program embarked upon by the Premier in 1989-90. We noted with some horror that some extra 2 400 people were put on board. The Premier said at the time that many were in the productive areas and a lot of them were to increase the number of staff in the State Bank and SGIC. We have all seen the product of that endeavour. What the Premier has put down in the budget as against this massive increase of about \$72 million a year (and it is easy to put them on) is a proposition for a \$27 million saving this year or the equivalent of 1 095 full-time equivalents. For a Premier who is capable at the stroke of a pen to add to the bills by \$72 million in the space of one year to only come forward with a savings program of \$27 million, again in one year, lacks application. The Premier is playing with the situation: he has no intention of taking the job seriously.

Leaving aside the budget, I now wish to go on to the economic conditions that currently prevail. If we look at the 1989-90 year that I have just mentioned, we find that it was a good year (if that is the terminology that the Premier likes) for Government expenditure in South Australia. It was a year of extraordinarily good taxation effort and large increases in staff. I seek leave to insert in *Hansard* a purely statistical table taken from the Premier's budget documents.

Leave granted.

Mr FERGUSON: On a point of order, Sir, at one stage we have a direction from the Chair that we should insert no more than two tables into a speech. Does it now mean that anybody can insert into *Hansard* as many tables as they like?

The DEPUTY SPEAKER: The honourable member sought leave and leave was granted. If the House grants leave, that is it.

Table 4.1
South Australian Gross State Product Aggregates

	1978-79 (\$ m)	1987-88 (\$ m)	1988-89 (\$ m)	1989-90 (\$ m)	1989-90 Share of Aust. (%)
Expenditure Aggregates					
Consumption:					
Private	5 387	13 586	14 950	16 216	7.5
State and Local Government	1 300	3 226	3 417	3 562	8.4
Gross Fixed Capital Expenditure					
Private:					
—Dwellings	395	849	1 046	1 188	6.5
—Non-dwelling Construction	171	864	990	1 107	6.6
—Equipment	705	1 913	1 788	1 798	6.7
—Real Estate Transfers	86	318	425	374	7.2
Total Private	1 357	3 944	4 249	4 467	6.7
State and Local Government					
—Public Trading Enterprises	181	320	426	425	6.1
—General Government	265	446	523	561	7.3
Total State and Local	446	766	949	986	6.7
Income Aggregates					
Wages, Salaries and Supplements	4 812	11 226	12 605	14 062	7.6
Gross Operating Surplus	3 002	8 859	10 192	11 054	7.7
Gross State Product at Factor Cost	7 814	20 085	22 797	25 116	7.7
Indirect Taxes less Subsidies	635	2 391	2 621	2 834	6.4
Gross State Product	8 449	22 476	25 418	27 950	7.5
Non-farm Gross State Product	7 775	21 326	24 112	26 390	7.4

Source: ABS Cat. No. 5220.0.

Mr S.J. BAKER: Table 4.1 relates to South Australia's gross State product aggregates. It is kindly provided in the Treasurer's economic summary. I ask members to think about these figures as they are the Premier's figures. In 1989-90, the income aggregates showed that, for a State representing 8.5 per cent of the nation's population, our contribution for wages, salaries and supplements amounted to 7.6 per cent.

We also find that the gross operating surplus was 7.7 per cent; gross State product at factor cost, 7.7 per cent; gross State product, 7.5 per cent; and non-farm gross State product, 7.4 per cent. In what was a good year's set of figures, South Australia was lagging by 1 per cent at the margin behind the rest of the nation in each area. In fact, we are non-performers. These are the figures that have been provided by the Premier. If members looked at some of the

other figures, they would find that they are even bleaker. The gross fixed capital expenditure on non-dwelling construction was 6.6 per cent, equipment was 6.1 per cent, and real estate transfers were 7.2 per cent.

What has emerged is a State that simply does not perform. It does not reach the level of activity that we would expect with our share of the population. If we were doing well, we would be contributing to the nation's economy at the same level as we share in the nation's population, and that is at 8.5 per cent, which was the prevailing level in 1989-90. Looking at the relative contribution, we are 15 percentage points off the pace in terms of our contribution to this nation, and that is a direct reflection on the Government that we have had in this State for nearly nine years. The Premier's own figures prove the lack of application, direction and achievement of this Government.

We need to be reminded that we cannot stand up proud as a State with figures like these, which show that we really are failures. On top of these failures, we have the State Bank debacle of enormous proportions. The Premier of this State had responsibility to look after the State's finances, given the fact that we have been a second rate contributor to the nation's economy since he has been Premier. I remind members of the economic indicators that show that the unemployment level is currently at 10.4 per cent and heading rapidly to 11 per cent. We have over 80 000 people unemployed, with probably another 20 000 who have disappeared from the figures, considering themselves no longer able to be employed because of the lack of jobs. We have left the kids of this State with no hope whatsoever, because no jobs are available as a result of the initiatives of Hawke and Keating, with the full support of Premier Bannon. In terms of his policies, whether in the areas of taxation or WorkCover, he stands condemned. We would have hoped that, with good fiscal and monetary management, we would have some ability to make the State more competitive and reduce the burdens on the employers in our State.

With respect to industrial relations, we are also heading down the path of failure. We now run second to New South Wales in terms of our contribution to industrial disputes in this country. We once had a proud record, but that has been destroyed by Premier Bannon and Minister Gregory. They have lost control of industrial relations in this State, and that is nothing to be proud of. They have destroyed the good record built up by previous Liberal and Labor Governments.

With respect to poverty, the latest surveys show that South Australia is the State with the greatest number of problems. Under the circumstances, I would have thought that the Premier of this State would make every effort to relieve those problems, rather than highlighting them and worsening the difficulties faced by people because of the State Bank disaster. In the inflation stakes, again we do not have a great deal to be proud of. Currently we are 1 per cent above the national average. I remind members of the budget estimates whereby the Premier said blithely that South Australia will be 1 per cent below the nation's inflation figure. Again, that is a highly questionable assumption.

I remind members about private investment. In many of my contributions in this Parliament I have spoken long and hard about investment. Time and again I have made the point that, without investment, without people putting their money in to increase the capacity to finance, the capacity to attract people, the capacity to perform, this nation and this State simply cannot improve its current situation. The problem with South Australia is that, ever since Premier Bannon has been at the helm, only 5 lousy per cent of the

nation's investment capital has come to this State, and I think it has gone as low as 3 per cent on occasions.

I do not feel any great joy in saying in this House that the State was in difficulty before the State Bank disaster but now it is in diabolical strife as a result of that disaster. It is in diabolical strife because, despite the problems caused by the lack of application by the Premier, he decided to take the easy, cowardly way out with this budget. He had to make an attempt; he had to at least show the people he had guts and determination to overcome the problems. Did we see anything of it? Not on your nelly! We have had no indication from the Premier that he has any interest whatsoever in improving the business climate of this State. He has signalled to all business people and to all those who are struggling and trying that they should be like him—either give up or borrow more. That is what he has done: he has certainly given up on the State. He has made no attempt to pay back the \$2.2 billion extra borrowings involved. What he has done, of course, is to borrow to shore up a very shaky budget.

The Leader of the Opposition outlined the Liberal initiatives in brief form, because that is what the budget debate allows. When we consider what the Leader has to say, we learn important lessons. We have gone past the point of being able to shore up institutions that have failed. Whether members opposite believe that those businesses failed because of the cowboys, as was said in an article in the *Sunday Mail*, or whether they believe that someone else is to blame does not really matter. It does matter to me, of course, because I believe that the Premier is responsible and should be held accountable.

If one looks at where we should go from here and what we should do with those institutions, one sees that we do not have any options. We cannot afford to keep shoring up institutions that have not repaid the faith that has been placed in them. We have only one option, that is, to take these instrumentalities out of government. Governments across the world are doing it.

A few years ago, when I was in Japan, the attitude there was, 'We can't live with the monopolies; we can't live with the State institutions, because they are not subject to the rigours of the marketplace and are being propped up by Government backing. That is not healthy.' For at least three good reasons, whether financial risk, the cutting free of the ties of government and the backing provided, or to allow people to prove themselves in a difficult climate, we should go ahead and allow our once much honoured institutions (the State Bank and SGIC) to be bought by South Australians. The Leader has already outlined the program under which that could happen.

One of the most critical areas is the reduction of debt. Again, the Leader has outlined at least three areas—and there will be more—where we can reduce the level of debt in this State, tomorrow, the next day or in the long term and, in the process, reduce the level of servicing that cuts into our budget. People do not need to be reminded how much extra interest is being paid this year or was paid last year. A massive expansion in the cost of debt to this State has occurred.

Our Leader has pinpointed the need to reduce taxes in the long term to give the State the competitive edge that it once had, and that can only happen if we reduce our debt servicing which has been given a huge 50 per cent boost by the Treasurer of this State. Give us an election tomorrow, and we will ease two of our finest old institutions out of government. We will take on board other areas, such as

selling the forests; that will reduce our level of debt and therefore the imposts in the budget and provide some relief for battling businesses, because they will ultimately make the difference whether the State sinks even further or succeeds.

Previously I cited the wasteful areas of Government and outlined to members some of the areas of larger losses that have occurred in recent years, and members can refer to *Hansard* for that. There are many and they are varied, and they can come about as a result of simple mistakes, such as the situation we had with Marineland, which involved sheer incompetence by all the State Government personnel involved, or they can be as a result of failure to introduce new initiatives and efficiencies.

A whole lot of areas can be improved within government. We can streamline the procedures of government to make business more competitive; this can be done by reducing the burden on those businesses to provide paperwork both to the Federal and State Governments. We can give back incentive to the people by showing them that we are serious about operating as an effective Government, and that we are serious about taking on the huge problem that has arisen as a result of the State Bank loss. We can demonstrate to the people of South Australia that we are serious.

In many ways the Leader of the Opposition was before his time. Three years ago he let slip that he would privatise the State Bank. He said then that some institutions were no longer suitable to remain under the control of the Government, and that is so for a whole range of reasons. Had we been able to predict what has happened we would have sold them then as quickly as possible. In so doing the savings to the State budget would have been enormous. Of course, we do not now have that luxury. We have to work through the problem and, hopefully, provide a result that will be to the ultimate benefit of this State. I remind members that the Leader of the Opposition took in principle a stance in relation to what should and should not come under the province of government. For that he should be commended, because, while at that stage he may not have foreseen the disasters that have occurred, he did foresee many of the flaws in the operations of those institutions.

There are many other areas where we can improve our performance by competitive tendering and contracting out. That is the agenda. It is an important agenda. It means that we will give the State a chance. It means also that the people can look to us with a great deal more hope than they can look to the Government of the day, which has simply stored the debts for other generations to pay. I do not like the idea of my children having to pay for my mistakes, the mistakes of the Premier of this State or those of the State Bank. I do not believe that it is appropriate that my children or the children of any other member in this House should have to pay for those mistakes. That debt has to be met now and must be met head-on. With those few words, I declare my difficulty with this budget. I do not believe that it has any foresight or direction. I do not believe that it is a budget that is showing the way for South Australia, and in many ways it should be condemned, just as the Premier should be condemned.

Mr FERGUSON (Henley Beach): The Labor Government of this State has delivered a budget that adopts a strategy based on the longer term objective of ensuring financial soundness without sacrificing essential public services or creating economic dislocation during a period when the local economy is suffering the effects of world economic recession. Loss of revenues and increasing demands on Government services due to a recessed economy, combined

with reductions in the real level of Commonwealth grants and the problems of the State Bank, meant that the budget was devised under extremely difficult circumstances. Despite these adverse conditions, this Government produced a financial document which not only addresses the problems of the State Bank but also ensures the continuation of all vital services and the Government's ongoing commitment to social justice reform.

The Government's strategy is directed at expanding choices and opportunities for people, regardless of gender, race, disability or life situation, so that they are able to participate fully as citizens in the social, economic and political environment. This budget seeks to reduce the severity of the adverse consequences of a depressed economy so that all people in South Australia can maintain a decent standard of living. This objective is possible during these hard times only because of good economic management by this Government during the 1980s.

As the Premier said in his budget speech, South Australia has started from a position of financial strength and we are therefore able to negotiate our present difficulties without reducing services and maintaining both industry and community confidence. To prove that the Government is committed to employment growth and restoring business confidence, this budget has reduced payroll tax from 6.25 per cent to 6.1 per cent. This is the first time this tax has been reduced since its introduction 20 years ago. The payroll tax exemption level will be increased from \$432 000 to \$444 000 in January 1992 and further increased to \$456 000 in the following July.

In addition to the tax relief on business, the Government is also committed to reducing, in real terms, land tax over the next three years. These measures will provide substantial cost reductions to the business sector in South Australia. The budget has allocated an additional \$11.2 million for an extra 51 police officers, upgrading of court services and increased crime prevention. Spending on education will be increased in real terms and the health budget, despite a 1 per cent cut, will continue to provide a high quality health care service which will enable hospitals to treat an extra 5 000 more patients this year because of proposed efficiency gains in the health sector.

Funding to help farmers struggling in the economic downturn has been increased to include \$1.75 million for interest rate subsidies. Spending on children's services will increase by \$8.3 million, which will be used to increase preschool facilities and the number of child-care centres to support families during these difficult times. Emergency housing will be allocated an extra \$3.5 million. Funding for the Aboriginal housing program will be increased, and an additional \$500 000 will be set aside for rent relief to provide assistance for needy tenants in the private rental market. This Government increased its spending in services which provide respite to those who are the most severely affected by the recession.

It provides tax cuts for business to encourage production and employment. The budget did not reply on major tax increases that would only further dampen economic activity and employment levels. Despite these measures, the Government was still able to reduce budget expenditure by \$195 million, which will be phased in over a number of years to ensure the provision of essential services. This was possible only because the Government is committed to ongoing micro-economic reform to increase efficiency and productivity in the public sector.

The budget for the 1991-92 financial year is a responsible document. It is a budget that tackles the difficulties confronting South Australia while, at the same time, maintain-

ing support and providing relief for business and for the people of this State. Any other course or direction taken by the Government would have been an act of treachery against the voting public. But, once again, all we hear from the Leader of the Opposition is baseless, unsubstantiated and useless criticism about the budget. Empty rhetoric is all we get from the Leader of the Opposition. He is always first to criticise, but I have yet to hear him come up with any viable alternatives. He offers no constructive criticism or solutions. He has no policies or ideas. He is nothing more than a larrikin, a street corner bully whose behaviour only acts to destabilise and undermine the confidence and future of South Australia.

I ask the members of this House to bear with me for just a moment while I mention a few of his budget comments leading up to his reply. The Leader of the Opposition started off by saying that the budget figures are rubbery. How original! He further added that the budget does nothing for employment; it is a soft budget; the inheritance of the State is squandered under Labor and Labor will sell the State Bank.

Prior to the budget reading he even suggested that the Premier should consider his future after he brings down this document. Such tripe is hardly worthy of a response, but for the benefit of the Leader of the Opposition I will answer his criticisms. I will start with the so-called rubbery figures.

Since the 1986-87 financial year, the average percentage variation between the budget estimate figures and the actual figures for total payments is .66 per cent, and for total receipts the average variation between estimate and actual figures was .68 per cent. Even though the local economy is experiencing a downturn, which impacted on budget receipts in taxation, financial institutions duty and stamp duties last financial year, the variation between estimated and actual receipts was a mere .5 per cent difference. There is nothing wrong with Labor's figures. I suggest that the only rubbery things in this place are the rubbery figures occupying the Opposition benches.

The Leader of the Opposition also falsely accuses Labor of not providing any incentives that would promote employment growth. Once again, I would like to ask the members of this House to bear with me, as I must repeat myself and set the record straight on this point. Payroll tax has been reduced, the exemption level has been increased, and there will be substantial cuts, in real terms, to land tax over the next three years. This means lower costs for business under Labor.

The Opposition's claim is absolute nonsense. The Leader talks about how this Government does nothing to encourage employment growth, yet, in a radio interview, he said that he will reduce the public sector by 9 000 jobs a year and get rid of the South Australian Health Commission. He said that he has had a meeting with the PSA about this issue, and that its response was favourable. Perhaps there is something wrong with his sense of recall. Unfortunately for our esteemed member for Victoria, nobody in the PSA has any recollection of this meeting at which it supposedly discussed with him the Opposition's proposal to reduce public sector employment by 9 000 jobs.

Not only has he misled the public on this point but he is obviously a very confused man. On the one hand, he talks about the lack of employment incentives in the budget and, on the other hand, he intends to introduce a policy that is going to increase unemployment. Furthermore, it has been argued by members of the Opposition that Labor is running down the Health Commission because staff levels have been reduced since 1987 due to efficiency and productivity gains.

Then we have their Leader saying that he is going to dismantle the commission if his Party ever gets voted into Government. The whole thing is absurd. It is a bit like the bumper cars at sideshow alley with everybody driving around in circles and bumping into each other. It is truly indicative of what sort of state the Opposition is really in.

The Leader of the Opposition says that the budget is too soft. One can only assume that what he really means is that budget expenditure was not cut by enough. I say 'assume' because it is very difficult to make sense of anything he says and even more difficult to establish constructive, rational debate, with the rubbish that we have to listen to in this House.

Unfortunately, I must repeat myself again. Labor has increased spending in the areas which will provide the most support and give assistance to those who are the most severely affected by the world recession, and this Government has still been able to reduce expenditure by \$195 million. This feat requires good management and skill—attributes which the Opposition lacks. The Government will not take the easy way out. Labor will not slash spending during a recession which will only increase the problems. Under the Liberals, however, the support mechanisms which Labor has put in place will be destroyed by massive expenditure cuts. The unemployment would increase and pain, suffering and poverty would become the norm for the majority of the population. And he has the hide to say that he cares about the working people of this State. This is nothing short of monumental hypocrisy.

The Leader of the Opposition has also said that Labor is squandering the inheritance of the State. This is even despite that fact that, if elected, he intends to introduce a policy of massive privatisation and deregulation. He intends to sell the State to private entrepreneurs. There will be nothing left to inherit if he has his way—another blunder from the member for Victoria.

I know that I said that the Opposition does not have any policies, and yet here I am talking about what it would do if it became the Government of this State. But these are not the policies or ideas of the South Australian Liberal Party. It does not have any. Instead, they are the policies of the Federal Liberal Party and the right-wing National Government of New Zealand. The State Opposition has adopted the ideological stance of the new right. It intends to implement policies similar to those introduced by the ultra conservative New Zealand Government. This policy agenda will have profound implications for the future direction of South Australia. It will transform South Australia from a State committed to the equitable distribution of resources into an individualist society in which the rich and powerful prosper at the expense of those less well-off, irrespective of the cost to the State as a whole.

While I am on the subject of selling, the Leader of the Opposition was, once again, proven to be wrong about the sale of the State Bank. Labor has no plans to sell the State Bank, and any suggestion to the contrary is nothing more than resorting to sensationalism to capture the media's attention in an attempt to discredit the Labor Government. Well, he has failed once again. His accusation was misleading for the people of South Australia, and all it achieved was to expose the underhanded tactics his Party is prepared to adopt to gain power.

On top of all this we now have the Opposition screaming about the level of the State's debt. The previous speaker, the member for Mitcham, was an example of that. Admittedly the debt has risen. But they forgot to tell people that the State's debt is still lower than what it was in 1983 when

this Government first came to office. As a percentage of gross state product the debt is 23.3 per cent.

In 1983, under the Tonkin Liberal Government, it was 23.5 per cent and during the 1950s, under the Playford Conservative Government, it reached a staggering 56.9 per cent of gross state product, and we had the Deputy Leader here this afternoon criticising this side of the House in regard to State debt.

Members interjecting:

The ACTING SPEAKER (Mrs Hutchison): Order! The member for Henley Beach will resume his seat. The member for Murray-Mallee is out of order, and I would direct members of this House to observe the decorum that is expected.

Mr FERGUSON: Thank you, Madam Acting Chair. Only New South Wales and Queensland have a lower net debt expressed in per capita terms and, broadly speaking, South Australia has the third lowest per capita debt, along with Western Australia. In today's dollars the debt per head is still 43 per cent lower than the level in 1969-70 when the Hall Liberal Government was in power, and we have heard members of the Opposition talking about the golden days when Steele Hall was the Premier of this State.

The bullying tactics used by the members of the Opposition have failed to discredit this Government. Their yelling and screaming have amounted to nothing more than empty words, and the voting public of South Australia do not support their underhanded methods. The latest opinion poll, conducted after the budget was delivered in this House, has revealed that Labor would be returned to office if an election was held. And, when those polled were asked who was better suited to be the premier of this State, 57 per cent backed the member for Ross Smith while only 20 per cent supported the Leader of the Opposition. Incidentally, only 45 per cent of Liberal voters felt that the member for Victoria would make the better Premier. Only 46 per cent of Liberal voters—members of his own persuasion—thought he would make the better Premier.

I think the message is quite clear. The people of South Australia do not want a Liberal Government in this State. They know that the Liberal Party is concerned only about increasing the prosperity of the better off at the expense of the poor. They are not prepared to place their future in the hands of a political Party which will stop at nothing and which will exaggerate the truth in order to gain power. They also know that a vote for the Liberals is a vote for social upheaval and chaos. The people of South Australia want stability and support during these difficult times. It is for these reasons that the people of this State will continue to back Labor and it is certainly not the Premier who should be considering his future, but the Leader of the Opposition.

The Hon. B.C. EASTICK (Light): The honourable member who has just resumed his seat is obviously the one who is very confused—particularly confused. He indicated that the budget sought to reduce the effects of a depressed economy. Then, he started out on the big sell to show where this budget was such a roaring success. 'Roaring' is the point; it is a roaring disaster. He sought to defend the indefensible. The sow's ear is still a sow's ear—a very ragged sow's ear. The honourable member sought to put down previous Governments. I just want to refer to one of them at present, because it fits in very well to the theme I want to come to very shortly. He spoke of the situation at the time of Playford, when there was a 56.9 per cent capital debt, but what else was there at that stage? We were building Elizabeth and Whyalla, everybody was in employment, there was growth in industry, and we were selling our products interstate and overseas.

At that time we were exporting Holden motor vehicles, of which a great deal of the componentry was made here in South Australia. We were selling white goods around the world. We went into debt for a real purpose: so that the country could prosper. In this case we have gone headlong into debt because of the incompetence of the Premier and those who support him. I indicated that that fitted in with a theme that I wanted to develop. In the past, no matter which Government was in office, it was a pleasure to take part in the budget debate.

From the Opposition benches there was always some question or criticism of various aspects of the document where it was believed that it could be done better or that the emphasis had not been in the right place, but collectively in the whole of the Parliament there was agreement that the document reflected the future of the State and indicated how that future would be achieved. Support was given to it by both sides of the House.

There was glee on the face of those who found that they had a new school, hospital or road and there was collectively a positive mood and positive action by the Government of the day to advance the cause of South Australia. This budget is no pleasure because, regrettably, we are not helping the future of South Australia because of the manner in which the economy has been handled by this Government of ours. I say that this document is a farce and, just so that members can be aware of what 'farce' means, we find that according to the *Oxford Concise Dictionary* it means 'absurdly futile'. I draw that use of 'farce' to the attention of the House.

It is also 'immoral' and in case members want to know what 'immoral' means in this context, the dictionary says that it is 'depraved, dissolute; hence of no cognisance'. It is certainly of no cognisance in the situation in which we find ourselves now. We also need to recognise that the budget is part of the collective body which is this State Government and the current Federal Government. It is interesting to read in the *Weekend Australian* (24 and 25 August) the column by Padriac P. McGuinness, who frequently writes in that publication. Under the heading 'Economic Arteries Hardening' he identifies some of the things current at that time. Members will recall that it was at the height of the Russian debacle, the takeover and all of the other activities that were going on. It was also the time of the handing down of the Federal budget, and he makes the point in the first column of this document, after referring to the fact that the budget had been brought down and to the circumstances existing at the time:

It did not—

that is, it did not exactly take the budget off the front pages of the newspaper, but almost so—

but it certainly seems to have distracted everybody's attention sufficiently to have meant that every newspaper with the exception of the *Australian*—

he writes for the *Australian* and, therefore, we can accept that he would be promoting his own paper—

took a day or so to realise that the big issue of the budget was not the deficit or what it meant for interest rates but the introduction of a new and universal compulsory superannuation scheme.

Those same words could be written about the budget brought down in this State. In the first few hours the people who were writing the newspaper stories were mesmerised by many aspects of the document. It was a cunning document which had put aside the likely questions that the Opposition may raise relative to the future of the State *vis-a-vis* the State Bank and so on. About 24 hours later people started to find the real flaws in the document, just as they found real flaws in the Commonwealth budget. My colleague the member for Mitcham has outlined a great number of the flaws. My colleague the Leader of the Opposition high-

lighted the problems facing the people of South Australia as a result of this budget and the collective, which is a joint Federal and State Labor Government and which is not playing the game by the people that it purports to represent.

In relation to the Commonwealth, the story continues:

In particular, it will hit small business especially hard. To the training guarantee levy already imposed on all but the smallest of small businesses, there is now to be added a superannuation guarantee levy, which will add 3 per cent to small business wage bills from next July, and 5 per cent to all other wage bills.

These will converge over a couple of years, and it is proposed by the end of the decade to have all businesses paying a 9 per cent superannuation levy for every employee. This is on top of whatever wage and salary increases are awarded through the arbitration system or by collective bargaining.

Mr Meier: And more businesses will close.

The Hon. B.C. EASTICK: Exactly, and that is the point I wish to make. Here is another set of costs being levied against small business. The article goes on:

Now the implication of this is terrifying for those who are unemployed—soon to be one in 10 of the work force.

What do we have in South Australia? According to Blainey on the radio this morning, it is soon likely to be one in every 8.5.

Mr Meier: Youth unemployment is running at 30 per cent.

The Hon. B.C. EASTICK: Yes, youth unemployment is way over the top. The document presented to us is a farce. We can also look at the great statement which emanated from the ACTU yesterday wherein it sought to challenge the Federal Government (and State Governments of the same ilk) to make provision for unemployment training, to look after the unemployed and give them some hope in life.

In the same *Weekend Australian* of 24/25 August there was an article by Glenn Milne headed 'Better cities package left the cupboard bare for the jobless'. We have heard from those who have reported on the State budget that the funds available for the inner cities or 'better cities' package for South Australia is minuscule—it will not be of any great value at all and, if the MFP should go ahead, it will get lost in the first stroke of the pen, let alone be useful to the people of South Australia. However, that farce of the small amount of money made available to the 'better cities' package was at the expense of an unemployment package which had been put forward by John Dawkins. The article states:

The Caucus concerns over the budget were underlined yesterday when it was revealed that a meeting of the parliamentary Centre-Left faction on Thursday night expressed concern not only over unemployment, but also over the vagueness of the 'better cities' program—

that is another aspect—the vagueness of it—

the decision to impose an up-front Medicare charge and the failure of Mr Hawke and Mr Kerin to market the budget successfully.

We will not go into that aspect, but what plan was put forward that was destined to help the unemployed, whether it be in this State or any other. The article continues:

To provide people unemployed for 12 months or more with work experience and training to broaden their employment experience and equip them with new skills to enhance their employment prospects.

Assistance to public enterprises, which have formally notified an intention to move to down/short time and/or undertake large-scale retrenchments, to retrain and retain potential retrenchers and also to provide assistance to such staff who are eventually retrenched.

The plan was also to provide 25 000 training places in TAFE and other approved training centres for the long-term unemployed and school leavers at risk—somewhere between 8 per cent and 10 per cent of that which normally applies to South Australia. In other words, between 2 200 and 2 500 unemployed people in this State would have benefited from

a tangible approach towards employment by the Hon. John Dawkins. The article continues:

In coordinating comments attached to the submission, the proposal was opposed by the Departments of Prime Minister and Cabinet, Finance, Primary Industries and Energy, and Treasury. It was supported by the Departments of Social Security and Immigration.

Suddenly it is refound. Within the past 24 hours we have been told that the ACTU will now pursue this aspect in respect of the unemployed. I say, full marks to it, but I regret that it will only place further pressures upon the diminishing funds that are available, whether they be from the State or Federal scene.

Having talked of this document being a farce and quite immoral, I turn to page v of the Auditor-General's Report tabled this afternoon, and read from the section headed 'The Consolidated Account—Position at 30 June 1991', because it gives the lie to so many of the claims put by members opposite, especially those by the Premier, as to what a vital and important document was the State budget. It reads:

The overall result on the Consolidated Account in 1990-91 was a cash surplus of \$10 million which equalled the planned budget surplus.

Very convenient—the 'planned budget surplus'. However, I will come to how that \$10 million was raised in a moment. The report continues:

Following is a summary of the significant factors which contributed to that outcome:

Recurrent receipts, for the 'taxation' items, that is, stamp duties, financial institutions duty (FID) and business franchises—petroleum, fell below budget by \$30 million, \$17 million and \$11 million respectively. Receipts from royalties were \$27 million higher than budget.

Thank goodness for royalties—and there was an element of support from Roxby Downs in those royalties.

Mr Brindal: Not that mirage in the desert?

The Hon. B.C. EASTICK: Yes, that mirage in the desert helped to make that \$27 million surplus offset those other deficits. It states further:

Capital receipts for the sale of land and buildings were \$17 million below budget. Net interest payments were \$53 million above the budget estimate. This variation was due mainly to the effect of the State Bank assistance package.

This is only the first amount. It continues:

The combined net result of the foregoing major variations to that planned for the 1990-91 financial year was an unfavourable \$101 million.

Borrowings

The financing requirement on Consolidated Account was \$359 million (that is, \$99 million above the estimate of \$260 million), represented by recurrent account deficit \$116 million and capital account deficit \$243 million. This compared with a financing requirement of \$180 million last year.

That shows the way in which we have mortgaged ourselves to the future. It further states:

Actual borrowings were \$369 million, that is, \$10 million above the financing requirement.

There is the convenient \$10 million which gave us a \$10 million surplus. It concludes:

The accumulated deficit in the Consolidated Account at 30 June 1991 was \$12 million (\$22 million at June 1990).

Turning to page 7, the circumstances are outlined under 'Amounts outstanding on the accounts of the Treasurer'. It states:

In consequence of changes in the accounting operation of departments in recent years—

and this is what they call 'creative accounting'—

whereby commercial agencies and some non-commercial agencies conduct their operations through special deposit accounts—

those hidden away accounts, something similar to off balance sheet companies—

this section of the report has been discontinued. Debtors that are recorded on operations under special deposit accounts are not amounts owing to the Consolidated Account.

Thereby hangs another story, when one tries to follow them around.

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

The Hon. B.C. EASTICK: Each year it has been a pleasure to address myself to the budget, because there was an opportunity to pin-point advantages that would accrue to one's electorate. It did not matter on which side of the House one sat; there was always an opportunity for everyone to participate. On this occasion, I have drawn attention to the fact that the present budget is quite a farce; it is quite immoral. It is based on perception politics, which is a very poor form of politics.

The document is aimed at seeking to hoodwink the public into a view relative to the true situation of the finances of this State. It sets the scene to retire out of sight \$2.2 billion from the State Bank accounts into the future and to then give the impression that the State Bank is a viable operation. Nothing would please me or other members of this House more, wherever they sit, than if the State Bank were a totally viable organisation. The fact that there is such a big hole in its future, occasioned by this \$2.2 billion of non-accrual loans, is a fair indication of the problems that each and every person in this State must endure.

Yet, the Government is seeking to sell this idea as a practical answer to a serious problem. We are experiencing the same circumstances that have followed the Bannon Government since 1982, of making pronouncements about what would take place, of setting a perception that it was advancing the cause of the State and of walking away from the perception it had created.

If one looks at the *City Messenger*, the voice of Adelaide, of tomorrow's date, 11 September, one sees that there is now a major doubt relative to the \$200 million plan for Victoria Square which was a promotion brought out of the hat just before the 1989 election as a proposal which would be of future advantage to the people of this State and which we could sell from a tourist point of view. There are a dozen or so other examples where statements have been made without any intention of fulfilling those obligation. I have no hesitation in calling this document a farce.

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

Mr MEIER (Goyder): I am pleased to have the opportunity to follow the excellent contributions of the member for Light, who described the budget as a farce; the Deputy Leader of the Opposition, who expounded in great detail so many of the financial cover-ups and the real position as it applied to the budget; and, in the first instance, the Leader of the Opposition, who clearly identified the problems with the budget and exactly what the Opposition would seek to do if we were in Government.

This budget could be described in a variety of ways. It could be described as a magician's budget, one wave of the wand and all the problems seemed to have disappeared. Yet we know only too well that the massive debts facing South Australians today are still there; they have just been covered over for the time being. It could be described as a Clayton's budget, the budget we are having when we are not having a budget, a budget that was put forward by the Premier in such a way that people felt, 'Well, there don't seem to be any real problems occurring in this State presently.' The budget has not imposed tax increases or other impositions that people expected, seeing that the State is in a disastrous financial position.

It could also be described as the generational budget—the budget that passes on the debt to the next generation, a budget that is not prepared to face the reality of 1991-92. Whatever terms one uses to describe the budget, the actual result is that we have a disaster on our hands. I could not believe the headline that I saw in yesterday's paper, to the effect that the Premier was seeking some real answers from the Liberal Opposition. The Premier was saying, 'How would you, the Opposition, get us out of this massive mess that we, the Government, got us into.' The Premier did not seek criticism or identification of the problem; he wanted answers. We have been wanting answers for a long time. What a hide the Premier has when he says, 'Right, Opposition, what are you going to do about it?', when he and his Government have, year after year, been taking us towards this dreadful day.

It is no good for the Premier to try to wipe his hands—to do a Pontius Pilate—and say that he bears no responsibility for the problems that this State faces, because the problems are with us. The Liberal Opposition, through our Leader, has clearly identified how we could take positive steps to reduce the State's debt, a debt totalling almost \$11 billion. Our Leader said that this strategy would include independent asset valuation and privatisation, including the State Bank and the SGIC; competitive tendering for Government services where the private sector was cheaper; boosted private sector employment; and, reduced burdens on businesses in cases such as WorkCover. Our strategy would ensure that South Australia Incorporated was laid to rest. A Liberal alternative would take the necessary steps to prevent our children and our children's children footing the bill for the financial mistakes of today. In fact, the Liberal Party, through our Leader, clearly identified that the real fault lies with the Premier and his Government, and that for a real solution to occur the Premier should resign. Shame that that has not occurred!

This budget has tried to show that the State is not in trouble, and has attempted to do so with sleight of hand by borrowing more, thus ensuring that our children pay for this Government's wrongs—pay on the never-never. What is the result? The result is that our debts have increased by some \$2.2 billion, or, as is currently the situation, an added interest bill of some \$220 million per year. The trouble is that, if we leave that current interest bill, in less than five years the interest on this debt will cost South Australians \$1 billion and the \$2.2 billion principal will still be outstanding. It is an atrocious situation and one that we would rather not be facing—but the truth is that we are facing it.

The effect that this will have can be seen in almost every area, but I would like to highlight a few areas of the rural sector as they pertain to my electorate. I refer, first, to hospitals. Last week, I spoke with a member of the board of a hospital about its financial situation. That person indicated that a neighbouring hospital was expecting to have a shortfall in its budget for the coming year of almost \$250 000, but that it would have to continue to operate in the same way when things have already not been easy. Hospitals, which provide key services in country areas, are separated by tens, and in some cases hundreds, of kilometres; yet, because of the extra \$220 million per year interest payments, hospitals will miss out even more.

With respect to schools, one school that comes to mind lost six staff members the year before last. Last year, it lost a further two or three staff members—a massive reduction in staff over the past two years. Now, with the \$220 million added interest bill per year, there is absolutely no way that that school can hope to have those staff members replaced. It is obvious to anyone that, rather than an increase in staff,

there will have to be further decreases in coming years. As far as provisions for special education are concerned, many parents have written to me over the last year or two asking what can be done to ensure that basic services, which have been provided in past years but which have now been taken away, are reinstated. Each one of my representations have been unsuccessful so far.

Whilst hospitals in my electorate are of critical concern, the position with respect to hospital funding generally across this State looks even worse. Two weeks ago, I spoke with one of my constituents who had suffered an accident and had continual pain in his shoulder and back area ever since. I asked what the latest prognosis was and he indicated that the good news was that he would be able to have an operation which, hopefully, would overcome his problems. I asked him how long it would be before he had this operation and he said that, at that stage, it was estimated it would be two years before he would be able to get in for his operation. Waiting lists have burgeoned and gone out of all control in this State. As a result of this Premier's misadministration, an extra \$220 million which has been directed towards interest payments could have been provided for medical and health facilities.

For quite some years, police services in country areas have needed additional staff. At times, they continue to operate under very trying conditions. People look to their local police but, as has happened in many country areas, police services have had to be centralised simply because individual police stations do not have enough funding to continue to operate. So, police patrols go out from a central area to individual country towns on an irregular basis, and it is hoped that no trouble occurs in the interim. Obviously, this situation is unsatisfactory and helps to lead to increased crime. From the point of view of juvenile delinquency, having a policeman in the town means so much. Often, the hard hand of the law does not have to be brought down: a simple talk to an offender or to a potential offender in the street can overcome those problems.

I have highlighted before the problems experienced in the area of family and community services, but they deserve further attention. The former Department for Community Welfare office at Maitland closed three or four years ago. At that time, the then Minister said that there was no way any further reduction would occur, but it was only a matter of a year before the office at Point Pearce, a neighbouring town, ceased its services.

In the past six months we have seen the virtual closing of the Kadina office of the Department for Family and Community Services. Today, if you want service from Kadina, you have to be lucky to strike the half day on which an officer comes down from Port Pirie. In a sense, Kadina is lucky, because it is closer to Port Pirie than such towns as Maitland, Minlaton and Yorketown, let alone Marion Bay at the foot of the peninsula. In fact, people on the peninsula have virtually given up relying on any sort of service from the Department for Family and Community Services.

The same thing is happening with kindergartens, under the new rural policy. Kindergartens have sought maintenance of their staffing, and many negotiations have taken place. If we were not paying off the extra \$220 million per year, how many more services would we be able to provide? We can look at the Highways Department and at the state of country roads. In this budget, there has been a decrease to the Highways Fund, yet an estimated \$16 million extra will come from petrol excise. So, the poor old motorist pays, but the money is not being used for road funding.

The roads in so many areas continue to get worse. I get a sore neck and sore back simply because of the excessive number of bumps on the road that I traverse into and out of my electorate. We can look at the Engineering and Water Supply Department, a department that does its very best through its employees in rural areas, and a department that desperately needs increased funding to repair the many pipes that break on a regular basis. In the summer months when pipes fracture as a result of ground movements, the water supply to farms being totally cut off, the animals that no longer have water for that period are greatly distressed and the rural producers face hardship. But there has been a decrease in the E&WS Department capital works program in rural areas. What could we not have done if we were not spending \$220 million extra on interest payments?

Across the board we can look at things that are already hurting people, particularly rural people, such as taxes, charges and licence fees. In many cases, they went up before this budget was announced. We have seen a massive number of increases through regulations, many of which could have been avoided if we did not have the extra \$220 million interest payment each year, let alone the fact that we could provide some luxury items such as some assistance for coast protection on Yorke Peninsula. I think of the seawall at Stansbury, where the effect of the erosion is such that a large amount of money needs to be spent, yet no funding, or any thought of funding, is coming from the State Government.

In the area of tourism, tourist operators and local councils come to me seeking additional funding for tourist facilities or for assistance towards facilities. Again, because of the \$220 million we as South Australians must pay in interest alone, those sorts of things will be put on the back burner. The budget is not a pleasant one, but it is the result of the grave mismanagement of this State coming home to roost.

I should like now to look specifically at the budget as it relates to rural industries. I notice that the provisional estimate of the gross value of agricultural production in South Australia for 1990-91 is \$1.949 billion. We can compare that with the previous year's figure of \$2.56 billion. So, we see a shortfall of \$618 million, or 24 per cent, on the gross value previously achieved. That is a massive drop. It is a great tragedy for the rural sector and this State that that amount is no longer coming into the State's coffers. We recognise the reasons for it. There are many reasons, including overseas commodity prices. Unfortunately, if we look to what holds for the coming season, things are not looking as positive as they should be.

I notice in today's *Financial Review* a front-page report under the headline 'Wheat Board tips a decade-low harvest' which states that Australia is set to harvest its worst wheat crop for nearly a decade as drought compounds the effects of the smaller acreage planted to grain this season. Hopefully South Australia will not be affected as badly, yet, when I had the opportunity to attend the Royal Show last Thursday and speak to quite a few rural producers, it was upsetting and distressing to find that in parts of the Murray-Mallee some farmers have already written off their crops. As one farmer said, his crop is dead. We still have a long way to go. I realise that there are pockets, and I hope that today's rain may have extended into that area.

On the positive side, there are wide tracts of South Australia's rural lands that look very good and encouraging. We need them desperately to help salvage what we can for this State's economy so that we do not go further into debt and create even more problems for the future. The estimates will continue to come. I suppose it is not much good looking at the value that a tonne of wheat will bring, whether it will

be \$130, as now estimated, or higher. Whatever the case, our rural sector is still extremely fragile. So much more needs to be done for it, and this budget has not provided any hope in real terms for the rural sector. During the Estimates Committees I look forward to further questioning on the details regarding the agricultural sector, let alone fisheries and marine.

Mr OSWALD (Morphett): This evening we have been provided with a budget which is very much a borrow now and pay later budget brought down by a Premier who, on 29 August, clearly demonstrated that the Government had lost control of the economic agenda of this State. In the past two or three years we have seen the demise of businesses across the State; we have seen the demise of our economy; and we have seen unemployment go through the roof. Earlier this week a report in the *Advertiser* showed that there had been a slight stimulus in the economy interstate, yet in this State we continue to see the graph descending.

Mr Groom interjecting:

Mr OSWALD: If the honourable member had read the *Advertiser* this week he would have a clear picture of what is happening. He reads, we all read, and we know very well that the economy in this State is a catastrophe. Yet the economies in other States are recovering.

Mr Groom: Tell us about Greiner.

Mr OSWALD: I will get to the honourable member's interjection as regards Mr Greiner and some of the success stories in New South Wales. Indeed, it is interesting to look at job creation in New South Wales compared with that here under the Bannon Government. I think that there are some lessons to be learnt by the Bannon Government and some advice that it can get from my counterpart in New South Wales. However, I shall come to that shortly.

Despite all the rhetoric that is going on in this State, the attempts to talk up the economy all the time and interjections like the one from the honourable member to give the appearance that everything is fine in this State, in reality our State is almost bankrupt. Speaking of talking up the economy, we are seeing the Federal Government talking up the national economy at the moment every day in the press. The present Federal Treasurer does it and the previous Federal Treasurer did it. I have just alluded to the job statistics, which are a compelling indicator of the disaster for the State, where the ANZ bank, Westpac and the National bank indicators all point to the beginning of a recovery but the signs are that this State is still going downhill.

Under the Labor Party in this State the economy has collapsed, and any self-respecting Leader would have resigned. Bond took the message and went; Skase got the message and went; and Elliott got the message and went. They all resigned, but not our Premier. All he has done is try to distance himself from the financial disasters that have befallen this State. Now he has the gall to ask the public to judge him not on the mess that he has created but on the way in which he manages to get out of this mess. That just shows the type of individual who is running this State.

For the past two years the Liberal Party has warned the Government of what was coming, yet Mr Bannon took no action to safeguard the taxpayers from the State Bank loss of \$2.2 billion. I remember the member for Coles asking some of the initial questions two years ago, followed up by my Leader—

The Hon. Jennifer Cashmore: Two and a half years ago.

Mr OSWALD: —two and a half years ago—and other Opposition members. All along the Government denied it; it pushed the matter under the carpet. We were accused of

being anti-South Australian, when the objective was to bring out into the public arena what this socialist Government was doing in its experiments and its foray out into the capitalist world. There have been disasters all along. We saw the disaster with the State Bank, with Scrimber and with SGIC. The member for Hartley keeps chortling over there but, if he had chortled a little more in his Party rooms and got the message through to his front bench, we may not have had some of the disasters that have occurred in this State. Perhaps the honourable member will go back to the Party room and Caucus and start to give some economic lessons to the Premier so the State will survive another two years before we have to go to the polls.

Mr Groom interjecting:

The SPEAKER: Order! The member for Hartley should worry about what a Speaker is and comply with Standing Orders.

Mr OSWALD: As a result of the culpability of the Premier in increasing our State debt to its present level, we now have a State debt of \$6.64 billion. This represents a rise of 50 per cent over what it was one year ago, and it represents \$4 524 for every man, woman and child in this State, in the form of personal debt to this State.

The Hon. Jennifer Cashmore: And it is annual.

Mr OSWALD: As the honourable member says, it is annual for years and years to come. The interest this year alone on this \$2.2 billion will impact on the portfolios for which I have shadow responsibility, in the areas of both family and community services, and recreation and sport. I shall come to those shortly, because indeed the impact that this will have in the Government and non-government welfare sectors is catastrophic. This sleight-of-hand budget, which simply raises the bankcard level of the State to cover our debts, will do nothing for consumer confidence. I emphasise the point of bankcard debt. This is no different from a family that decides to raise the limit on its bankcard so it can hide the fact that the family is in dire straits financially, so there is more money there for them to spend but, at the end of the day, it all has to be repaid.

Recovery is all about consumer confidence. Without consumer confidence this State is doomed. Companies and businesses are collapsing and one does not have to be an academic to read the press and see that businesses and companies are collapsing. If we look across the continent we see that, of our top 100 companies, some of them have been slashing their profits by about 15 per cent and in some companies profitability has been slashed by even more. The flow-on effect concerning job creation and their viability is also serious.

It is obvious that the slump in economic activity, high retrenchments, rationalisation costs, the depressed prices that we are getting for our rural commodities and the downturn in almost every sector in our community have combined to wipe out millions of dollars of earnings across Australia. This has seen consumer confidence go out the window, and the impact that this is having on the debt ridden State of South Australia is something that none of us can walk away from.

The flow-on effect of the State's debt is wide, and eventually we will see how it impacts on the budget that we are considering tonight. We will see the impact on Government charges for providing services and we will see how services will be dramatically cut back. Clearly, this budget is a 'save John Bannon's skin budget'. It is there to cover our future debts but does nothing about the existing debt structure. The budget does nothing, except cover the odium of the State Bank loss and the odium associated with the management of SGIC, the forests, Scrimber and all the other dis-

asters that have befallen the Government over the past few years.

The budget is designed to get us through this phase and bring us up to the next election. As I say, it is there to save John Bannon's skin. The reality is that between former Federal Treasurer Keating and State Treasurer Bannon, householders in South Australia and Australia generally have become slaves to their personal debts. I defy any member—particularly from the Government side—to say that we have not become slaves to our personal debts in almost every household in this State.

Members may be interested to know that it is not uncommon for individuals and families to be spending more than 35 per cent of their incomes these days paying off interest on loans. In 1984 that percentage was about 8 per cent. By 1988 it had reached 10 per cent, but now it has gone up to 35 per cent, and they are EPAC figures, not mine. It is the householders with mortgages and particularly people with children who have been hardest hit with soaring debt. It is well recognised that it will be a long haul back from this recession.

When we read all the reports coming from ANZ, Westpac, National Australia and others, we see that all the commentators are now saying that it will be a slow haul out of the recession, yet I am told that this budget has been set in a context where the Treasurer is looking for about 11 per cent growth in the State's economy. If there is not an 11 per cent growth we will have an enormous budget blow-out, which has not been predicted in the budget, and this again will impact seriously on all the families of South Australia who are now struggling to survive.

Let us look at the facts. The legacy of the Bannon Administration, with its crippling high unemployment, low economic growth and flat spending now in the community, where everyone is frightened to spend or buy anything, because they do not know whether they will have funds available for something important down the track, is tragic. The impact of failed businesses has permeated the community and I refer as well to record bankruptcies and growing poverty. What does this budget hold for those constituencies to which I have referred? This budget does not get off the back of small business, which is so necessary if we are going to have a return to employment in this State and generate some wealth so that we can re-employ and do something about our unemployment.

It does nothing about getting off the backs of small business or addressing business failures which are the result of WorkCover. Indeed, so many businesses are now collapsing around the State because of the impost of the Government's WorkCover scheme. It does not produce any new jobs. I noticed that the ACTU President in Melbourne today was very quick to point out the problems with the South Australian Government's Administration, in particular in relation to where it is going in relation to its financial matters. It does not provide the climate for investment, which is the prerequisite for pulling the State back from unemployment.

Future job creation in this State will be because of an upturn in business activity. It will not come any other way. It is not as though we can trade it out by injecting a lot of money into the Government capital works program. That would help, but if we want solid job creation in this State we will have to get an upturn in business activity. Upturns are not normally consumer led at a time of high unemployment, which is directly linked with large personal and corporate debts. So, when the Leader of the Opposition this afternoon itemised those areas on which the Liberal Party would concentrate in order to do something about the economy and get it on the move again, we note that he empha-

sised our concern about large personal and corporate debt and indeed Government debt. We will concentrate on those areas.

It has been well documented in the media that unemployment is set to rise further in South Australia, as there is no confidence in the Administration of this State and we have a Government and union partnership which is bankrupt of any policy initiatives and has no idea on how to go about restoring business confidence. It is interesting that the Labor Party is now casting around and setting up committees here and interstate to get the community and, in particular the business community, involved in bringing forward new ideas. The same is happening in the juvenile justice area. The Government no longer has any ideas on how to solve the problems in this field, so it is setting up a select committee and going out into the community to get ideas. That methodology is flowing on to all areas of Government. It is an indictment on this Administration that it has to go back to the community, the business sector or the legal fraternity to find out how to govern for the next two years. What job creating business would want to come to South Australia with the woeful record of this Government in its supervision of the State Bank, Scrimber, SGIC, the ports, and so on?

In this budget at last we have on the public record our sleight of hand Premier in all his glory—something there for the public to see. This time the people of this State will not be fooled or deceived. They know that this time his 'soft on the hip pocket' conjuring trick will not work. The public are now wise to Labor Governments, both State and Federal, which talk up the economy, which deceive and put forward the good news all the time. The public has now been hurt and people remember this when the next election comes around.

The Premier may think that public apathy will in the long term win the day for him. I have news for him! On this occasion he will be wrong. He should get out in voter land amongst the public, in the senior citizens clubs and the work clubs, and go to meetings and sporting fixtures. He would be overwhelmed by the hostility out there, where people are really hurting and they know the causes of it. Everyone now has to accept lower disposable incomes and lower standards of living. However, we are seeing a reduction in the vital and important services of Government. We are seeing health and education services cut back dramatically. One can understand why the ordinary person in the street is asking why they should be paying for the socialistic experiment which has gone on in this State for the past eight years and which been such a disaster. Why should they be paying for experimentation by Cabinet into the business world when not one member of the Cabinet has any expertise or competency to make decisions that are normally made on business boards.

Sure, the Bannon Government has made history in this State. I understand that a sign displayed at its State conference this year read 'Making History 1891-1991'. However, really, what has it achieved? It will go down in history as the Party which brought about the greatest economic dislocation in our State since the Great Depression. What a marvellous record to have hanging around your neck as you approach retirement from this place—to know that you were responsible for the greatest economic dislocation ever in this State. I certainly would not like to have that sitting on my shoulders for anything.

The sad thing is that the parliamentary members of the ALP still carry on as if they are proud of their achievements. I find that most remarkable. The Government's philosophy of fixing problems by throwing money at them has failed.

It has done it again in this budget, trying to fix problems by throwing a fistful of money at them. One day we will pay. The poor are poorer; the justice system is collapsing; and the man in the street is desperate. Well done, the ALP! What do we really have to thank it for other than this financial disaster?

I will spend some time on the hidden poor, those who have not yet appeared in the statistics. Many of the statistics do not show up these people. I refer to those in rural areas. There is nothing in this budget for the rural poor, and there is a growing army of rural poor who are being forced off the land. I also refer to the Aborigines and the single parents who have been hoodwinked over the years in the belief that they belong to the ALP constituency. What a sleight of hand that has been over the years. Members opposite would realise that if they toured the State and spoke to various people. The ALP is not and has never been their salvation, and now they are suffering for their belief in it.

The budget is about the survival of the ALP in Government—nothing else. That \$220 million could have done an awful lot in my area of responsibility. We could have reopened all the FACHS offices around the State that have been closed down over the years. We could have built every sporting facility that has been on the drawing boards for this State now for the past 10 years, and had money to spare. We could have provided respite care in every home for the aged that requires it. We could have built nursing homes from one end of the State to the other to satisfy the needs—

The Hon. Jennifer Cashmore interjecting:

Mr OSWALD: I am coming to that. The honourable member is quite right. The HACC program is a matter always of great concern. As the honourable member says, Domiciliary Care, the HACC program, Meals on Wheels—all those facilities that are so important to our State—could have been assisted. The budget is not a happy document as far as we are concerned, but we have to pass it because of the implications in respect of paying the Public Service. People could say—and I have certainly said it in my family—that you never send good money after bad. With this budget, I believe that in many cases we are sending good money after bad. I will support the budget since we have to pay the public servants, but there is not much joy in it for the unemployed or for businesses in trouble.

The Hon. JENNIFER CASHMORE (Coles): This budget is an immoral document. It is immoral because it denies the responsibility of Government, it evades the proper role and function of Government and it totally betrays the trust of the people. Two years and one month ago, on 8 August 1989, in making a ministerial statement on the budget at the commencement of the budget session and before that year's budget had been introduced, the Premier said:

We have rejected the easy solutions which impose debt burdens on our children and generations beyond. Government has no inherent right to spend tomorrow's money.

Those words are found on page 54 of volume 1 of *Hansard* parliamentary debates for 1989. They should be etched on the mind of every one of the Premier's colleagues because they clearly indicate that the Premier is a man without honour, without scruple, and without any ability to manage a State budget. That is demonstrated very clearly in the budget papers.

In my contribution, I propose to analyse a particular aspect of the budget which has not as yet been dealt with by any of my colleagues or, needless to say, by any member of the Government. I propose to look at the level of public sector indebtedness, a level which is growing to such horrifying proportions that, when the Premier said, 'We have

rejected the easy solutions which impose debt burdens on our children,' we can see that this budget goes beyond the next generation into the one beyond that and, probably, the one beyond that. It is our grandchildren and their children who will pay for the mistakes of the Bannan Labor Government.

Mr Atkinson interjecting:

The Hon. JENNIFER CASHMORE: The honourable member has the gall to mention the name of the greatest Premier who has ever served this State. The figure of public indebtedness in that period related to extremely high levels of inflation brought about by Labor Governments. In no way can one compare the indebtedness of the Playford Government to the indebtedness that has been inflicted on this State for generations to come by the Bannan Labor Government.

Members interjecting:

The DEPUTY SPEAKER: Order! The members for Spence and Adelaide are out of order.

The Hon. JENNIFER CASHMORE: I recommend to members opposite a very careful reading of the report of the Auditor-General. I particularly refer them to page 7, in which the Auditor-General sets out the long-term liabilities of the State Government and public sector indebtedness. The table, which identifies the level of public sector debt from 1987 to 1991 in terms of, first, net indebtedness and, secondly, net interest costs, is a demonstration of the massive increase in public debt under this Government. In 1987, our net indebtedness was \$4.046 billion; in 1988 it was \$4.004 billion; in 1989 it was \$4.165 billion; in 1990 it was \$4.310 billion; and, in 1991, it is \$5.175 billion. The net interest costs in the current year are \$663 million, an increase from 1987, when they were \$413 million.

My colleagues have mentioned one after another the approximately \$4 500 that every family will have to sustain to repay not the capital but to repay only the interest, and not just for this year but into the foreseeable future and well into the twenty-first century. That is an unforgiveable burden to inflict upon the next generation, and it makes mockery of the Premier's claim of two years ago. Net indebtedness of the public sector, as the Auditor-General says, is a measure of the public sector's debt needing to be serviced from taxes, fees and charges, that is, costs are met from the Consolidated Account and by the users of services of semi-government authorities such as ETSA. That is a simple explanation and definition of net indebtedness. Every citizen of this State will know and understand it as they pay bill after bill, tax after tax, well into the next century.

From long-term liabilities of public sector indebtedness, we turn to what is infinitely more serious, that is, the question of the Government's contingent liabilities. That is dealt with under the Auditor-General's section on public accounts on page 9 of his report. He identifies that the guarantees of the Treasurer fall into three categories: general guarantees in respect of the operations of certain statutory bodies; guarantees to assist the development of an industry or service, that is, under the Industries Development Act; and guarantees to encourage community organisations to incur expenditure of a public nature.

Under the general guarantees, the authorities are the State Transport Authority, the South Australian Finance Trust Limited, the South Australian Metropolitan Fire Service—and now I come to the big four—the State Bank of South Australia, the State Government Insurance Commission, the South Australian Government Financing Authority and the Local Government Financing Authority of South Australia.

Under the Industries Development Act—and this is where members opposite can start adding up if they choose—the guarantees amount to \$14.5 million. I should perhaps preface my remarks by pointing out the nature of a Government guarantee. A Government guarantee has come, by this Government, to be treated as an automatic extension of Government activity to be granted, apparently, without consideration of the consequences of that guarantee being called up. A guarantee really represents a stock of future obligations which may be called upon at any time, usually unexpectedly. If ever we needed a demonstration of that we had it in February this year when the Premier announced the first part of the contingent liability of the South Australian Treasury for the State Bank, which could otherwise have collapsed.

It is quite clear, and any good manager should understand it, that the extent of guarantees should not exceed the capacity to meet those guarantees at any given time. Any Government that has any sense of responsibility should avoid giving or accepting guarantees because they are, by their very nature, imprecise; they are an invisible commitment which does not appear in the books, in the profit and loss.

It is an invitation, if you like, to people to rely upon the Government as the final guarantor, and it is an invitation for people to invest and spend. The Government uses these guarantees to attract funds that it could not otherwise attract, and I propose to demonstrate how this is being done. I mentioned the \$14.5 million currently guaranteed under the Industries Development Act. The Local Government Financing Authority has current liabilities that have increased very substantially in the past 12 months. It is quite true that the Local Government Financing Authority's operating surplus and assets have increased. But for the Government to allow that authority's current liabilities to increase from \$133.6 million to \$183.1 million in the space of 12 months is, in my opinion, thoroughly irresponsible. It is an increase of 37 per cent—the kind of increase which started to take place four years ago with the State Bank and which was not in any way examined, governed or inhibited by the present Government, which is forcing us to pay the price of its irresponsibility.

The other contingent liabilities rest with the unhappy State Transport Authority. Its annual interest repayments are not identified—or I cannot readily see them—in the Auditor-General's Report, but its outstanding principal borrowings as at 30 June are \$185 million. Of course, its deficit has grown from \$107.4 million in 1986-87 to \$128.7 million in 1990-91—a colossal amount of debt that has to be met by taxpayers.

The really big spender, the big banker, the big finance authority, the one that worries me more deeply than any other, more in fact than the State Bank, is the South Australian Government Financing Authority. Page 33 of its annual report identifies the total liabilities of SAFA as having increased from \$13.8 billion in 1990 to \$17.2 billion in 1991—a huge increase. It is worrying when one looks at the annual report of SAFA to see how it functions, where its investments lie, and its enormously central role in the financing of this State, and to realise how vulnerable we are. It is my opinion that the weakness inherent in SAFA, particularly following amendments in 1986 to the original Act, is the assumption that the people in charge of SAFA will perform a function on behalf of the Government to bring profit to the Government, money which it would not otherwise have earned. As far as I am concerned, that function of SAFA, to bring income and profit to the Government, is totally away from the original purpose of SAFA,

which I find completely defensible, that is, to be a consolidator of Government borrowings so that the most attractive interest rates can be assured for the people of South Australia.

SAFA is now borrowing money to on-lend so that it can make money out of its own borrowings. It seems to me that SAFA is getting caught up in the very same traps in which the board and the management of the bank got caught up three or four years ago, and we are now reaping that terrible harvest. It is not a function of Government to take risks with other people's money; it never has been and, in the view of the Liberal Party, it never will be.

As I said, it is worth looking at the Government Financing Authority Act of 1982 and its amendments in 1986 to see what has happened and what is happening with SAFA. Under clause 11, the original functions of the authority were, broadly, to develop and implement borrowing and investment programs for the benefit of semi-government authorities and to engage in such other activities relating to the finances of the Government of this State or semi-government authorities as are contemplated by this Act or approved by the Treasurer.

SAFA was given the power to borrow moneys within or outside Australia to invest, issue, sell, purchase, pay off, repurchase, redeem, convert or otherwise deal in or with securities and so forth. However, in 1986 this Government amended that Act to enable SAFA not only to invest moneys held by the authority but—and this is worrying, and it should worry every member opposite—to lend or invest moneys held by the authority. Bear in mind that SAFA has now become a bank, not just an investment arm of the Government.

A further amendment under section 11 (2) (ia) allowed SAFA to enter into partnerships and joint ventures and to form companies. Again, those are not functions of Government. That was never envisaged under the Constitution of this country, and it has proved to be a very high risk strategy in which the Government is still engaging. One of the activities SAFA has undertaken as a result of that amendment is the establishment of enterprise investment trusts and enterprise securities activities.

Bear in mind that these, also, are guaranteed by the Government. There appears to be no limit whatsoever by the Government, either in practice or in law, to the capacity of SAFA to borrow and to lend. Yet, everything that SAFA borrows and lends is guaranteed by the Government in the name of the taxpayer. We are entitled to ask, 'Is there to be no limit?', particularly when we look at the statement of accounting policies of Enterprise Investment Trust. Enterprise Investments Limited has carried on the business of making equity and other investments in business in Australia. The sole beneficiary of the trust is the South Australian Government Financing Authority.

We have Enterprise Securities Limited, the principal activities of which during the course of the financial year were investment in businesses in Australia and rental of office accommodation and plant and equipment to the Manager of Enterprise Investments Limited. The people of this State do not expect the Government of this State to invest in businesses in their name and with their money.

If people want to take risks, let them, but let not the Government take risks with our money. It is deeply worrying that this is happening, and happening in an ever expanding fashion. Year after year, the contingent liability gets bigger and bigger, and there is absolutely no hedge on it, no sanction against it, other than the scrutiny of this Parliament. We know from bitter experience that the Pre-

mier is very willing to avoid, evade and neglect the scrutiny of this Parliament.

I conclude by referring to SGIC, another area of contingent liability. The commission made a \$54 million loss this year. Its total current liabilities have increased from \$400 107 000 last year to \$433 776 000 this current year, a substantial increase, every dollar of which is guaranteed by the taxpayer. It is no surprise that in a memo of 20 April 1990 to the Treasurer the then Under Treasurer, referring to credit risk insurance, property puts, securitisations and residual value insurance, said:

The expansion of SGIC into this area of business and the associated increase in the State's contingent liabilities needs careful review. It is not clear to me that the application of the State's guarantee to this type of insurance contract was contemplated by Parliament.

The DEPUTY SPEAKER: Order! The honourable member for Bright.

Mr MATTHEW (Bright): I participate in this debate tonight to express my disgust at this budget, and I join with my colleagues in so doing. This budget places present and future generations in our State in debt. My children, my neighbours' children and, in fact, all South Australian children will still be paying off the debt inflicted by this budget when they leave school and get a job—if they can find a job.

This budget places our State into massive debt well beyond the end of this century and into the next. Each South Australian family is now liable for some \$4 600 because the Premier of our State failed to stop the growing losses of the State Bank.

Mr Holloway interjecting:

Mr MATTHEW: I am surprised to hear the member for Mitchell interjecting, because he also has a family. His children, too, will be paying for this debt well into the next century. If he were doing his job properly, he would be in the Party room saying, 'This is not good enough: I am not putting up with it. This is not what South Australia needs.' This budget will go down in our State's history as the State Bank budget. It follows a rash of increases in State taxes and charges. It has attempted to placate South Australians into a false sense of security by failing to pay back the State Bank debt, completely avoiding the issue.

This budget has now revealed the enormity of that debt. It has reached a staggering \$2.2 billion. But, rather than look at ways to pay the money back, the Premier has borrowed the lot and subjected the South Australian taxpayer to a \$220 million a year impost in interest payments alone. That amounts to almost \$603 000 every day, seven days a week, 365 days a year. This Government has subjected South Australians to that amount of money for the rest of the century and beyond. All that money has been thrown out the window.

Going through the document, 'State Bank of South Australia and Subsidiary Companies Annual Accounts 1990-91', I observed that the bank's non-performing loans have increased from \$635 200 million as at 30 June 1990 to a staggering \$4 199 600 000 as at 30 June 1991—almost \$4.2 billion—and that figure does not include all non-productive items and problems at the bank.

In an attempt to make the State Bank's problems seem the norm, in an amazing statement in his budget address, the Premier referred to the problems experienced by other banks. He said:

I do not wish to downplay the severity of the State Bank's problems. But it is important to appreciate the context within which the bank has been operating, a period of unprecedented inflation in asset values and then an enormous slump. In this

unstable environment many older and much more experienced banks have also had major problems.

But let no-one be fooled. The problems faced by the State Bank are the most disastrous in our country's history. The problems faced by the State Bank of South Australia have been seen and achieved the second largest corporate loss in Australia's history, a loss beaten only by that of Bond Corporation. The loss of our State Bank exceeds that of the State Bank of Victoria, and this loss has been brought about because of incompetence not just of the bank management but of the Premier himself. The Premier is the person who had the ability to intervene, and this Opposition has been calling for that intervention for in excess of two years. Initially, the Premier dismissed us as being mischievous. He said that we were trying to achieve something like the situation in Victoria—creating another Victoria Inc. situation. In total dollar terms, this disaster is worse than that achieved in Victoria and in per capita terms it is about three and a half times as bad.

In the State Bank document to which I referred earlier, I noticed a statement by new Group Managing Director, Ted Johnson. On 29 August 1991, he wrote:

There is no single reason for the deterioration in the group's financial position. In summary, the group allowed a heavy concentration of risk to develop in the commercial property sector and made some poor lending decisions.

These decisions were made in areas into which the State Bank should never have ventured. The vast majority of non-performing loans, as members are by now well aware, are in the commercial property sector. The State Bank's list of involvements in that sector is interesting. One of the items on the State Bank involvement list, as Government members particularly would be aware, is the Myer-Remm site. In that case the State Bank managed a syndicate that provided \$550 million to build the Myer Centre in Rundle Mall. Whether the Myer Centre can realise that sort of value, particularly during a recession, is questionable. As a comparison, it is interesting to look at the example provided by the Brisbane Myer Centre, which is the major asset of the troubled company Interchase Limited. That property was initially valued on that company's prospectus at \$470 million. The same property was later valued, at the apex of the property market on 30 June 1988, at \$495 million. At that stage all was going well. However, as the property crash developed, the value of the building plummeted to \$250 million.

I understand that the State Bank's personal exposure here in Adelaide to the Remm project is in the vicinity of \$300 million. Let us hope we do not have here in Adelaide a repeat of what happened in Brisbane. It is also interesting to look at that well-documented property, 333 Collins Street in Melbourne, which was developed at a cost of \$610 million and in which, I understand, the State Bank has an exposure of some \$50 million. Of course, members are aware that on 8 July 1991 our SGIC exercised a put option on that building to the tune of \$465 million. The appropriate carrying value on that property as determined by an independent valuer as at 30 June 1991 was \$395 million, an immediate loss of \$70 million in that property.

The list goes on and on of State Bank investments in other buildings, not all of them in South Australia. The bank has been involved in interstate and overseas investment, so I, with my colleagues on this side of Parliament, look forward to the bank's return to basics—to the safety of bricks and mortar—as has been done by other banks in our country for quite some time. In turning back to basics, the bank is doing only what the Opposition has been advocating that it should have been doing for more than two years, but our statements have fallen on the deaf ears of

the Premier—a Premier who has demonstrated to South Australians that he does not have control of State finances; a Premier who has avoided the issue, who has ducked, dodged and weaved and who at all times has failed to reveal all to Parliament; a Premier who is costing South Australian taxpayers (and I will repeat this figure) \$603 000 every day, seven days a week, 365 days a year. I ask those members of the Government who have the guts to be here to listen tonight what they could do with that money.

In many respects, I feel sorry for the Minister for Industry, Trade and Technology, who is here, burying his head in his book. I do not blame him; he does not want to hear about what has happened. The rest of the Ministers have deserted the Parliament and have left their backbenchers here to face the music. These people will probably not be here next time if they do not have the guts to stand up to the Government in the Party room and say, 'This has got to stop; we cannot accept this sort of debt. We cannot accept paying almost \$603 000 a day in lost interest payments, out the window, gone—finished for ever.' That is what they are being subjected to. Our Premier has gambled with our State's future. He has admitted in this place that we are in the deepest recession since the Second World War, and then he has assumed that taxation receipts will increase by 11.6 per cent—three times the rate of inflation. I ask members how he can realistically assume that stamp duties, payroll tax, FID, gambling tax and the tobacco franchise will increase so rapidly when we know that since June the economy has deteriorated?

I was equally horrified when I read the State Bank of South Australia and Subsidiary Companies annual accounts for 1990-91, when I noted that the State Bank has a total of 289 subsidiary companies and 45 associated companies. Included amongst those companies are business interests across the board. They are so diverse that they include full service banking, management services, wholesale banking, property investment, insurance broking, merchant banking, captive insurance, unit trust management, general insurance, life and general insurance, real estate agencies, retirement village ownership, building societies, computer services, motor vehicle leasing, relocation management, business information systems, securities dealing, computer retailing, hotel management, general financing, furniture retailing, liquor licensing holdings, hotel development, retail development and manufacturing.

Those are the companies with which our State Bank is involved, and they have a long road to get back to basics and to give South Australia the sort of bank it believed it had. The bank it had in the past was a reliable source of funds for home building and business management. That is what South Australians expect of their bank. They do not want a bank that will invest overseas and in other States, lending money that at the end of the day costs every single South Australian taxpayer money, regardless of what bank they used in the first place.

Aside from the State Bank I want to turn in the time remaining to other aspects of the budgetary strategy that the Premier has employed, because the method of funding the budget raises some fundamental and serious concerns that have long-term ramifications for our whole State. The overall position statement that the Premier has produced shows that the Government has borrowed and is again planning to borrow substantial funds to finance its day-to-day operations.

I note that in 1990-91 the Government borrowed \$116 million to finance its day-to-day operations. In 1991-92 it is borrowing \$147 million. This sort of approach equates to a householder borrowing from the bank to buy bread, butter,

milk and meat to feed the family and to pay the mortgage on the family home. It equates to someone going to the supermarket each week and, instead of paying cash for their shopping, paying for their shopping with bankcard and then paying, and continuing to pay the interest.

That is the budgetary strategy that has been employed by this Premier—a credit-card budget—and it will continue taking us into more and more debt well into the next century. When one looks at this sort of budgetary madness one can only conclude that the Premier has given up all hope of winning the next election, so he is borrowing money—running his credit card—spending while he can and continuing with his day-to-day operations.

When he loses at the next election the Premier will leave us to make the big decisions. We will be the ones to cut expenditure and try to get South Australia back on an even keel. The Labor Party will then point to the hard decisions we will have to make and say, 'See, we told you what happens when you vote in a Liberal Government'. They think that they will be elected again. This sort of credit-card mentality cannot continue until the next election, unless the Premier calls it now, because everyone knows that a credit card accumulates interest and the noose becomes tighter around their neck. In the end they have to do something. Many South Australians react by selling their car or home, and it will be no different for the State. Ultimately we will have to look at our assets and what can be done to put us back on an even keel.

I note with interest that at page 50 of the financial statement the point is made that the financial borrowing requirement for 1991-92 is actually below the average level in real terms on the previous eight years. Statistically, that statement is correct but, what it deliberately masks (and I do not make this statement lightly) is the important and serious issue that the financing requirement is being used to finance our day-to-day operations and the use for that purpose is increasing as the interest payments on that money that the Premier is borrowing increase.

It does not stop there: it does not just stop with borrowing money and continuing to borrow money and pay interest to try to keep the State running. We also have another method that the Premier has introduced this time. I call it the raid on utilities. It is interesting to look at what the Premier has done with the Electricity Trust of South Australia. I note that ETSA has been required to make two contributions in 1991-92. It is being asked to make a \$42.8 million contribution, up on the \$39.9 million last year, to the recurrent receipts of the Consolidated Account. This effectively represents a levy on sales.

In addition, ETSA is being asked to pay \$45 million—up from \$20 million last year—to SAFA as an additional return on capital. Further, I note that ETSA is estimated to increase its net borrowing by \$16 million to finance a larger capital program. It does not matter how one looks at it: if ETSA is giving \$45 million over to SAFA, it amounts to 41 per cent on SAFA's investment of \$110 million in ETSA. That is hardly a commercial proposition from ETSA's point of view. This whole raid on ETSA as a utility has severe implications for South Australian consumers. First, it depletes the internal funds built up for capital development.

Mr Holloway interjecting:

Mr MATTHEW: The member for Mitchell should listen because he might learn something. He should calm down, sit back and listen to what his Premier has done, what he has buried in these budget papers. Secondly, it forces ETSA to borrow to supplement the depleted funds for development. That means that, thirdly, we have a double hit on the consumer, because at the end of the day the consumer

will have to pay higher tariffs on his electricity to meet the debt servicing costs of borrowings to pay off organisations like SAFA to enable it to keep going. Those borrowings could have been avoided. So, in essence, ETSA is borrowing \$16 million to pay its dividend to the Consolidated Account. This has to be a very dangerous position in which to place our State budgeting system.

I also note that the budgeting strategy relies very heavily on the performance of SAFA in 1991-92. SAFA as a whole is being asked to contribute \$400 million to the Consolidated Account. That is up a massive \$130 million on the 1990-91 contribution. So, if we see a situation where SAFA will be forced to use its reserves to the extent that it affects the strength of its balance sheet, we could then see the whole question of SAFA's credit rating coming under review. That means that the Premier has put us in a very dangerous financial situation. This sort of situation has arisen for one reason alone. Regardless of all the areas of financial mismanagement over which the Premier has presided, the State Bank alone is an issue over which he cannot stand there any longer.

He has mismanaged the economy, but just taking the State Bank issue by itself, if he has any integrity, and if there is any integrity left in this Parliament, there is only one option left: the Premier must resign. No doubt, that is why the Minister of Industry, Trade and Technology is here tonight. He has been touted as the replacement, so he is sitting there warming the seat and edging further up the bench. Too right, he is smiling. We also know why the member for Hartley is smiling. He is getting his smiling face in the paper a lot these days, because he is thinking that it might be his turn for the front bench. He might actually make it to the front bench after all these years.

So, members opposite are looking fairly happy about it—they have a chance. At the end of the day, when the Premier makes his decision and has the guts to do something, this Opposition will be ready for an election. We are ready for an election; we are ready to govern; we have the policies in place and we saw the Leader deliver the alternative budget in this Parliament today. That budget will be well received by the people of South Australia. Let members opposite have the guts to go to the polls now and give the people of South Australia what they want: a change of Government.

Mr INGERSON (Bragg): I begin my contribution by focusing on the political issues of greatest concern to all South Australians. I will discuss these issues tonight in some depth and suggest some strategies that the Liberal Party will use when elected to Government to successfully reduce the State's debt and ensure the State's economic recovery. I will highlight both Federal and State issues.

At the national level Mr Hawke has publicly admitted that his latest budget could have been better. This admission, together with the obvious unrest and antagonism amongst members of the Hawke Labor Government, leaves the nation's people feeling confused and lacking in purpose and direction. Add to this the most unsatisfactory management of rural prices, which has left many farmers struggling to feed their families, and it becomes obvious that our country and its future have been severely jeopardised by the poor leadership and performance of the Hawke/Keating Government. In the eight years of Hawke and Keating the incentive to work, to save or to create personal wealth has slowly diminished. A new taxation system is needed to provide incentive. A new industrial relations system is required. We need a Liberal Government in Canberra.

At the State level, the question of the quality of Mr Bannon's leadership and management capabilities is on the

lips of every South Australian. Every citizen in our State has been paying or is now paying, and will continue to pay, heavily for the folly of this Bannon Government. The blatant mismanagement of public funds—our money—by the Premier, John Bannon, is evident, even to the most ill-informed person. The Premier made the critical error at our very considerable expense of seeing the State Bank as the singular linchpin and jewel in the crown of the economic development of South Australia. This narrow vision and risky experimentation with Government instrumentalities and taxpayers' money has had devastating consequences for South Australia.

The Premier stood personally to gain more than anyone from this experiment, so it stands to reason that he should pay for it now that he has failed. Add to this the similarly inexcusable mismanagement of SGIC, the STA, WorkCover and the Scrimber plant, to name just a few, and we can see with crystal clarity where the problems lie—with our Premier and Treasurer, who is publicly accountable for every hard-earned tax dollar extracted from every South Australian. There were too many eggs in the high risk baskets, in a social experiment that Government instrumentalities were the be all and end all. There was inaccuracy in reading economic trends and a lack of knowledge, and South Australians were used for the purpose of making quick money and promoting the Premier's personal and professional image, all at our expense in the past and now for a long time into the future.

The Premier has accepted full responsibility for South Australia's sorry financial plight, and has asked South Australians to give him a chance to fix it up. I do not accept that at all. In what other business would anyone be given another chance to make good a problem of this magnitude? In what other business would anyone who has so clearly demonstrated the inability to successfully discharge his duties be given another chance? Mr Speaker, there is none. One would either be fired or end up bankrupt. No quick fix grab for more money from the taxpayers or borrowing more money on behalf of the taxpayer options are available to anyone else. I believe that the Premier should be called to account, and should resign.

Let me address some of the more major mismanagement issues which clearly demonstrate the incapacity of the Labor Government and, in particular, the Premier himself to provide the high quality of leadership necessary to give all South Australians confidence in their future and in the future of this State. We are faced with an annually escalating real State debt now to the tune of \$6.642 billion, the equivalent of \$4 524 for every man, woman and child in this State. The collapse of the State Bank plays no small part in this figure—a \$2.2 billion loss due primarily to unsound investment in subsidiaries currently running at a loss of \$4.5 billion.

Do members realise that, if each of the five billion people of the world put 50c into the Bannon collection bowl, we would only just pay for the State Government's borrowings to fund the State Bank losses? So, 50c from every single person living in the world would only just pay for this loss. For each of the issues upon which I will elaborate, it will be demonstrated that the underlying cause of our major economic problems in South Australia is the poor and damaging and, indeed, destructive leadership by the Premier and his Government. First, I refer to the failure by Mr Bannon and the former board of the State Bank to master the details and get to know their business.

The Premier allowed, and indeed encouraged, the State Bank to diversify its operations into transnational trading, knowing full well that neither he nor the former board had

the necessary skills, experience or knowledge to do so with even a small measure of success. The State Bank's principal function is to provide retail banking services for the housing and small business needs in South Australia. Prior to the diversification of the bank's activities, it performed this function with a great deal of success.

In relation to an obsession with greed, we have become only too familiar with this trend in business generally over the past decade or so to the degree that most academic business courses now contain teaching units on business ethics. The State Bank is a good example of an organisation running blind and going on an impulsive acquisition spree. The Premier picked up on an idea that he thought would be a short cut to making the State rich. His vision was blinkered by the pursuit of quick profits with no regard for the bank's real bread and butter—its loyal and trusting depositors—and no regard for its prescribed charter. The list of the bank's loss making subsidiaries is substantial and includes, ironically, Beneficial Finance Corporation as well as New Zealand's failed Equiticorp and Chase Corporation, Victoria's National Safety Council, the Hooper Group, Interwest, Fairfax, Quintex, a \$180 million exposure to the troubled Adsteam Corporation, Remm and many others.

The failure of the Premier to design and use adequate accounting procedures and processes is another problem. One would have expected that the deregulation of banks would alone have resulted in all banks, and in particular the State Bank, instituting adequate accounting and supervisory processes to give bank personnel and the State Treasurer the information necessary to enable good business decisions to be made. The failure of Treasurer Bannon to make sure that such simple, protective accounting processes and procedures were in place has been the most significant factor in the collapse of the bank. If such procedures had been in place and information had been gathered and acted upon, appropriate intervention could have been taken at strategically imperative times and the current State bank problem avoided.

Whether he knew or did not know of the bank's financial predicament is absolutely irrelevant. The Premier is the Treasurer of this State and thus the Treasurer of the State Bank. It was his responsibility to know. Not knowing can be deemed well and truly negligent and an abrogation of trust and responsibility placed upon him. The royal commission will clarify the level of his actual knowledge and understanding of the bank's problems.

In relation to a poorly balanced portfolio in the mix of the bank's business, the Premier presumably authorised the investment strategy of the State Bank, so presumably he knew of the bank's heavy reliance on property and real estate investments, made at the height of the property boom. Such a strategy is highly risky, even for the private investor, and to manage a State bank's funds in such a way is totally irresponsible and unacceptable.

The effect of this investment procedure was governing by secrecy, a cover-up—and we have heard in recent times of the \$2 million in his pre-election bribe—poor and inadequate accounting, lack of supervision and communication, coupled with unskilled leadership and management of the State Bank and impetuous investment in non-performing assets; these have all had devastating effects on the people of South Australia and have thrown a cloud on the economic recovery and future of this State. These following examples will demonstrate my concern. I refer to a perpetual \$4.5 billion annual loss in non-performing assets which has been incurred, with South Australian families having to pay the \$220 million in interest which accrues at a rate of about \$4.2 million per week. As mentioned earlier, this means

\$4 524 for every man, woman and child in our State. Essential public services have been reduced. For example, the public capital works program has been cut by \$5 million in this budget, or a 4 per cent cut in real terms. Empty piles of masonry and glass are evident all around the city—for example on Anzac Highway, in Grenfell Street, on South Terrace, just to name a few locations.

There are also higher FID taxes, which were raised from .04 per cent to .1 per cent at the beginning of the impending State Bank crash. The tax collected jumped from \$92 million last year to \$115 million this year, an increase of 25 per cent. General taxes are up by 11 per cent when the inflation rate is only 4 per cent. Small business are becoming bankrupt due to the insensitive calling in of loans by the State Bank and the mismanagement of WorkCover.

I refer also to severe retardation of South Australia's economic recovery with a projected and inevitable increase in unemployment, particularly for the young people of our State. The 10.4 per cent unemployment rate in South Australia is the highest in the country. Youth unemployment is 25 per cent: one in four of our young people do not have a job. The South Australian public has been misled into thinking that the State Bank debt has been fully-funded by the sale of assets and a loan from SAFA. In fact, transfers of funds between Government instrumentalities, in particular, \$45 million from ETSA, \$8 million from the E&WS Department and \$5 million from PASA to help reduce the State Bank debt mean that charges for electricity, water and gas will invariably rise, so the taxpayer gets hit again. The stark awakening of this no longer sleeping giant known as the State Bank, guarantees that no South Australian will sleep easily for some time to come.

I have three areas of concern about the ETSA transfer: first, the \$42.8 million contribution to the recurrent receipts of the Consolidated Account, which is a transfer and levy; secondly, the \$45 million, amounting to a return of 41 per cent on investment by ETSA, for capital invested in SAFA; and, thirdly—and most disappointing of all—ETSA's need to borrow \$16 million for its capital works program at the same time as giving an extra payment to SAFA. ETSA is having to borrow so that it can pay the amount required by the Government to the South Australian Government Financing Authority.

I will now talk briefly about SGIC, which has an \$81 million pre-tax loss due again to the Treasurer's approval of poor loss-making investment decisions. SGIC's net assets have plummeted from \$101 million last year to \$46 million this year. As with the State Bank, the Premier must be held accountable for the financial problems of SGIC. A close look at the available financial reports again demonstrates the inability of the Treasurer to manage the financial affairs of the State. The pattern of loose supervisory controls and inadequate accounting procedures repeats itself, as does the lack of knowledge and understanding of wise investment.

There is no evidence of a documented, planned investment strategy in SGIC's strategic plan, something which should be of great concern to all South Australians, considering the heavy reliance of SGIC's business undertakings on interstate and intrastate property investment. It comes as no surprise that such a heavy loss has been incurred. SGIC was established to provide a local insurance alternative for South Australians and has, as part of its charter, a clause specifying that it conduct its business solely within South Australia.

The negligence of the Treasurer in enforcing the charter has resulted in the significant losses incurred from SGIC's unwise investment in the likes of the Terrace Hotel and the \$70 million write-down in its newly acquired 333 Collins

Street development in Melbourne. SGIC has to find \$48 million annually, \$923 000 per week, merely to pay the interest on 333 Collins Street. Other significant losses totalling \$43.9 million have resulted from SGIC's investment in the troubled radio station 102FM, the failed Scrimber project and Health Development Australia.

There have also been losses in the supposedly main business of SGIC where we see a drop of \$27 million in third party profits, a loss in the general insurance area of \$43 million, an increase in the loss of the health insurance fund from \$1 million last year to \$1.6 million this year, and a \$25 000 loss incurred by SGIC's South Australian hospitals. The person to be held entirely accountable for the worrying financial position of SGIC is our Premier, Mr Bannon, who as the Treasurer of our State is the final decision-maker for all investments.

The effect of this is that there is a loss of income to the State budget. Last year the income was \$34 million; this year it is nothing. There are also higher third party premiums, due to the more than apparent willingness of the Treasurer to use this fund to invest in very high risk investments.

There are grave concerns about the ethics of the Premier, who presumably authorised controversial interfund loans and asset swaps resulting in multi-million dollar losses and unethically (although it is technically legal) authorised non-conformance with broadcast ownership laws. There is also an inescapable increase in taxation and tariffs for South Australians by way of a capital injection by the Government should the losses incurred by SGIC not be made good through unexpected returns on loans and other currently non-performing investments. WorkCover has major problems, which I have detailed in the House before.

To conclude this section of the debate, I will comment on the major more general concerns arising from Premier Bannon's 1991 budget. The method of funding the budget raises fundamental and serious concerns. This 'pay later' budget has long-term implications. As the overall position statement shows, the Government has borrowed, and is again planning to borrow, substantial funds to finance its recurrent day-to-day operations. It borrowed \$116 million in 1990-91 and \$147 million in 1991-92. This underlying recurrent deficit of \$147 million is accumulating interest at the rate of \$15 million per year. This approach equates to a householder borrowing from the bank to buy bread, butter, milk and meat to feed the family and to pay the mortgage on the family home.

No-one is concerned about the Government's borrowing for capital investments, but everyone should be concerned when the Government borrows to feed the people it must protect. Unless corrected and corrected quickly, it has one final and certain result—bankruptcy or, in the case of the Government, the imposition of a level of taxes and charges quite crippling to individuals and to the business community. The financial statement makes the point that the financial borrowing requirement for 1991-92 is below the average level in real terms of the previous eight years. While that statement is statistically correct, it deliberately masks the important and serious issue that the financing requirement is now being used to finance recurrent day-to-day operations, and the use for that purpose is increasing.

In 1989-90, there were no borrowings for the recurrent account; in 1990-91, there was a borrowing account of \$116 million, which represented 32 per cent of all borrowings. However, this year, in 1991-92, there was a borrowing for day-to-day use of \$147 million, which represents 45 per cent of all borrowings that have occurred. The Bannon budget has been erroneously presented as one apparently designed

to save public money at the least expense to the taxpayer and the business community of South Australia. Payroll tax may seem to have been reduced by .15 per cent, but the budget estimates indicate that an additional \$40 million will be collected from this tax in the current financial year. How can this be? Obviously, the increase in tax collected is partially due to the decrease in the rate not taking effect until December this year, but the estimates would seem to be highly inflated considering the projected increase in unemployment and the growing number of small business closures.

In addition, the reduction in payroll tax will be of small consequence to the State's employers experiencing the massive hike in this tax imposed in the 1990-91 Bannon budget. If the \$220 million in interest lost was used to reduce the amount of payroll tax alone, the result would equal 4 500 jobs at \$50 000 each. The seeming cuts to the Public Service are, in reality, only an attempt to counter the equivalent increase in the size of the public sector which took place in the past financial year. There will be no real saving to the State here, either.

Dr ARMITAGE (Adelaide): I am very sad to have to address the budget this evening, because clearly it is a very sad event for all South Australians—sad to the tune of \$4 524 per South Australian. That figure is well known, but the more South Australians think about it and the more they realise what services will be denied them the more it will become etched in the minds of those South Australians who are suffering the lack of services because of the Government's incompetence, indeed its total lack of care and its cavalier attitude to the management of the State's finances.

In the late 1980s when money was easy to come by one would regularly see advertisements stating 'Buy now, pay later'. Clearly, our Treasurer and Premier, who is immediately and directly responsible for the state in which we unfortunately now find ourselves, has made a minor change to the 'Buy now, pay later' philosophy. Clearly, the Premier's political expediency has altered the buy now, pay later philosophy to 'borrow now, pay later'.

Unfortunately, what has happened is that, to save his hide for a very short time, in my belief, the Premier has borrowed against the security of the hard work of all South Australians. But it is not clever to do that: anyone can do that. It is, in fact, stupid, because when you are a borrower someone eventually taps you on the shoulder and says, 'I want my money back.' That is when the Premier will be called to order. Indeed, his borrow now, pay later philosophy of budgeting—which, as I said, is far from clever—will do nothing more than create problems, not only for all South Australians but for whoever follows him in his position.

I could not help but be struck by the irony of receiving in the mail yesterday a brochure entitled 'Information from the Commissioner for Consumer Affairs on Going Guarantor'. I happen to believe that in many instances consumers are fairly hard done by, and it is quite reasonable to protect their rights. I decided to look at this brochure to see exactly what the Commissioner for Consumer Affairs believes is important about going guarantor, given that the Premier has always been the ultimate guarantor of the State Bank and of the State Bank's debt. He has always been the ultimate guarantor of the position in which we all now find ourselves.

Let us see what the Commissioner for Consumer Affairs advises guarantors, given that the Premier and Treasurer, because of his responsibilities, has always been the ultimate

guarantor. According to the Commissioner for Consumer Affairs, being a guarantor means:

... that you are legally bound to pay back the borrower's loan if they cannot or will not.

Unfortunately, all South Australians know only too well that the ultimate guarantor is bound to pay back the borrower's loan. The brochure states further:

Guaranteeing a loan for someone else can be risky.

Certainly, it has been very risky for all South Australians, and particularly risky for the ALP. I quote further:

Unless you clearly know what is involved and the financial responsibility you are taking on, you may suffer financial and personal hardship if the borrower does not meet his or her obligations.

Mr Hamilton: Quite true.

Dr ARMITAGE: I agree with the member for Albert Park: it is quite true. However, in this instance the ultimate guarantor was not playing with his money: he was playing with the money of all South Australians. Perhaps that is why he was so cavalier. I believe that that is the nub of the problem: if the Premier and Treasurer had lent, say, \$15 000 of his own money rather than the \$2.2 billion, he would have been much more cautious than he has been with our money. The brochure goes on to talk about not taking risks, as follows:

Can you afford to repay the total amount of the loan if the borrower cannot or will not?

Clearly, the Premier and Treasurer could afford to repay the total amount of the loan, because what he did was go to every single South Australian and say, 'I have blundered: you are going to pay \$4 524.' The Consumer Issues brochure accompanying the Going Guarantor pamphlet from the Commissioner for Consumer Affairs states:

Another major problem for guarantors is that, if the borrower goes bankrupt, the guarantor can still be called upon to repay the debt.

Such true words! The final statement that I wish to quote from the brochure from the Commissioner for Consumer Affairs is as follows:

The Trade Practices Commission is carrying out a Guarantors Study and plans to put out a discussion paper and hold a forum by the end of the year.

I might write to the Department of Public and Consumer Affairs and to the Trade Practices Commission and ask them to send the Premier a note so that he can diarise it and find out what being a guarantor really means and what risks are involved.

I turn now to some of the media coverage of this budget. One of the accounts indicated that there was some financial wizardry in this budget. Unfortunately, the only magic that I found in this budget was that of a tawdry, dusty fairground with a callous showman taking money from orphans. It was more like a pea and thimble trick than wizardry.

We have heard a considerable amount about the 8.30 program on the ABC. The Premier also went on that program and gave his usual dull, tired, lacklustre performance. Oh, for some flair and light. Amongst other things that he said on this program was the following:

I am dealing with this. The buck stops at my desk.

Unfortunately, the buck does not stop at his desk. Some \$2.2 billion worth of bucks stop at his desk. I do not believe that any South Australian is hoodwinked into believing that he is dealing with it at all. He is putting off dealing with this problem for future generations to look at. In the health area the analogy with what the Premier has done is to realise that one is suffering from a terminal haemorrhage and to deal with it by ordering a tourniquet to be delivered in 25 years time. When someone has a terminal haemorrhage it is dealt with immediately. One does not order a tourniquet

or some bandages to come round at the behest of taxi services in 25 years time; one deals with it immediately. In medicine there is a saying, 'All bleeding stops eventually.' South Australia's bleeding will stop at the next election.

On the Keith Conlon show a listener rang in and said, 'There is nothing in this budget for my children. There is nothing to stimulate employment.' On the contrary, there is plenty in it for that listener's children. What is in this budget for that listener's children is 25 or more years of debt, 25 or more years of decreased services, 25 or more years of fewer hospital services, 25 or more years of fewer police, etc., etc., *ad infinitum*.

The State Bank is taking \$220 million annually from South Australians. However, since 1984 this gem, for which the Premier is the ultimate guarantor, has contributed \$230 million to the State's coffers. In one year the State Bank, under the management of this stewardship—although it is hardly management—will have completely obliterated everything that it has contributed to the State's coffers since 1984—a figure to be appalled at and not at all to be proud of.

Let us consider the \$220 million which, as I am sure members opposite know, does nothing more than pay the interest. Not a cent of principal is repaid when we pay our \$220 million; we pay only interest at \$220 million. Let us look at what we could have done and what services we could have provided with that \$220 million. One of the major concerns to all South Australians directly impinges on the portfolio area for which I have responsibility, which is health, and is that aspect of health that worries all South Australians other than the Minister of Health. I refer to waiting lists. People know that they can wait years for operations, once they have been lucky enough to get into the outpatients appointments system. This means that people are not getting the hip operations they require.

I accept that these operations are not life threatening, but these conditions are lifestyle threatening, because they mean that someone is unable to go to the RSL Club with his friends, because he cannot walk from the car to the RSL hall. It means that someone cannot go to play bridge with her friends, because she is unable to get up the stairs. It means that people are unable to go to the pictures as a couple, because they cannot walk into the picture theatre. It means that people cannot go to the shops, because they cannot walk around the aisles because of the unrelieved pain caused by the fact that they are not getting hip operations, and they wait and they wait and they wait.

What could we have done for every single person on a waiting list in South Australia with this \$220 million, which repays only the interest? We could have obliterated every single waiting list. We could have provided pain relief and operative relief to every single person waiting for an operation in South Australia. We could have done that and we could still have had \$150 million over. What could we have done with that \$150 million? As well as operating on every person waiting on an operating list, we could have kept all five major teaching hospitals fully operational for another four and a half months.

As well as obliterating every waiting list, operating on every patient on the lists and providing pain relief so that people can live decent lives, with \$150 million we could have purchased medical and surgical supplies for all major teaching hospitals for the next 3½ years. As well as operating on every patient waiting for an operation, relieving them of pain and giving them a decent lifestyle—which at present is denied them because of the stewardship of this Government, which sits back and says it is a damned good idea to have a waiting list—we could have provided the total equip-

ment bill for the five major teaching hospitals for the next 5½ years.

If we chose not to spend our discretionary \$220 million, which is only interest on our borrowings; if we chose not to obliterate the waiting lists; if we chose to continue the callous methodology that is employed by this Government at present and if we chose to ignore the desires of those people who need operations so they can hear, so they can walk, so they can sleep, and so they can be relieved of pain; if we chose not to operate on one of those people, we could run all five major teaching hospitals for seven months.

We could purchase the total medical and surgical supplies for all five major teaching hospitals for five years. If we chose to ignore the waiting lists and just spent the \$220 million that we are spending this year alone on repaying interest—forget all the other years—in the health system, we could purchase all the equipment needed in the five major teaching hospitals for 91 years—a mere bagatelle to this Government. That expenditure would cover the cost of equipment for 91 years. Instead, what are we doing—paying off debt! What do we get out of it? Absolutely nothing—and the Government is proud of it.

Let us look at the effect on each hospital, because they are all affected by this unfortunate need to repay a debt that should never have arisen. Under this stewardship—or lack of stewardship—the Royal Adelaide Hospital has already had a budget cut of \$1.7 million and the budget for the Queen Elizabeth Hospital is already down \$2 million. The member for Albert Park would know only too well how many of his constituents use the Queen Elizabeth Hospital. They use it all the time, and that hospital is \$2 million down. Services are being cut left, right and centre. What has the member for Albert Park said about the \$2 million cut from the Queen Elizabeth Hospital? Nothing!

Mr Hamilton: You do not know.

Dr ARMITAGE: Absolutely nothing! But I would be delighted to be proved wrong. If you would like to show me the public comments made thus far about the \$2 million down for the Queen Elizabeth Hospital, I will admit in the House that I am wrong. I give the honourable member that guarantee. Show me tomorrow. The Flinders Medical Centre has been brought down by \$750 000. Country hospitals are decimated and what has happened is that not only have they been cut this time but also they have been told that they must carry out their total budget award restructuring, despite the fact that hospital funding grants from the Commonwealth Government are indexed for general cost increases such as award wages and CPI. The Commonwealth knows what goes on; it knows one cannot budget for such things, yet the State Government expects hospitals to do so.

The budget is an unfortunate example of financial chicanery. It is nothing more than trickery: it is a pea and thimble trick, which all South Australians will pay for in decreased services. I am equally confident that they will make this Government pay for such financial mismanagement when the next election comes and, for the sake of all South Australians, may that be sooner rather than later.

Mr VENNING (Custance): I cannot think of a more serious time in the history of South Australia. I have been a member of this House for a little over 12 months. I have only to move around my electorate and people say, 'You have been there long enough. What do you think of the problem? What are you going to do about it?' By any standards, if in the outside world members encountered such problems, they would either go broke and be sold up

or they would resign. The Premier has no choice but to resign.

The Hon. T.H. Hemmings interjecting:

Mr VENNING: I was waiting for some sort of retort. I heard the member for Napier say earlier that he has been in this House for 14 years. Surely even the member for Napier is not happy with what is going on now. By anyone's standards the Treasurer has failed. If he is not responsible for the situation, who is? I have been here for a little over 12 months, and the rot had set in then. Questions were being asked by members from this side then about why the Government did not check out the State Bank. The Government was being told then but chose to ignore it. The Premier did not do enough quickly enough. We are in an absolute and total mess—the worst situation since the 1930s. I am not playing politics with this issue.

Members interjecting:

Mr VENNING: I challenge the member for Albert Park to come to Crystal Brook again. He has been there and knows the situation, but it has deteriorated since then as the weather has turned bad. It is the worst scenario that we have ever had. It did not simply happen: it was caused by total incompetency. If I ran my farm like this, where would I be? We all have to be accountable and we all have a job to do. The Premier is the Treasurer. Members opposite cannot blame the member for Custance for the problems of the State, nor do I blame the member for Albert Park. However, he is a member of the Government and should have kept the Treasurer up to the mark. I do not care what sort of games members opposite want to play in this place, but by anyone's standards, whoever we ask, including Labor supporters and the working man, it is a total sham. The Treasurer could have prevented all this. We should never have been in this situation. We are all accountable to the people of South Australia and to the Parliament. I include the Treasurer, and he ought to resign.

You, Sir, the Opposition, the electorate, the Government and I know that the Treasurer has to go. There are already movements on the benches opposite. We have seen the Minister of Agriculture supporting the Premier, as he will be the next Treasurer. I support him, because the man has credibility and I am sure that he will be able to lead the Government, in the short time that it has left to get us on the road to recovery. Those who come into this place laughing and smiling know that what I say is correct. The members of the Government know it: they are on borrowed time. I feel sorry for the marginal members who have some ability as they will get the chop for someone else's problem.

The Hon. T.H. Hemmings interjecting:

The SPEAKER: Order!

Mr VENNING: I refer also to the power of the media. I hold them accountable because they have not got the message across to South Australia about how serious is the situation. If one moves around the countryside, as I did yesterday and Friday, one finds that the gravity of the situation is gradually sinking through to the average person. It is no thanks to the media. After the budget, what were the comments of Mr Rex Jory? He said that Mr Bannon's budget was to be heralded and the State Bank was no longer an issue. If that is not bordering on the ridiculous, I do not know what is. We are supposed to have a balanced media in this State. The media gets stuck into my Leader in order to create a diversion. I support my Leader from the back bench with all my strength. All this rubbish about the leadership challenge is a smokescreen to divert the heat. I point to the member for Napier for that.

The Leader is well entrenched in his position and has support from me and all the back benchers, in fact all

members on this side of the House. He has never been in a stronger position. I have been in business long enough. I have been on the farm; I have been around long enough to know that Mr Dale Baker has the nous and guts to do what is required to get this State out of its problems. The Government knows that, and that is why it is trying to attack him. Members opposite fear him. He will be the next Premier of South Australia. He will show up this Government for its ridiculous activities. I reiterate my full support for the Leader. It is a ridiculous situation. They are letting the Treasurer get away with murder. They call him 'Bankruptcy Bannon'—another name for the member for Ross Smith. It is not very respectful, but what else could you call the man?

I did appreciate the move in the budget on payroll tax. The fact that we have a payroll tax at all is totally iniquitous. It is taxing employment. Of all things! I heard the member for Albert Park make a fiery speech the other night. In fact, I was disgusted at it. He just went on with a tirade about the working class and it was a real 'bash the boss' situation. He represents the working man. What do they think about this payroll tax? It is taxing employment, and it is a State tax. It ought to be abolished altogether.

I was interested to listen to this morning's news broadcasts and Mr Bannon's criticism of the suggestion that States collect their own tax. I have an opinion on that, but it would be a double standard for the Premier to argue against the States collecting their own tax, because the eastern States would be much better off. The same principle could be put concerning South Australia: State money is collected over the State, and where is it spent? The bulk is spent in Adelaide, so that is a double standard. Mr Bannon wants to get the taxes from Canberra, because he can get more than his share. I have proven in previous speeches quite clearly that rural South Australia is not getting its fair share of the South Australian tax dollar.

We also heard that job availability in South Australia is on the skids, and it is. It is the worst in Australia. To what degree will we put up with these problems? The member for Briggs says we are in the recession longest because we came into it latest. I will not stand for that. I cannot see anything that this Government has done that will get us out of it. It is all talk.

Members interjecting:

Mr VENNING: Members opposite should check the record of the previous Government. The previous Treasurer, Mr Tonkin, was in office for only two and a half years, and he has left his trademark all over the State. This Government has been in office for more than seven years, and what has it left? It is the biggest problem ever likely to be encountered.

The Hon. D.C. Wotton: Premier Tonkin had some very good Ministers.

Mr VENNING: He did, and we still have some of them. It is all very well for Government members to be frivolous about the situation. I would not be laughing. The biggest crime at the next election would be to see the present Government totally defeated, beaten outright, with only 10 to a dozen of them left. But that is not for good government. I do not want to be a member of a Government facing an Opposition of 12, but that is what will happen. Many members opposite will be removed, which is very sad. The best members of the present Government happen to be in some of the marginal seats, and we will be left with some of its old hacks.

Members interjecting:

The SPEAKER: Order!

Mr VENNING: I am quite emotional about this issue. That is what will happen. When it comes to the people voting at the ballot box, they will certainly show this Government in no uncertain terms how they feel. I predict that the election will be held about next May, and that is when the decision will be made. It is almost ironical that Sir Thomas Playford has been gone from this place now for almost as long as he was a member of it. It is very sad when one considers what that single person did as Leader of this State throughout those years, and one sees it all being undone, bit by bit, industry by industry. Sir Thomas was a great Premier, and it is very timely that the book was launched this week.

Mr Groom: He was a socialist!

Mr VENNING: He was indeed, but he knew what was right for South Australia. He built Elizabeth, and we have members opposite who represent that area. He began his own demise by bringing industry into this State. He realised that South Australia could not exist on single industries such as agriculture, and he tried to introduce other industries. But what do we have now? We have only agriculture left, but what is the Government doing with that? It is milking it senseless. The cow is dry and the only bull is that left opposite. It is all bull!

The situation is shocking. People are rebelling. In the past week there have been meetings in local government areas of the West Coast, and people are saying, 'We won't be paying our council rates; we will pay only half of them.' I feel sorry for local government because it is not its fault, but it will bear the brunt of it. Country people are totally disillusioned; their shoulders are sagging and they shake their head. The member for Albert Park has seen this first hand. I am not telling him something he does not know, because he has dared to come into my electorate and talk to my friends. They appreciate him. He knows that I am not talking rubbish; he knows what I am talking about. When members opposite come in here they like to play the game, that is, smiling and carrying on and not realising the seriousness of the situation.

The people of my electorate are almost resigned to the fact that we are in for some very difficult times. Only yesterday I drove through the bottom half of my electorate from Balaklava to Riverton, and there is no joy anywhere. What good news can I give them? I represent them as well as I possibly can and, although I bring their problems to this House, I can do nothing about the State Bank. The best thing I can do in this House is urge members, particularly those opposite, to do the honourable thing and get the Treasurer to resign.

Things are bad; prices are bad. We reached the worst point on Saturday night because the weather was so foul. It was a shocking day; it was very windy; and the temperature was up. It looked as though we were heading for a very difficult season. We have had some rain since, so the situation will not be quite as bad. In the country the morale is particularly low. With prices the way they are, with the situation regarding the overseas market, with the weather a bit finicky and with this problem, I wonder how much we can take. However, the farmers will stand there and take it, although I do not know for how much longer.

In relation to this budget, I can say only that the Treasurer is mortgaging us just to continue. The budget is a sham. He is basing his whole budget on unforeseen circumstances and on unrealistic forecasts in relation to industry and taxation in this State. The Australian wheat market will have its lowest yield since 1982; in fact, the yield fell another million tonnes in the past week.

An honourable member: Not in South Australia.

Mr VENNING: It is relative right across Australia depending on what it does. We are later than other states. They have problems in Queensland and northern New South Wales, but they experience their seasons earlier than we do. If we do not get the big rains within two to three weeks, we will be joining them; it will not happen to the same extent, but we will be very severely affected. We have good crops on the West Coast, but they need rain and they need it now. As I said, Bannon is mortgaging us all in order to continue, and I think it is high time that he stopped doing that. The budget is an absolute sham. What sort of a document does one call it? I did not ask for the \$5 000 debt, nor did anyone else in my electorate. However, they will suffer just like everybody else. The chap down the road with the three children did not ask for this problem. As I said, the State has not been in as bad a position since the 1930s.

The member for Hartley, who is a lawyer and who has a brain, must know. He is no fool; he must know the situation we are in. I would like to hear his words of wisdom later tonight regarding where he thinks we will go. I am not trying to play politics: I am asking where we are heading. I am asking how I can reassure the people of Custance. The Government could have done positive things. Indeed, it is doing some of them, particularly in relation to payroll tax, to which I have already referred. The Government can help us in the rural areas when it comes to the cost of fuel. There is an excise on diesel and petrol. Most farmers get their fuel rebate on diesel but not on their petrol.

One of the greatest costs for rural people is fuel. If the Government were to start handing money to people, sure as eggs the wrong people would get it and it would be sorted. But, if it decreased the cost of fuel, fertiliser and chemicals for Australian farmers, it would greatly assist them to survive. If the Government were to cut the excise for producers it would take 8 per cent, or 5.5 cents, off the price of a litre of fuel. That would be a great help. Fertiliser does not carry a high tax, but the input cost of the manufacturer can be taken off this commodity. There is no sales tax on chemicals in containers that are over five litres. Australian farmers are the world's most efficient farmers because they use chemicals to increase production and to save our most vital asset, the soil.

The standards for chemical storage facilities in this country are very high, and the Government is forcing chemical dealers to meet modern standards. That is very expensive and is a cost that has to be added to the price the farmer has to pay. To illustrate the depression in rural related industries, I would like members to look at the animal health chemical figures.

Mr Groom interjecting:

The SPEAKER: Order!

Mr VENNING: In 1989, Australia spent \$200 million on chemicals, and in 1990-91 it will spend \$150 million—25 per cent less. In 1989, South Australia spent \$15.3 million on chemicals, but that will be down to \$9.7 million this year. Members can see what is happening: farmers are not using chemicals. In some instances they are not using fertilisers. Fancy sowing a crop without fertiliser, yet that is what is happening in some areas because farmers cannot afford it. The Government can and should do something about this. The Government can assist those people who live in rural areas with so many things—water rates, electricity, council rates, Austudy, workers compensation, superannuation, freight, and the list goes on.

Mr Groom interjecting:

The SPEAKER: Order! The member for Hartley will come to order.

Mr VENNING: This Government is not exactly friendly; it is not endearing itself to the rural people, my constituents. These are the people who can get the State out of its troubles. These are the hard-working people of this State, and for years they have received nothing but imposts from this Government. This Government has hit rural people in areas such as health, education and transport, with the demise of the rail system. We are losing infrastructure, and that does nothing for the morale of country people and rural communities.

I think that the Treasurer ought to resign; that is the most honourable thing he can do. Have we any assurance that the debt will stop at \$2.2 billion? My constituents are asking, 'As our representative, what are you doing about it?' As their elected representative, I tell them that the only thing I can do is to make speeches and ask the Treasurer to resign.

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

The Hon. R.J. GREGORY (Minister of Labour): I move: That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

ABORIGINAL LANDS TRUST (COPLEY)

The Legislative Council intimated that it had agreed to the House of Assembly's resolution.

APPROPRIATION BILL

Second reading debate resumed.

The Hon. D.C. WOTTON (Heysen): I support the contribution to this House from the member for Custance, because he would probably know more about the effect that this budget and this Government is having—

An honourable member interjecting:

The Hon. D.C. WOTTON: I will talk about a consumption tax in a minute, and about some of the people who support it, which the honourable member might find interesting. The member for Custance and his constituents know more about the effect that this Government and this budget is having on rural people than probably anyone else in the House. It would be a very good thing for members opposite, who have been very hale and hearty and prepared to interject extensively during the previous member's contribution, to take note of what the member for Custance had to say. If we are talking about the effect that this budget will have on South Australia, all South Australians will be affected, but if we look particularly at what is happening in the rural areas, this Government would have to be ashamed of the problems that it has brought to those people. Before everyone on the other side nods off, I would like to say something about a consumption tax because—

An honourable member: Do you support it?

The Hon. D.C. WOTTON: I do support it; I support it very strongly.

Members interjecting:

The SPEAKER: Order! The member for Heysen will resume his seat. Members have had a fairly good run this evening. This Chamber is not a social club; we are here for the debate, and the member for Albert Park is out of his chair and interfering with the contribution from the member

for Heysen. I ask all members to come to order and to give due regard to the honourable member on his feet.

The Hon. D.C. WOTTON: As long as the member for Albert Park is not interfering with the member for Heysen, that is the main thing. Let me just say that, despite the interjections from members opposite about a consumption tax, they might be interested to learn what was said about a consumption tax on the Channel 9 *Sunday* program in November 1984. Prime Minister R.J.L. Hawke said of a consumption tax:

Unless there is a source of income in the consumption area, then the mass of Australians, the ordinary taxpayers, are not going to be able to get the substantial cuts in personal direct taxes to which they are entitled.

That is a direct quote from the Prime Minister. I do not hear very much comment now from the other side. I was also interested to receive a copy of a statement made recently by probably Australia's best-known Aboriginal leader, Charles Perkins, who has joined the long list of leading Australians who support tax reform, specifically a goods and services tax. He said:

In contrast, it is interesting to note the firm stand taken by John Hewson on the Coalition's proposed goods and services tax. The proposal has merit in a number of areas. Certainly, we would all agree that the taxation system needs some drastic reform. Australians look forward to further details, but believe initiatives of this kind are needed to reorganise our economy more productively. I believe that Australians will accept a goods and services tax, and, of course, the proposed \$26 billion revenue input would be welcomed.

It is not appropriate that I spend a lot of time tonight talking about a consumption tax; there will be an opportunity at a later stage for us to be more involved in debate on that subject. I want to make perfectly clear for members opposite that I do support the goods and services tax, and I believe that, when all the information is provided, the majority of people in Australia will strongly support that form of tax and that tax reform. We will wait and see what comes of that.

I want to talk about the current situation in South Australia as it relates to the Bannon budget. This budget is a sham: it is an untruthful and false budget and one that will affect detrimentally a large proportion of the people of this State. That is bad enough, but my biggest concern about this budget—and it is not because I am a politician nor because I have the opportunity in this House—is that, because I am a father of four children, I understand—and hope that the majority of people in this House, particularly those on the other side, would realise—the impact this budget will have on our children.

The 1991-92 budget is irresponsible in the extreme, and there is no doubt about that. It requires massive borrowings, the largest in the State's history, as has been pointed out by many of my colleagues on this side, to cover the State Bank disaster. It needs record input by SAFA—

Members interjecting:

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

The Hon. D.C. WOTTON: It retains a large deficit, relies on optimistic revenue estimates and provides no allowance for contingencies. In particular, the State Bank rescue package increases the State's debts by \$2.3 billion and recurrent interest costs by \$220 million per annum. The SAFA contribution will increase from \$270 million to \$400 million. The estimated net financing requirement is \$330 million.

The contingency vote is zero, compared with \$127 million last year, and the tax take is estimated to increase by 11.5 per cent from \$1 333 million to \$1 488 million under deteriorating circumstances. It is because of these deteriorating circumstances that I believe there is so much concern. If

we could see a light at the end of the tunnel; if we could see that things were likely to improve in this State, perhaps there would be more opportunity for people in South Australia to have a greater understanding of the budget the Bannon Government has just brought down. But that is not the case.

The Treasurer will borrow approximate \$1.6 billion this financial year, and we realise that even with that borrowing there is a very real likelihood of a massive blowout in the budget. Again, we have seen that the Premier and Treasurer of this State has refused to make some hard decisions. He has taken the easy option by borrowing, rather than by making it more difficult for people through increased taxes and charges although, heaven knows, we have seen enough increases in taxes and charges in recent times. That is another reason why this budget is so rotten: many of the increases were announced before it was brought down.

In recent years we have seen that happening more and more. It has not been the budget that has brought forward information regarding increased charges and taxes; in the majority of cases taxes through the back door have been announced or discovered prior to the budget being brought down, and that is the case this year. As I said earlier, the fact that the Treasurer has refused to make hard decisions is only part of it. The greater concern that I have is that future generations will pay for this budget and for the financial mismanagement of the Bannon Government.

Looking at revenue, we are told in this budget that taxation is expected to increase by \$154.5 million, or 11.5 per cent. Major changes are those over \$5 million, being casino and video games up \$7.8 million, lotteries up \$11.3 million, payroll tax up \$38.9 million and debits tax up \$17.1 million. I remind the House that FID was introduced on the basis of its being a minor form of revenue. FID under this budget will increase by \$22.7 million. Stamp duty is up \$25.6 million, the petroleum excise rate is up \$15.8 million and the tobacco excise rate is up \$15.7 million. That does not augur well for the people of South Australia. The majority of South Australians will be affected one way or another as a result of that increase in taxation.

We also find that there is no contribution from the State Bank or SGIC. The Engineering and Water Supply Department is making a contribution of \$8.8 million. I should like to refer to that particularly, because that is one of the areas for which I have responsibility in Opposition. It is of particular concern to me that for the first time we find that a figure like this is being taken and put towards general revenue.

There is concern particularly when we look at the very poor condition of much of the infrastructure in South Australia. I found a quote the other day from the now Premier who, when Leader of the Opposition, complained bitterly about the state of the underground piping, both water and sewerage, through the city of Adelaide. I do not have that quote with me, but I will refer to it on a later occasion. On coming into Government in 1982, the Premier complained bitterly and was critical of the Tonkin Government for not spending enough to upgrade those pipes. Very little, if anything, has been done by the Bannon Government since that time to upgrade that infrastructure. We will have the opportunity, through the Estimates Committees, to question these matters further, but it is totally wrong that \$8.8 million should be removed from the E&WS and put into general revenue.

It is also totally wrong when one realises the millions of dollars being spent on the interest on the borrowings for infrastructure such as water filtration and sewage plants. It is inappropriate that we should continue to pay very high

rates of interest on borrowed money for that infrastructure, yet the Treasurer is able to remove \$8.8 million from the E&WS and put it into general revenue. We are told that SAFA's return on capital will increase from \$270 million to \$400 million. It is interesting to learn that fees and fines are to increase by \$13.8 million, or 19 per cent, with infringement notices up \$13.3 million and court fees up \$6.4 million.

So, we could go on about those costs to the average person in South Australia. At this stage I want to commend the Leader for the contribution he made in the House today in his reply to the budget. It was an excellent contribution and has been well received by the community generally in South Australia. Given the horrendous financial position in which the State Government is placed, the budget seems similar to the Keating recession—the one that we had to have. As I said earlier, the Bannon Government is committed to a \$2.2 billion bail out of the State Bank. There is the SGIC loss of \$81 million, given that it does not pay tax, and there is the demise of Scrimber, which will probably cost in the vicinity of \$60 million.

On the surface, it would appear that the Treasurer had no alternative and that heavy and long term borrowings are the only way out of an impossible dilemma, according to the Premier. To most people the mere size of the figures makes them meaningless, when we talk about sums such as \$2.5 billion. A number of people have suggested to me that they do not understand those figures but that they certainly do understand the increased costs as they relate to such matters as water rates, because as individuals they need to write out the cheque, and they are very much aware of the effect that those increased costs are having on their back pocket. However, it is only when we are writing out a cheque for an increased Government charge such as water rates, or paying more at the petrol pumps that we do react. The fact that the debt works out at \$4 524 for every man, woman and child in this State is also just a figure until our back pocket nerve starts to pinch. That our children will be paying this debt for years to come is another horrifying fact we prefer to ignore, along with interest repayments of \$220 million a year.

The budget alone is bad enough but there are also questions that demand answers. Some of those questions were referred to in this place earlier today with regard to the salaries of those who have served in the State Bank and SGIC. The Premier had the opportunity and the responsibility to do something about that, but he refused to do so. This budget is a sham; it is of concern to the majority of people in South Australia. I agree wholeheartedly with the Leader when he suggested that the only good thing that could come out of this budget would be for the Premier to resign. He does not have the guts to do it but, for the sake of all South Australians, that would be the only thing that would solve the problem because, as was indicated by the Leader of the Opposition today, it would provide the opportunity for a Liberal Government to get in and put this State back on the rails again. That will come only as a result of a Liberal Government being given that opportunity.

Mrs KOTZ (Newland): The best that could be said of this sorry excuse for a budget is that the Government and the Treasurer have indeed taken an arm's length approach to any responsible form of economic management. In fact, the Government is at arm's length from any responsibility to secure the health, welfare, education, employment prospects or small business and industry incentives for the people of this State. The Government has taken an arm's length approach to those who pay the bills—the taxpayers.

This Government has abdicated its right to govern by dissociating itself from the real problems facing every man, woman and child for years to come.

This is a cover-up budget, a camouflage budget designed to cover up the true economic and financial problems facing South Australia. The tragedy is that this camouflage budget puts at risk the very processes of recovery, and the further tragedy is watching this State's Treasurer maintaining a mantle of pride in sidestepping every important issue brought into this Parliament, never taking the initiative, never making the hard decisions, and never showing concern or compassion for the ever-increasing burdens placed on every member of our community.

I listened to the member for Henley Beach's contribution to the debate and, although I can no longer claim amazement at the unfortunate level of debate that emanates from Labor Government members in this Chamber, I do admit to outrage at the blithely stated claim of the member for Henley Beach that South Australians are rewarded in this budget because of good economic management by this Government in the 1980s.

Perhaps the member for Henley Beach and others of that ilk were in hibernation during the 1980s when the rest of us poor mortals were feeling the pain. During the 1980s we suffered unparalleled increases in State taxes and charges. Further, there was unparalleled Government intrusion and takeover of private enterprises, expending the hard-earned taxes of ordinary Australians on risk-taking ventures which, as we all know, were destined to lose millions of our dollars even before each project got off the ground. I refer to the unparalleled increases in interest rates, effectively denying young families the opportunity to purchase their own homes and effectively disfranchising small businesses and causing unparalleled bankruptcies and, therefore, unparalleled unemployment.

An honourable member interjecting:

Mrs KOTZ: The honourable member may wish to make that outrageous statement on good economic management to the 26 600 young unemployed in this State alone and gauge their reaction to it. The people are suffering and Government members do not have the good grace to even pretend any shame. This budget epitomises the total and utter contempt in which this Government holds the people of this State and this Parliament. The State Bank rescue package increased this State's debt by \$2.3 billion, which increases the State's net debt from \$4.3 billion to \$6.6 billion. The Treasurer's answer is totally irresponsible. The Treasurer's answer through this budget is to take South Australia further down the road of indebtedness.

It requires massive borrowings and still maintains an immense deficit. The perpetual \$220 million interest cost to the budget each year for the State Bank bail-out is equal to the total budget expended to currently maintain our Police Force. The \$220 million interest payment is simply that: interest only. We are still left with \$2.2 billion principal debt untouched, still owing and painfully eroding our capacity as a State to provide the basic services necessary and inherent for the welfare of its people.

Mr Groom interjecting:

The SPEAKER: Order!

Mrs KOTZ: I wish to pick up that point and relate it to one of the effects of this budget impacting now on residents in the northern region of Adelaide. Before so doing, I suggest that in the coming months the true picture of hardship and lack of services experienced by all South Australians will become more prevalent and more obvious, even to those who sit on Government benches and whose usually flapping facial orifice impedes their ability to listen. To take up my

point about providing services to South Australians, the inevitable cutbacks are already apparent to the State Transport Authority. The STA has already cut services from within the Tea Tree Gully area on the one hand and refuses to initiate a promised service to new residents of a more recently developed section of Golden Grove.

As one of the more youthful residents of Golden Grove pointed out to me, she has been living there with her parents at Greenwith since April 1991, secure in the knowledge gleaned from promotional advertising which states, 'We put things in before you move in.' This youthful resident is a year 8 student at Golden Grove High School and has to walk home from school. It takes her an hour. As a year 8 student, I presume her age to be between 12 and 13 years. These days it is not particularly safe for anyone to have to walk home, let alone at the youthful age of 12 or 13 years, when it takes an hour to do so. Apparently the Minister of Transport has forgotten to honour the combined pledge of the Government through the Urban Lands Trust—a joint developer of the Golden Grove development—to 'put things in before you move in'.

I am further informed that the Minister also forgot to mention to the other joint developer—Delfin—that the bus service was put on hold, which has meant that prospective buyers of residential properties were led to believe the transport systems would be available. These were the comments made to one of the residents of this area of Golden Grove by the Minister in answer to a question on reasons why the STA had changed its mind on providing a service as originally promised. The Minister said:

The originally planned extension date was July 1991 and initial planning took place in 1989-90. The decision not to proceed was taken in mid-1990 when it became evident that the necessary funds would not be available. This was before any of the detailed work, such as obtaining council approval, preparation of time-tables, etc., had commenced. Work towards the July 1992 implementation has now commenced.

The Minister further states:

The STA is aware of the long distances that residents have to walk to bus route 545. It was this knowledge which led to the proposal for an extension of route 544 which, unfortunately, had to be deferred. The estimated cost of the proposed extension to Cobbler Valley would be approximately \$100 000 per annum, and the proposed extension to Salisbury would be approximately \$200 000 per annum.

The Minister concluded by saying:

Unfortunately, therefore the STA is unable to better serve Cobbler Valley until mid-1992.

However, he qualified that statement by suggesting, in brackets, that that would be subject to funding availability at that time.

Currently approximately 600 residents reside in the Cobbler Valley village area who have been dealt with very harshly by the restriction of transport services. Residents have a 1.3 kilometres walk to the nearest bus route in their area. I must also point out that this particular region is within the electorate of the member for Briggs who apparently was also contacted about this particular problem but did not have the good grace to even reply to the residents of this area, possibly because he also realised the situation or was too ashamed to face the people and report that there would not be any transport in that area until 1992. I would like to include—

Mr Ferguson: Hear, hear!

Mrs KOTZ: Not 'conclude' but include some of the measures announced by the Leader of the Opposition today when debating the budget, some of the positive Liberal methods that would have been taken and will be taken to implement a more efficient management of the State's services and Treasury. A Liberal budget would have taken the

steps to prevent our children and our children's children footing the bill for the financial mistakes of today. The Leader has announced that the Liberal Party will immediately seek advice about transferring ownership of the State Bank and SGIC to maximise the benefits to South Australians. It would discount shares for State Bank employees and encourage other South Australians to take up a shareholding.

Privatising SGIC would free it from the constraints of having no capital, allowing it to expand and compete fairly with private sector insurers. Head offices would remain in Adelaide because the value that South Australians place on the State Bank and SGIC would be reflected in their shareholding. Privatisation removes the risk of further losses to the taxpayers, and the float price would be directed solely to reducing debt and lessening the burden on future generations.

This Government cannot just blame the bank for its debt. In its 1991-92 budget, it is borrowing \$147 million to finance its recurrent day-to-day operations. This comes on top of \$116 million borrowed for recurrent spending last year. The full extent of this borrowing for day-to-day operations is concealed in the budget by a huge 29.5 per cent cut in departmental capital expenditure. The Bannon budget will hurt ordinary South Australians and small businesses by forcing up the price of electricity, water, gas and petrol. This is evident by the Government's levy of \$42.8 million on electricity sales plus the double dipping into ETSA of an extra \$45 million, while forcing it to borrow \$60 million for its investment needs.

This huge rip-off will push electricity prices up and keep them above those of our eastern State competitors. It forces ETSA into debt to pay the Government. Similar new charges on the Pipelines Authority and on the E&WS Department will increase the prices of gas and water. All these increases in charges are cynical, politically motivated and backdoor methods of taxation which hurt families struggling during this recession that we have had to have.

For more than a year Mr Bannon has been grandstanding about pruning the public sector using the Government Agencies Review Group. But this has not saved anything last year and will save only \$27 million and 1 095 full-time public sector positions this year. To eliminate the \$147 million in borrowings being used to fund the Government's recurrent operations would require cutting the number of full-time equivalent public sector positions funded by the budget by about 4 000 or by finding other savings.

In addition to privatisation initiatives and competitive tendering, a Liberal Government would have published three year forward estimates, upgraded GARG to a full expenditure review committee and taken the hard decisions to reduce the required number of full-time equivalents in the Public Service by June 1993. The State's net debt has increased by more than 50 per cent in one year to \$6.64 billion and, without repayment of principal, the extra interest cost will be \$220 million a year forever. On top of this, the Government has a \$3.18 billion unfunded public sector superannuation liability, a \$470 million long service leave liability and a workers compensation liability of undisclosed proportions. In total, the State's debt liability is close to \$11 billion, and to tackle this massive burden on future generations the Liberals would implement a coordinated, medium-term debt reduction strategy involving selling unneeded assets, privatising loss-making and high-risk Government institutions, ensuring competitive tendering of services and reducing duplication with the Commonwealth.

A Liberal Government would audit all State assets and sell timber in State forests. Unlike the Government's liq-

liquidation of assets for recurrent spending, all proceeds of asset sales and privatisation would be used to retire debt. Under the Liberal alternative, instead of a budget of illusion, irresponsibility and indebtedness, the State would have a tough but fair budget of action, reduced debt and real hope for the future. The Bannon budget does not add up: it gambles on an economic recovery that the Premier and Treasurer admits is not there. Unless a miraculous recovery occurs, the like of which is not being predicted by any economist or the most optimistic politician anywhere in Australia, the real State deficit will be well over \$400 million.

Mr SUCH (Fisher): I call the budget a 'family budget', because I believe it has been fathered by financial mismanagement and incompetence, it is out of the mother of all debt creation and borrowings, with the children and grandchildren being mortgaged for not only this year but also the years ahead. We know why the Government is in a mess and why this budget is such a pathetic document. It is because of the State Bank debacle, a lack of supervision, a lack of proper, sound administration by this Government in respect of the State Bank, but also because of the dreaded HIV, that is, highly irresponsible ventures such as Scrimber, the Timber Corporation, aspects of WorkCover, SGIC and so on.

As a result, South Australians of all ages will pay for years to come. This budget is funded, essentially, out of borrowings. The Government has mortgaged the future of South Australians to pay for its mismanagement. In 1980 we had the Year of the Child. This year we have the Year of the Child in Debt. Unfortunately that will continue for many years to come. In fact, it might be appropriate for the United Nations to declare, for South Australia at least, the Decade of Debt.

This Government will extract more money from ETSA, the Engineering and Water Supply Department and the Pipelines Authority in order to pay for its mismanagement. Earlier today the member for Murray-Mallee calculated that ETSA would be paying 40 per cent plus interest. What we have from this Government is a new approach to economics called 'usury pays'. It is a variation of what we have been hearing about in recent times, but it looks as though that is the new approach of the Government.

This budget is deficient with respect to the injection of money for capital works. Compared with years gone by, we will see little spending on roads, public transport, sporting facilities, particularly in the southern area, and hospital facilities, once again in the south. The people will miss out. One of the problems that I have mentioned in this House previously will continue, that is, the crowded schools in my electorate, where children are being taught in corridors because there is insufficient provision for their schooling. That will be one of the ongoing consequences of this budget—a lack of money for capital works to address these sorts of problems.

Once again it is the children who will pay, because their education will suffer as a consequence of the actions of this Government in failing to provide the necessary capital works to prevent overcrowding of schools in electorates such as mine. Recently the front page of the *Hills and Valley Messenger* highlighted the issue of overcrowding in schools in my electorate. This was a well balanced article based on fact, highlighting problems brought about by a lack of resources allocated by this Government. The principal of the Heyden Primary School made rather innocuous comments, which were reported in that newspaper. He said:

Our numbers have gone up alarmingly and our facilities are really stretched to the limit.

The school's deputy principal said:

Lack of space had forced staff to teach children in his office, the staff room, corridors, science rooms and art rooms, and even the school's photocopying room. Every available air space in the school is used. We are bulging at the seams.

One would think that they are fairly harmless comments. But, what happens under this Government? The principal and deputy principal had a visit from the white car. They were reprimanded in a quite outrageous and unacceptable way, because the policy of this Government is that, where a principal or deputy principal speaks out, the Education Department sends out senior staff to reprimand them. So much for open government and social justice for principals and their staff. What we had in this school, as in other schools in my electorate, was a dedicated principal and staff trying to do their best for the community and for the children in their charge and, when they make an honest statement to the press, they are reprimanded by senior officers of the Education Department. I find that outrageous, totally unacceptable—

Mr Brindal: And reprehensible.

Mr SUCH: —and reprehensible, as the honourable member interjects. It is something we would have expected in some of the Eastern European countries a few years ago, or maybe in Germany 40 or 50 years ago. The reality is that that overcrowding is a result of the policies of this Government in not providing adequate facilities for children in State schools. But who pays the price? The children, and when they speak out in defence of those children, the principals and the deputy principals pay the price. This sort of behaviour has happened before.

Another school principal in my electorate spoke out some time ago about the need for a school crossing and, once again, received similar treatment from senior people within the Education Department. It is known as the 'white car' approach, and I believe that it is totally unacceptable and abhorrent to all decent people in our society. It is a reflection and a savage attack on the teaching profession, particularly school principals.

Another example of the consequences of this Government's cut-back in resources is the fact that the police are unable to tell local members of Parliament the crime rate in their electorate. I find it amazing that in this day and age the police are unable to give us, even with proper notice, detailed statistics relating to changes in crime patterns in certain suburbs or a collection of suburbs. Once again it is the fault not of police—they do not provide the resources—but of this Government. The whole southern area, including my electorate and others, with the police based at Darlington, is provided with only two patrol cars, if it is lucky. It is quite farcical. The police do not have the resources to provide an up-to-date account of what is happening in their area in respect of crime.

I sent a fax to the Police Commissioner asking for statistics, to which he had the courtesy to respond by telephone, but after two days we were unable to get any statistics from the Police Force. Once again, it is not its fault; it is caused by a lack of resources that should be provided by this Government. What appalled me—

The Hon. T.H. Hemmings interjecting:

The SPEAKER: Order!

Mr SUCH:—was that I became aware that within the police organisation an edict exists which states that statistics will not be given to people outside the Police Force, even members of Parliament, unless they say why they want those statistics. I thought that this was an open and democratic society. How can a community make reasonable decisions about police resources and the need for police stations or whatever if they cannot get access to statistics? This is

another example of this open Government not providing resources and issuing an edict to prevent statistics being released, because it is afraid they might end up in the media and highlight its deficiencies and inadequacies in respect of the provision of adequate resources for crime control.

I have the highest regard for the police, both those in my electorate and elsewhere—there are only a few bad eggs amongst them—and I highlight the fact that I am not in any way criticising them. This is an attack on the Government for its inadequate provision of resources to enable the police to do the job that they want to do.

I turn now to something quite different, namely the document which accompanies the budget papers and which is entitled *The Budget and its Impact on Women*. This 166-page document in many ways is very sexist. Its cost would be considerable, and I, personally, would prefer to see that money spent assisting women rather than on producing a 166-page booklet which does not help them much at all. When something like that is produced, the implication is that the rest of what is contained in the budget is for the benefit of men, which is an absolute nonsense. The sooner we get back to a more sensible approach to gender issues, the better it will be. I support initiatives for women, but I also support a fair go for men, and I believe that should be taken on board by this Government.

If we look at this document, we see some interesting statistics that reflect the double standard. For example, it talks about 57 per cent of library users being women, but there is no emphasis anywhere in the budget papers about encouraging men to use libraries or catering for their needs. The statistics tend to be one-sided. In Government departments employing a majority of women, there is no attempt to correct that and to give men a fair go. I refer, for example to the Education Department, the Children's Services Office, the Department of Family and Community Services and the Health Commission.

I fully support the push to give women a fair go in senior management positions; that is only fair and reasonable. However, at the same time, we should be looking at giving men a fair go in areas such as nursing, teaching and children's services, where there is an imbalance in the bulk of the work force. In other words, we should not maintain a double standard. We should not have a double standard in respect of promotion positions, which men have dominated in the past. Likewise, we should not have a double standard in respect of the basic bulk of the employees in, say, teaching and nursing.

I believe that this document is misleading because it is selective and, in essence, sexist. I challenge anyone to look at the statistics in that document and see that that is the case. We should be moving to a situation in which that is redressed, and get away from this silly, one-sided gender nonsense that has been going on for quite a while.

This budget talks about social justice, which I find rather interesting from a Government that calls itself a Labor Government yet has 10 per cent unemployment. That is a shocking figure for a Government that calls itself a Labor Government and a Party that calls itself a Labor Party. It has sold out the basic right of the ordinary working people of this State.

One-third of our young people are out of work. If that is what they call social justice, I want no part of it. Let us have less talk and more jobs. I expect members opposite to walk around with their heads hung low, given those disgraceful unemployment statistics. How they can sit there and hold up their heads when so many of our fellow South Australians, particularly our young, are unemployed, I do not know. Thirty per cent unemployed is totally unaccept-

able. We are writing off a generation, and we will have all the associated community and social problems that go with it. It is just not good enough, and this Government has much to answer for.

Mr Ferguson: What's your policy?

Mr SUCH: The honourable member interjects and asks what is our policy: he has heard some of it today, and he will hear more. To sum up, I believe that this budget and the lead-up to it expose this Government for what it is—incompetent, dishonest, anti-family, anti-worker and anti-South Australia. Recently, we have seen examples of members opposite engaging in what I call dirty politics: attempting to smear, using some of the soon-to-be-retired members to do the hatchet work so that other people can appear to have their hands clean. They will not fool the community for long. We saw some disgusting and disgraceful examples of that in this place recently. When the heat is on, one tactic is to play dirty.

The SPEAKER: Order! I draw the honourable member's attention to the fact that this debate relates to the budget. I have trouble relating the honourable member's comments to the budget.

Mr SUCH: Thank you, Mr Speaker. The reason why I mention this is that the Government is playing dirty. It is trying to draw attention away from its financial incompetence, the deficiencies in the budget, its lack of policies and its lack of direction. As a result, it plays the person rather than the ball. But the Government cannot avoid the day of reckoning. The day of reckoning is coming for this Government and no amount of smear or dirt will protect it.

Looking at history, we see that Liberal Governments have built up and that Labor Governments have lived off them. The same thing has happened with this Government. The Playford era established a sound economic base for this State, the Tonkin Administration was an honest Government and so was the Steele Hall Government. When those Governments borrowed, they borrowed for real infrastructure development. Some people have suggested that the Playford Government was a heavy borrower. It did borrow, but it borrowed for a very good reason—for economic and social development. This Government is borrowing in order to cover up its mismanagement, so there is a big difference between what the Playford Government did and what this Government has done. One borrowed for a useful purpose—to develop the State—whereas this Government has borrowed simply to fill the black holes that it has created by its own financial mismanagement and incompetence.

We used frequently to hear a slogan from the Premier about being up and running. I suggest that his new motto should be barely up, and running increasingly into debt. This Government is tired, and its financial management, as reflected in the budget, is being shown for what it is—full of holes. I believe it is time for this Government to go. To borrow one of Labor's slogans of a few years ago, I believe it is time. The Labor Party has prided itself over many years on the slogan and notion of the light on the hill. I believe that is now symbolised more by the candle in the pawnbroker's window. There is no longer a light on the hill with this Government; only the light in the pawnbroker's window as this State tries to survive and get by with an increasing debt that has been brought about by many years of mismanagement.

This Government has fooled the people of South Australia for several years, but the people have now seen what it is really about. It is not a smart Government, it is not a clever Government, it is not a social justice Government; it is a Government that has tried to fool the people with a great team of expensive public relations people and jour-

nalists to prop it up. But its time has come. The gloss has come off. It has been exposed for what it is—a Government that has little to offer the people of South Australia. The sooner this Government goes, the better for everyone.

It is time that the people of South Australia were able once again to enjoy reward for effort and incentive and a progressive and determined Liberal Government that is honest and not prone to engage in the dirty tactics and techniques that we have seen in recent times, prior to the last State election and, I suspect, elections even before that.

It is time to get back to a bit of honesty in government and with policies that matter.

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

Mr BRINDAL secured the adjournment of the debate.

ADJOURNMENT

At 10.54 p.m. the House adjourned until Wednesday 11 September at 2 p.m.