

## HOUSE OF ASSEMBLY

Tuesday 13 October 1992

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

## PETITIONS

## FISHING NETS

A petition signed by 44 residents of South Australia requesting that the House urge the Government to ban the use of monofilament gill nets in South Australian waters was presented by the Hon. T.R. Groom.

Petition received.

## SCHOOL COUNCILS

A petition signed by 443 residents of South Australia requesting that the House urge the Government not to transfer responsibility for schools from the Education Department to school councils was presented by Mr Atkinson.

Petition received.

## SMITHFIELD PLAINS HIGH SCHOOL

A petition signed by 517 residents of South Australia requesting that the House urge the Government to maintain Smithfield Plains High School as a years 8-12 school was presented by the Hon. T.H. Hemmings.

Petition received.

## SCHOOL TEACHERS

A petition signed by 39 residents of South Australia requesting that the House urge the Government to employ more teachers per student enrolment was presented by Mrs Kotz.

Petition received.

**Mr S.J. BAKER:** I rise on a point of order, Mr Speaker. The volume in the House is not loud but we still cannot hear the Clerk reading the petitions.

**The SPEAKER:** I understand what the honourable member is saying. I have been sitting here waiting for him to leap to his feet as he does regularly. There is a background hum of members having little chats before we start the business of the day. If everyone pays due attention to what the Clerk is saying, we might all hear.

## TEA TREE GULLY POLICE STATION

A petition signed by 123 residents of South Australia requesting that the House urge the Government to maintain the 24-hour service at the Tea Tree Gully police sub-station was presented by Mrs Kotz.

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 56, 59 and 129; and I direct that the following answers to questions without notice be distributed and printed in *Hansard*.

## GOODSPORTS PTY LTD

In reply to Mr MATTHEW (Bright) 18 August.

**The Hon. FRANK BLEVINS:** On 16 September, 1992 the then Minister of Consumer Affairs provided me with the following statement in reply to the honourable member:

I can most definitely assure the member for Bright and members of this House that the decision by the Commissioner for Consumer Affairs not to prosecute Goodsports for alleged offences was made without any political intervention. The Commissioner for Consumer Affairs has advised that the decision to seek an assurance from Goodsports Pty Ltd rather than proceed with prosecution was taken after an extensive investigation into complaints made to the Commissioner's office on 6 November 1991. The Commissioner's officers interviewed many people and took statements. I understand that even the member for Bright supplied a statement to the officers.

As with all such matters, the Commissioner sought the advice of the Crown Solicitor on the most appropriate course of action to take, based on the evidence collected. The Crown Solicitor advised that there was insufficient evidence to proceed to prosecution, however, there was evidence to warrant the seeking of an assurance. The Commissioner concurred and that was the course of action taken.

I understand that during a radio interview with the member for Bright and Susan Mitchell, the Commissioner explained this to the member for Bright and most vigorously defended her decision and her independence which she felt had been slighted by the member for Bright. The Commissioner offered the member for Bright the opportunity to present any further evidence which he had not previously presented to her for consideration. I understand that no further information has been provided.

The seeking of an assurance is no minor matter. It binds the person/firm giving the assurance to a certain behaviour or practice and firm penalties exist for breaches. Obviously, the future activities of such persons or firms receive closer scrutiny from the Commissioner's officers, and I understand that this is occurring. As I said earlier, the matter has been the subject of extensive investigation once it was first raised. I understand that the member for Bright also raised the matter in this House on 14 November 1991. Up until recently, when the Commissioner's decision on the matter became known, it has not been possible to provide this House with an outcome on the issue.

## STATE BANK

In reply to Hon. DEAN BROWN (Leader of the Opposition) 8 October.

**The Hon. FRANK BLEVINS:** The original indemnity strictly required account officers to take all legal remedies available to recover moneys due before a claim could be made against the indemnity. Under the original indemnity proceeding to bankruptcy was not mandatory nevertheless, it is entirely lawful and proper to threaten to take bankruptcy proceedings in appropriate cases and Pegasus adopts whatever course of action it believes will maximise the return to the Government. The guiding criteria is and always has been the maximisation of the return to the bank, the Treasurer and the State. It has always been possible to agree to a settlement which provided the best financial return with the consent of the Treasurer's representative administering the operation of the indemnity in the bank.

Now that Pegasus has been transferred to GAMD the original provision of the indemnity agreement no longer apply, nevertheless, the Government's policy and instructions to account officers still applies and that is to take all lawful action to maximise the recovery of moneys owing taking into account any

commercial solution or settlement which may present itself. An up to date report on Pegasus Leasing is being compiled and will be provided to the House in due course.

#### DEAN RIFLE RANGE

In reply to Mr OSWALD (Morphett) 8 October.

**The Hon. G. J. CRAFTY:** I wish to add the following information to my answer of 8 October 1992. Negotiations are continuing with the SA Rifle Shooting Association to find a suitable relocation site for the Dean Rifle Range Association. The club is situated on the Dean Rifle Range site at Gillman, which has been earmarked for the multifunction polis and the Government has allocated funding for the purchase of relocation land.

Negotiations will continue including discussions with MFP officials with a view to obtaining for the association an extension of time on the present site. As well, funding has been approved so that the association can obtain the services of a professional in the preparation of a feasibility study on its future financial viability. The department will assist with relocation and identification of appropriate sites.

#### PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. Frank Blevins)—

Friendly Societies Act 1991—General Laws—Lifeplan Community Services and Manchester Unity Friendly Society.

By the Minister of Housing, Urban Development and Local Government Relations (Hon. G.J. Crafty)—

Court Services Department—Report, 1991-92  
Department of Housing and Construction—Report, 1991-92.

By the Minister of Environment and Land Management (Hon. M.K. Mayes)—

Adelaide Festival Centre Trust—Report, 1991-92  
Department for the Arts and Cultural Heritage—Report, 1991-92.

By the Minister of Education, Employment and Training (Hon. S.M. Lenehan)—

The University of Adelaide—Report, 1991.

By the Minister of Business and Regional Development (Hon. M.D. Rann)—

Department of Industry, Trade and Technology—Report, 1991-92.

Office of Transport Policy and Planning—Report, 1991-92.

Technology Development Corporation—Report, 1991-92.

Highways Act 1926—Lease of Department of Road Transport Properties, 1991-92.

By the Minister of Health, Family and Community Services (Hon. M.J. Evans)—

Medical Board of South Australia—Report, 1991-92.

#### CASINO

**The Hon. FRANK BLEVINS (Deputy Premier):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. FRANK BLEVINS:** On 6 May 1992 the member for Mitcham (Mr S.J. Baker) asked a question concerning the role of Genting (South Australia) Pty Ltd in providing technical assistance and management services to the Adelaide Casino. The honourable member

expressed concern about the possibility that Genting might be acting in a way contrary to the interests of the Casino and about the role of Genting's South Australian representative. He suggested that the matter be referred to the Casino Supervisory Authority to investigate. The matter was referred to the CSA on 7 May 1992 and at a meeting on 14 May the CSA decided to conduct a formal investigation.

The report of that investigation describes briefly the relationship between the licensee of the Casino (the Lotteries Commission), the appointed operator, AITCO Pty Ltd, and Genting (South Australia) Pty Ltd, which has been engaged to provide technical assistance and management services to AITCO in carrying out the functions of the Casino operator. The report points out that AITCO had no relevant expertise at the time the Casino was opened and needed to have some person or entity to turn to for advice.

It is clear that the CSA was aware of the potential for a conflict of interest to arise between Genting's role of adviser to the Adelaide Casino and its role in relation to casinos in Malaysia and Western Australia. It is important therefore to note that the CSA has found no evidence that Genting has abused its position and advanced or attempted to advance its financial interests in other casinos to the disadvantage of the Adelaide Casino.

One matter which has emerged from the investigation is that the basis upon which Genting is remunerated to AITCO has changed from one related partly to gross revenue and partly to profit to one related entirely to profit. This has occurred without a formal amendment to the agreement between the two parties. After reviewing the present status of the relationship between the parties involved in operating the Casino, the CSA has recommended that the Technical Assistance and Management Services Agreement (TAMS Agreement) between AITCO and Genting be amended in the following respects:

1. The requirement for a Genting representative resident in South Australia be abolished;

2. The services provided by Genting be confined to technical services;

3. The management fee paid to Genting be renegotiated to reflect any cost reduction to Genting as a result of these changes.

Subsequently, discussions have been held between the CSA, AITCO and Genting and it has been agreed that the TAMS Agreement be amended as recommended by the CSA. Negotiations are taking place between AITCO and Genting on the precise amount of the management fee. The fee will in future be based on net profit and will in the 1992 financial year be lower than would otherwise have been the case.

In conclusion I note that, while the investigation has revealed no abuse by Genting of its position as adviser to AITCO, it has proved useful in clarifying the appropriate roles of Genting and AITCO in the future. I table the report by the CSA on an inquiry into the operation of the licensed Casino and the current role of Genting (South Australia) Pty Ltd.

## WARDANG ISLAND

**The Hon. M.K. MAYES (Minister of Environment and Land Management):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.K. MAYES:** Mr Speaker, during the grievance debate in this place last Thursday, the member for Goyder made a number of comments in relation to his recent visit to Wardang Island and called on me as the Minister of Aboriginal Affairs to sell the island to a development syndicate as soon as possible. The member for Goyder's remarks during that debate and in his recent press comments on this matter are a direct attack on the Aboriginal management of Wardang Island by the owners of the island, the Aboriginal Lands Trust, and by the lessees, the Point Pearce Community Council. I wish to place on the public record the true situation regarding the past management of Wardang Island and to indicate what plans are in place to rehabilitate this important asset.

*Mr Meier interjecting:*

**The Hon. M.K. MAYES:** Ask your colleague, the member for Mount Gambier. Wardang Island operates under a 99 year lease to the Point Pearce Community Council. In June 1976 the council signed a four year sub-lease with the Minister of Further Education. The Department of Further Education has begun an outdoor further education program on the island and proceeded to restore and upgrade the infrastructure and equipment on the island to a level required for its program.

In 1980 the lease was extended for a further five years by the then Minister, the current member for Mount Gambier. However, in June 1982 the project was terminated following a damning report from the Public Accounts Committee—and the member for Kavel remembers it. It is important to note that the Acting Chairman of the Committee, the current member for Kavel, levelled the blame for the failure of the project fairly and squarely on the Education Department, which, he claimed, had not given the project sufficient priority.

Following the termination of the project, the lease with the Point Pearce Community Council was terminated four years early and, as compensation, the fixed and moveable assets were handed over to the council. From that time in 1982 no State Government funds have been allocated to the island.

In terms of the damage and vandalism that have occurred on the island since then, there is no doubt that a substantial amount has occurred as a result of the trespass on the island of non-Aboriginal visitors. There have been a number of reports to the council of illegal visits to the island and of looting by non-Aboriginal visitors. However, whatever the cause of the damage, it is recognised by the Aboriginal community that Wardang Island does need to be rehabilitated, both in terms of the vandalism on the island and in terms of the environmental damage caused by the invasion of boxthorn and rabbits.

The Point Pearce Community Council, the Aboriginal Lands Trust and its Business Advisory Panel are currently discussing options for rehabilitation and for tourist developments on the island. This Government will assist those initiatives with appropriate support through agencies such as Tourism SA and the Department of

Environment and Land Management. Indeed, it has been suggested by the panel that the department may be asked to take over the land management program for the island, and there are no doubt opportunities for positive assistance from other agencies.

I will not, as the member for Goyder has urged, sell off the island for private development. As Minister of Aboriginal Affairs it is my intention to work with the Aboriginal community rather than to ignore their aspirations. The Aboriginal Lands Trust, under the very capable chairmanship of Mr Garnett Wilson OAM, has my full support in its endeavours to achieve proper care of lands under its title. Cabinet currently has before it a proposal to amend the Aboriginal Lands Trust Act to appoint an administrator if a lessee is failing to exercise effective management and control of its land.

This is but one of the positive initiatives being taken by the trust to properly fulfil its charter. I would urge the member for Goyder to consult also with the Aboriginal community before leaping to judgment and attempting to sensationalise the issue of Wardang Island. I would also request that in future he observe the common courtesy of requesting the community's permission to inspect their property.

*Mr Meier interjecting:*

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

## POLICE FORCE

**The Hon. M.K. MAYES (Minister of Emergency Services):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.K. MAYES:** The member for Bright is reported in last weekend's *Sunday Mail* as alleging that the Government is turning the issue of the police budget into a 'political football' and is 'endangering peoples' lives'. The member for Bright is also reported as describing as 'ludicrous' any suggestion that his Leader's recently announced plan to cut up to 25 per cent of staff budgets would decimate the Police Force.

The member for Bright is also quoted as stating that 'the longer this issue remains unsolved the more lives the Government is risking'. This is a very serious allegation, and I wish to place on the public record the level of support that this Government has provided, and is continuing to provide, to the Police Department, and to emphasise that community safety is not being jeopardised under the current funding arrangements. This Government's support for the Police Force and for public safety in South Australia will be judged on our record. Over the life of this Government since 1983 there has been a real increase in total funding for police in every year. In total over the 10 year period there has been, after taking into account CPI increases, a real increase of 35.3 per cent. If we look at recurrent funding, we see that we have a real increase of 32.7 per cent over that 10 year period and, if we look at salaries, we have a real increase of 30.7 per cent.

If we take another measuring stick—staff numbers—we see that this Government since 1983 has increased active police numbers by 420, police aides by 32 and police support staff by 130. Police staffing in this State is now

at record levels. In fact, South Australia leads the nation in terms of the ratio of police to population. This is currently at one police officer to every 399 head of population, substantially ahead of most other States. In terms of the comparison between last years and this year's budget, there has been an increase in total funding of \$16 million, a real increase after inflation of 2.64 per cent. On the recurrent side, there is a real increase from last year of 4.45 per cent.

As within every complex, dynamic organisation, there is a need to ensure that efficiencies are achieved and that funds are appropriately allocated. The Police Department is continually developing new initiatives and facing new demands on its resources, and the Commissioner has the daunting task of ensuring the efficient and effective allocation of those resources, consistent with maintaining a proper standard of service to the public. The Commissioner has assured me that the arrangements he had put in place in no way compromised public safety, and I fully accept that assurance.

However, the Police Association has made a public statement that its members are concerned about the current overtime arrangements in respect of the effect on its members' ability to provide effective service to the public. Therefore, I have undertaken to meet with the Commissioner to discuss the budget, to discuss in detail the planned efficiencies, and to absolutely ensure that the department is provided with adequate resources to continue its excellent level of service to the South Australian public.

Finally, I compare that situation, and the unparalleled level of support provided to the Police Department over the life of this Government, with the stated policy position of the Leader of the Opposition in respect of staffing budgets in the Public Service. The Leader of the Opposition, on radio last Wednesday, claimed that savings of 15 per cent to 25 per cent could be achieved throughout Government, without any reduction in work force numbers, through reductions in penalty and overtime rates. I point out to the Leader and to this House these simple facts. The Leader is talking about reducing the police staffing budget by between \$30 million and \$50 million. Overtime and penalty rates throughout the department total slightly more than \$18 million. Therefore, even if weekend and overtime work were completely wiped out, the Leader would still not achieve his desired savings.

To achieve that level of cost-cutting would require not just a nine to five police work force but a part-time nine to five work force—in other words, a nine to lunchtime work force! In summary, the member for Bright is absolutely wrong in his public claim that this Government is bringing about a nine to five Police Force. Under this Government, the Police Force has grown into the best resourced, most efficient force in Australia, providing the most comprehensive service to the people of this State. We will continue to maintain that proud record.

#### GAWLER RIVER

**The Hon. M.J. EVANS (Minister of Health and Community Services):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.J. EVANS:** This statement concerns the assistance offered to people affected by the weekend flooding in Adelaide's northern plains. Members will know that hundreds of families and individuals have been affected by recurring floods in the northern area. The Department for Family and Community Services responded immediately over the weekend to help those people who have suffered property damage or loss. A special relief centre was set up at the Two Wells Institute to provide a range of services including: the registration of victims (in cooperation with the Red Cross); financial assistance and emergency accommodation; counselling and emotional support; and information about practical issues, such as checking electrical appliances and dealing with flooded septic tanks.

FACS staff not only worked there on Friday but volunteered their services through Friday night and over the whole weekend in conjunction with local councils, the Red Cross and the Department of Agriculture. There has been a great demand for clothing, blankets and much needed Wellington boots. FACS staff have been using a four-wheel drive vehicle to visit people who were reluctant or unable to leave their homes, to make sure they received emergency food and other supplies.

The police, the State Emergency Service and local residents have been invaluable in identifying flood victims in most urgent need. As of last night the department had helped 122 families and 337 individuals, and distributed \$61 502 in emergency financial assistance to flood victims. Twenty families have been placed in emergency accommodation, and there have been 95 applications for re-establishment grants, which can be to a maximum of \$5 600. This could increase as the department is able to get in touch with more residents and as the full extent of the flood damage becomes known. In total, people affected by floods around Adelaide during the past two months have received more than \$100 000 so far in emergency financial assistance distributed through FACS.

I would like to take this opportunity to acknowledge the enormous contribution that people in the local community have made in helping with flood relief. They have been unstinting in their offers of food, clothing, accommodation and emotional support. Many have worked day and night in an attempt to save houses from the floods, and the wider community has also responded magnificently with offers of help of all kinds. Since it may not be possible to thank all those who have offered or given assistance individually, I wish to place on the public record my appreciation of their contribution. For those people still wishing to assist I commend the Advertiser Emergency Flood Relief Appeal.

The consequences of the floods will be felt by the local residents for many months and possibly years. In many ways, the task of getting these people's lives, houses and community back together has just begun. There is likely to be the normal grief reaction involving cycles of anger, blame, depression and acceptance for many months to come. The community will need to deal with this on an ongoing basis with some people needing special help. The Uniting Church at Two Wells and the Department for Family and Community Services are setting up a program of pastoral care for residents. The church and

the Government will be jointly funding a community development project for three months to ensure that people in the area get counselling and support. In conclusion, may I make mention of the work of Family and Community Services staff, who have shown in absolute terms their dedication to helping people affected by the floods. They have worked above and beyond the call of duty in doing their jobs professionally and compassionately.

## QUESTION TIME

**The SPEAKER:** Before calling on questions, I wish to advise that any questions normally directed to the Minister of Public Infrastructure will be handled by the Minister of Labour Relations and Occupational Health and Safety.

## WORKCOVER

**Mr INGERSON (Deputy Leader of the Opposition):** Is the Premier now satisfied with the reforms to WorkCover agreed to by Cabinet yesterday and, if not, what specific proposals does he have to reduce WorkCover premiums to 2.8 per cent, and which proposals will overcome union objections?

**The Hon. LYNN ARNOLD:** It is a pleasure to address this question from the Deputy Leader, the first question today in the absence of the Leader. On the matter of WorkCover legislation, the honourable member will have to see what comes before the House on Thursday this week. My predecessor, the member for Ross Smith, in his response to the Federal Government's industry statement in March last year indicated that this Government was committed to improving efficiencies in the WorkCover system and to bringing about a reduction in the WorkCover levy. At that time, the levy rate was 3.8 per cent and, since that time, the levy rate has come back to 3.5 per cent.

The legislation will be introduced this Thursday. There are some question marks about the legislation proceeding through the Parliament even if it is supported by all Parties, because statements attributed to various spokespersons from the other side indicate that the passage of that legislation might not proceed. But if it is passed by the Parliament it will reduce the unfunded liability by a further \$40 million and that unfunded liability, which has been reduced in recent times and which has come down now to the figure of \$97.2 million, will be reduced by a further \$40 million, taking it down to about \$57 million.

That means there will be the opportunity for a further reduction in the levy rate. I am not sure what the percentage figure will be on that but, as progress is made, clearly the benchmarks have been achieved along the way and, while more can certainly be achieved and will be sought, it is part of the progress that has seen a massive improvement in the WorkCover scheme at a time when, if we compare it with Victoria, that State has been able to achieve only a .3 per cent reduction in the levy since 1990-91. The third point that must never be forgotten is what is at the very core of WorkCover, which is

providing a just means of protecting workers who are injured in the workplace.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** They do forget about that. The Opposition does not want to care about those sorts of issues at all. The Opposition seems to believe that one can pay total disregard to the legitimate addressing of workers who have been injured in the workplace, and that is what WorkCover as a scheme has been doing. I might add that it has been doing it much more efficiently than the scheme that was in place prior to that. Indeed, while we have been very keen to see improved efficiencies in WorkCover in South Australia and while we continue to seek them, it has also to be remembered exactly what was taking place before WorkCover came into existence. Between 1980 and 1984, interestingly enough the member who was—

**Mr S.J. BAKER:** Mr Speaker, I rise on a point of order. It is normal for members of the House to address themselves through you and not to the little gallery behind them, as the Premier has been doing.

*Members interjecting:*

**The SPEAKER:** Order! I uphold the point of order. I do not know whether the Premier realises that he has a habit of turning away from the Chair, when Standing Orders, custom and protocol of the House require that all remarks be directed to the Chair. The honourable Premier.

**The Hon. LYNN ARNOLD:** Certainly, Mr Speaker, my apologies for any unintended disrespect to the Chair. The previous scheme to which I was about to refer is the scheme for which the Leader of the Opposition was the Minister responsible when his Party was in Government.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** He is not here now because he does not want to hear this. Obviously, he had some idea that this matter would be coming up today. Between 1980 and 1984 compensation premiums in South Australia almost doubled. In some instances for high risk industries they cost up to 20 per cent or more of wages. It cost 20 per cent or more of wages when the Leader of the Opposition was responsible for this area. Under WorkCover many South Australian businesses are paying less than they paid before 1987—and in some cases much less.

The maximum levy is still much cheaper than the maximum in the old days and the maximum in the old days—in those days when this area was under the control of the Leader of the Opposition, who indicates a total lack of care for injured workers in the workplace—was about 30 per cent. I suggest that, if the Deputy Leader wants to have useful things to say on this matter, he ought to consider exactly where his own Party stood when it had the chance to do something about this and look at the record of reductions in costs—

**Mr BRINDAL:** I rise on a point of order, Mr Speaker. Last week you ruled a number of times on the matter of the Premier's debating answers to questions. I draw your attention to this matter again and ask you to rule on Standing Order 98 in respect of debating answers.

*Members interjecting:*

**The SPEAKER:** Order! The Chair understands that the Premier has completed his reply. However, the Chair

will take the point of order and listen closely. The member for Walsh.

### TOURISM SURVEY

**The Hon. J.P. TRAINER (Walsh):** Can the Minister of Tourism provide further information on the survey by the Queensland Tourism and Travel Corporation which, according to the Opposition, rates South Australia as a boring State to visit? Members have been approached by tourist operators who are greatly concerned that the reporting of this survey ignores and downplays the efforts they make to attract tourists, particularly when press reports indicate that 46 per cent of the survey group found Adelaide extremely appealing or very appealing.

**The Hon. M.D. RANN:** This is a very important issue. Over the past few days, including just prior to Question Time, I have been meeting with representatives of the tourism industry. There is a clear belief in the industry that the Opposition, the media, the Government and the industry should be working together on the important issue of tourism. On the eve of the national tourism awards this Friday night, and on the eve of the Grand Prix, when hundreds of industry operators and tourism journalists will be coming to this State, Mr Davis has chosen not to support South Australia's tourism effort but to stab it in the back. Mr Davis's selective and distorted use of statistics to put down the efforts of our industry deserves nothing but scorn. The same survey he used to call our State boring also showed that Adelaide rated higher than Bali or Fiji amongst those surveyed. South Australia's wineries in the Barossa Valley and the Clare Valley rated higher than the Gold Coast and San Francisco.

I call on the Leader of the Opposition, wherever he is, to discipline Mr Legh Davis. We hope that he would know that the people of this State want energetic patriots, not cringing whingers who want to seek to put this State down. He quoted figures given by only 250 people, not the 3 600 quoted, or less than 10 per cent of those surveyed. Of the total sample of 3 600 holiday makers, 52 per cent found the Barossa and Clare Valleys either extremely or very appealing. The Flinders Ranges, Wilpena, coastal South Australia, Kangaroo Island, Port Lincoln and Victor Harbor were considered extremely or very appealing by 42 per cent of those surveyed. Adelaide, on 46 per cent, rated higher than Sydney on 37 per cent, and higher also than Brisbane, Melbourne, Bali and Fiji. That is the real survey released by the Queensland Tourism Commission—not the selective, distorted and dishonest release by Legh Davis.

Mr Davis said also that it was a very recent release. It was done last year, prior to the highly successful 'out of the ordinary' campaign—the one that the media have been saying was obviously a failure. However, the survey was done before that campaign started. Mr Davis is seeking to belittle the marketing efforts of our industry. Since 1985 South Australia has received—

**The Hon. JENNIFER CASHMORE:** On a point of order, Mr Speaker, the Minister is debating the question in contravention of Standing Orders, and I ask you to rule accordingly.

**The SPEAKER:** I uphold the point of order. I ask the Minister to be specific in his answer to the question.

**The Hon. M.D. RANN:** I will give the figures straight—

**Dr ARMITAGE:** On a point of order, Mr Speaker, the Minister clearly indicated that a member in another place had made a dishonest press release. Under Standing Order 127 (3), I ask you to rule him out of order.

**The SPEAKER:** The Chair did not hear the particular reference.

**Dr Armitage:** Well, ask him to repeat it.

**The SPEAKER:** Order! I did not hear the particular reference. Is the Minister aware of any reference that—

**The Hon. M.D. RANN:** I was referring to the press statement, Sir.

**The SPEAKER:** Was there any use of the word 'dishonest'?

**The Hon. M.D. RANN:** The statement itself was dishonest and selective in respect of the statistics.

**The SPEAKER:** I do not uphold the point of order. If the Minister said that the press release was dishonest, that does not mean that the honourable member was being dishonest.

**The Hon. M.D. RANN:** I should give the figures because this is a very important issue. Since 1985 South Australia has received 23 national tourism awards and 19 awards of distinction. In 1989 we received more awards than the other States and last year received equal top award ranking with New South Wales with six awards. This is clearly the Opposition Leader's policy of hit and run. I will certainly be presenting Legh Davis, on behalf of the tourism industry, with a Dean burger—half chicken and half tongue!

### WORKCOVER

**The Hon. JENNIFER CASHMORE (Coles):** In view of the Premier's failure to provide any specific proposals to further reduce WorkCover premiums, in what way does he propose to implement the commitment made by his predecessor that WorkCover premiums would be reduced to nationally competitive levels by the end of this financial year?

**The Hon. LYNN ARNOLD:** I think that the member for Coles is not fairly recalling the comments made by the member for Ross Smith in this area. The fact is that there was a commitment that there would be a reduction in the level of WorkCover levies and that we would become more nationally competitive. As to timing it to a particular benchmark, I believe we will achieve improvements, as we have been achieving. I could again quote the list of improvements that have already been achieved, but I would be guilty of repetition. When the statement was made on 21 March 1991, from memory the average levy rate was 3.8 per cent. That has now come down to 3.5 per cent and, subject to the will of Parliament, it will reduce further.

There are always ongoing discussions on these matters and every effort will be made to see the opportunity for further reductions in the levy rate after this. I suggest that the member for Coles bide her time and wait to see what takes place. The very important first point is that she

actually supports the Bill. That would be a very important first event.

*An honourable member interjecting:*

**The Hon. LYNN ARNOLD:** That will certainly reduce the cost. That is the first thing that she could usefully do if she is genuine in wanting to see an improved competitive situation for WorkCover levies in this State while at the same time preserving a fair system of compensation for workers injured in the workplace. I note that none of that came out in her explanation because it does not seem to be a matter of great concern to members opposite.

### MULTIFUNCTION POLIS

**Mr De LAINE (Price):** I direct my question to the Premier. Will the Government reconsider the choice of the core site for the MFP in light of allegations raised yesterday by the Australian Democrats?

**The Hon. LYNN ARNOLD:** The honourable member raises a very important question and, of course, he refers to a press statement made yesterday.

*An honourable member interjecting:*

**The Hon. LYNN ARNOLD:** I hear the member for Heysen interjecting that it would be a great idea to move away from the core site. I know that the Opposition does not have any commitment to any development at the core site of the MFP at all. That is to be regretted because it is not an option for any Government of South Australia to say that it will not do anything about the land around the Gillman core site regardless of whether or not there is an MFP. The reality is that we do not have in that area a pristine environment. I suggest that some people who have taken great exception to developing that area would actually do well to go and have a look at the area. One of the important themes of the MFP has been about taking that area, rehabilitating it and, in the process of rehabilitating it, developing technologies and knowledge that in themselves become marketable to other areas of degradation.

The points raised by the Hon. Mike Elliott in another place are spurious. He came out yesterday with a press release in which he talked about secret Government documents that in fact belied anything the Government has been saying, and he said they would prove to be a great embarrassment to the Government. The honourable member used his investigative capacities and his detecting skills to ferret around in an attempt to uncover hidden information. He did not have to hope that things might fall off the back of a truck or go to all the trouble of dealing with freedom of information measures, and he did not have to work his way behind the willingness of Government to be very open about this matter, because all of the information was already public.

All of the information in the honourable member's press release yesterday was made public in supplement (b) to the EIS. I will not display that document. All of the documents to which he referred in his press release are stated in that particular supplement with the key points that the Democrats made, including page references to the responses to each of the points. For example, the honourable member made reference to one

document saying that the cost would be between \$7 million and \$70 million.

In fact, if one reads that document, one sees that it is clear that it is a highly conjectural figure based on lack of information. It is a statement that, if certain things take place, the cost might blow out to that amount. But the author of this document did not intend that and the respondents to that document, the EIS process, understood that and consequently made the very sound recommendations that they made. It is not the Government's intention to move away from the Gillman core site. We see that that site will be developed in parallel with the other areas which are part of the MFP. We should not have this polarising between Gillman or not Gillman. It is a case of seeing all these areas being developed in parallel for the benefit of the project and, therefore, of South Australia.

### ECONOMY

**Mr OLSEN (Kavel):** Does the Premier believe that the Australian economy came out of the recession 'a long time ago', and is the South Australian economy still in recession?

**The Hon. LYNN ARNOLD:** I appreciate the question from the former Leader. I do not believe that Australia came out of the recession long ago. Indeed, it has been on the public record that this Government stated at the start of this recession, or before the recession started when people were talking about soft and hard landings, that a recession coming to this country would be a hard landing recession. We said then that the effect would be very hard on all Australians, and that is precisely what has happened. We warned that the instruments being used could not be used carefully enough to provide the soft landing that had been predicted by some economists at national level. While South Australia was the last State into recession—and all the indicators show that—we still knew that the recession would hit South Australia just as it had hit all other States at that stage.

In terms of some technical definitions, this country might have left recession, but it is a very slow tracking out that we are seeing. All the indicators of which I am aware show that, while there are some areas of increased demand, they are either matched by a reduction in demand in the following month or at the most are having a fairly slow growth rate. My assessment would be that as we come out of this recession we will come out slower than Australia has come out of previous recessions.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** That is not something that I say with any degree of joy. The point is that I am trying to put my assessment of this situation. I would like it to be different; I would like to think that the next three quarters of Australia's growth will see enormously greater growth figures than I suspect will be the case. However, Australia is caught in its own recession in the midst of a world recession in many countries. Indeed, this morning I was talking to somebody who has extensive knowledge of the United Kingdom, and other people have been talking to him during the day. His assessment is that



the United Kingdom is not in recession; it is in depression. That is a situation that we also see with a very vulnerable economy in the United States and, in addition, economic problems in Japan as well. With that kind of scenario it is difficult to imagine how we will do other than track slowly out of the recession. I hope I am wrong because I have underestimated the growth figures that we will see. Certainly this Government will do everything within its power to ensure that the growth figures that we see are greater than present predictions might seem to indicate.

### SAGASCO

**Mr FERGUSON (Henley Beach):** I direct my question to the Treasurer. In view of the Trade Practices Commission's challenge in the Federal Court to the takeover bid by Santos for SAGASCO Holdings, how will the sale of the State Government's shareholdings in SAGASCO proceed?

**The Hon. FRANK BLEVINS:** The Trade Practices Commission's action in instituting proceedings in the Federal Court restraining Santos from proceeding with its takeover offer was a surprise and a disappointment to this Government. In the first place, Santos proceeded with its takeover offer only after the Trade Practices Commission expressed its preliminary view that it would not object to a takeover of SAGASCO by Santos. Secondly, this Government does not believe that the acquisition of SAGASCO by Santos would lead to a reduction in competition in respect of the supply and reticulation of natural gas sufficient to warrant the TPC's intervention. The Government has strongly argued this view to the TPC.

While the Government has made no decision on the Santos offer, we are nonetheless disappointed by the TPC decision, because it denies all SAGASCO shareholders, including the State Government, the opportunity to consider the Santos offer within a competitive environment. The Government has decided to await the outcome of the Federal Court challenges to the Santos takeover by the TPC but will continue negotiations to sell its shareholding in SAGASCO subject to an adequate price being obtained. If the case is not finalised within a reasonable period, the Government will review its options for the sale of the SAGASCO shareholding.

### ECONOMY

**Mr S.J. BAKER (Mitcham):** Does the Premier still believe that the South Australian economy will experience real growth of 2 per cent this financial year? On Sunday, Senator Button said he was 'not absolutely confident' that the Government would meet the Federal budget's growth forecast of 3 per cent this financial year. Last week the National Australia Bank forecast South Australia's growth to be the worst of that of any State in both 1991-92 and 1992-93. In the year to September 1993, it forecast growth of only 1.25 per cent for the whole year, which amounts to a substantial cut in real terms. In budget Financial Information Paper No. 2, real growth of 2 per cent in South Australia's gross product is

forecast after inflation of 2.4 per cent—and these are the Treasurer's and the Premier's figures. However, yesterday's retail figures showed that South Australia was the only State to experience a decline which, compared with last year, was a fall of 3.6 per cent.

**The Hon. LYNN ARNOLD:** I believe that the figure set out in the budget papers is achievable and I look forward to that being the case. The facts are that we have four quarters in a financial year and, as I have said, there will be a slow tracking out, in my view. I hope I am wrong and that is a faster tracking out but, even with that situation, slow but accelerating, I believe that we will see the targets being met.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** The member for Mitcham said we have already lost one quarter, but that means three quarters to go. Let us see what happens in those quarters, in the rest of the financial year, and I am sure that the honourable Leader, because he is so bereft of questions of substance, will use up his question slot in future Question Times to ask about growth figures. I believe that the projection in the budget papers is not unreasonable; I hope it is pessimistic and that in fact we get a better growth figure than that, but we will just have to wait and see.

### EDUCATION, EMPLOYMENT AND TRAINING DEPARTMENT

**Mr HAMILTON (Albert Park):** Will the Minister of Education, Employment and Training indicate what effect a cut of 25 per cent in public spending would have on the number of employees in her department? Last week the Leader of the Opposition stated that in government the Opposition could reduce expenditure in education, health and transport by between 15 per cent and 25 per cent. As the majority of employees in education, employment and training are on fixed salaries, what reduction in staff would be needed to meet such a target?

**The Hon. S.M. LENEHAN:** I thank the honourable member for his ongoing interest in and commitment to this matter, because it really is vitally important for the people of South Australia. As the honourable member mentioned, last week publicly on a radio program that is heard around Adelaide and further afield in the State, the Leader of the Opposition claimed on two occasions that what he would do in government would be to reduce the running costs of the public sector, and he specifically targeted three areas: education, health and transport. Last week in this House I asked the honourable Leader where he would make those reductions as he had said he would be making them in over award payments and overtime.

As the vast number of employees who come under my responsibility do not have over award payments or overtime, I asked him to state publicly to the community of South Australia exactly what he proposed to do. I have waited all week for this answer, and I must say that the silence has been deafening. Therefore, I can only assume that the Leader of the Opposition does not propose to reduce the amount of take home pay of workers involved in education, employment and training but is intending to reduce numbers.



Because the honourable member indicated to me that he would ask this question, I have prepared some figures to show the effect of a 25 per cent reduction on my three major departments. The budget allocation for salaries for the Education Department is \$700 million. A 25 per cent reduction would amount to \$175 million, and this would mean that the number of full-time equivalent staff (approximately 20 000) would be reduced by 5 000. Let us get right back to the classroom. What would this mean for education? It would mean an increase of nine students in the average class size.

With salaries for the Department of Employment and Technical and Further Education amounting to \$154 million, a reduction of 25 per cent would be \$39 million and the number of full-time equivalent staff (3 230) would be reduced by 807. The Children's Services Office would see a reduction in salaries by over \$10 million, from \$42 million to less than \$32 million, and the number of full-time equivalent staff (1 052) would be reduced by 263. So, in my area, we would be talking about a reduction of 6 070 full-time equivalent staff.

The Leader of the Opposition, as my colleague has said, has adopted a hit and run approach. I suggest it is a hit and miss approach where you make an amazing statement and then you pretend that you have not made it and hope that the media in this State will be so stupid they will not even acknowledge or run to ground this kind of statement. It is time the Leader of the Opposition stood up in the South Australian community and told the full education community exactly what he is going to do. How will he reduce the running costs of my department, the largest department in Government, by between 15 and 25 per cent? I again challenge the Leader of the Opposition to put his facts on the table.

*Members interjecting:*

**The SPEAKER:** Order! There is a point of order. The member for Hayward.

**Mr BRINDAL:** I refer to page 720 of *Hansard* of 8 October. A virtually identical question was asked of this Minister last week, to which she replied. I ask whether the Minister is being repetitious and wasting the time of the House.

**The SPEAKER:** The honourable member will show me the question, and I will deal with it later. The member for Goyder.

*Members interjecting:*

**The SPEAKER:** Order!

### GAWLER RIVER

**Mr MEIER (Goyder):** My question is directed to the Premier. Bearing in mind the ministerial statement by the Minister of Health and Community Services earlier today, what estimates does the Government have of property, crop and other damage caused on the Adelaide Plains by the devastation and disaster wrought upon that area over the past few days, and what extra claims will the Government entertain for compensation to property owners in addition to the \$700 and \$5 600 means tested grants?

During an inspection this morning, I witnessed the misery, grief and damage in the clean-up after the floods. A resident of a three-year-old brick veneer home

estimates preliminary damage to be in excess of \$50 000. Items ruined and needing replacement include all carpets, all kitchen and other inbuilt cupboards, all inside gyprock walls and all interior and exterior doors. Insurance companies will not cover the flood damage.

**The Hon. LYNN ARNOLD:** I am pleased that the local member has made a tour of inspection this morning. I was certainly very keen to make inspections, as I know the Leader of the Opposition did last week, and as did my ministerial colleagues the Minister of Health and Community Services and the Minister of Emergency Services. We were there on Friday and Saturday and we certainly picked up the great distress that was caused to so many and the great difficulties that so many people were facing.

I stood in front of one house where people were making the decision to evacuate there and then and it is difficult to imagine, if it has not happened to one's own house, the great stress and trauma that people go through. I want to commend all the agencies which worked so hard to deal with that issue and help meet those problems. Family and Community Services officers did an excellent job. I also called into the Two Wells Institute and saw the work they were doing there involving great skill and dedication that carried on right throughout the weekend. This was evident also from State Emergency Services, the South Australian Police Force and the CFS. Various groups of the CFS came from quite a wide area.

In addition, it was interesting to see the role of other community groups, agencies and enterprises: SAFM was doing a great job going out in a four wheel drive to take pies and pasties to people who did not want to leave their homes, and that was a great example of people getting together in time of great difficulties and people in the local community helping each other. I met a number of people from the local community and could see how much they were putting into it. Some did not get to sleep all night because they were busy sand bagging the rest of the area. That brings out the very best of the human spirit.

I immediately announced that grants were available for food purchases and so on: \$280 per adult and \$140 per child plus, on application, grants of up to \$5 600 for temporary accommodation assistance or house re-establishment assistance, and I believe that that has been well received by the people concerned. The honourable member makes the point that insurers would not insure. That is not technically correct. For many people some insurance was available, although admittedly at a very high additional premium. The sum was about \$600 extra that would be required.

*Mr Meier interjecting:*

**The Hon. LYNN ARNOLD:** The honourable member's actual question was what is the level of damage done to homes and crops in the area. I am not able to say that yet and I do not believe people in the local community can say that, because they are still in the clean-up phase and they have not yet assessed just how much that damage will be but, as soon as we have any indicator of the figures, I will certainly advise the House.

The matter of any loss of income from damaged agricultural production would be taken up by the Rural Assistance Branch of the Department of Primary

Industries, and I know that my ministerial colleague will be pursuing that matter. As to other areas, I believe that the Government, within the resources that we have, has indicated what we can make available. Of course, the Local Government Disaster Fund is partly funded by an element of the financial institutions duty. There is a positive balance in that fund and I have already indicated to Ian O'Loan, Chairman of the Mallala District Council, that as to its approach to me for road damage compensation funds, out of both the first flood and the second flood, the best way to handle that is for them to make an application to this fund, which does have quite a large balance available for these matters.

Likewise, we have also agreed, as my colleague the Minister of Emergency Services has indicated, that we are more than happy to sit down with the councils to work out flood mitigation programs in those areas. Within the context of what is possible the State Government has indicated its support for individuals in the area. Nothing can ever compensate totally for the stress, damage and trauma that they are suffering, but I believe that all the agencies of Government have done an excellent job in trying to help people cope.

#### STATE BANK

**Mr HOLLOWAY (Mitchell):** My question is directed to the Treasurer. Has the total number of State Bank Group executives who earn more than \$100 000 a year increased by 14 in the past financial year and, if so, did the Government agree to such an increase under the terms of its indemnity agreement with the State Bank? It was reported in the *Sunday Mail* of 11 October that in total 38 bank employees were earning more than \$100 000 on 30 June 1992, 14 more than in 1991. The article quotes the Opposition's spokesman on finance (the member for Mitcham) as saying:

I believe the bank should be reducing the number of big earners, not hiring more.

**The Hon. FRANK BLEVINS:** I thank the member for Mitchell for his question and for the second time I would like to put the record straight. It disappoints me that the member for Mitcham continues to misrepresent the position because I know that even the member for Mitcham understands what has occurred at the State Bank in respect of the consolidation that has taken place with the two entities that have been absorbed into the bank, and that is what gives the appearance of an increase. The fact is—

*An honourable member interjecting:*

**The SPEAKER:** Order!

**The Hon. FRANK BLEVINS:** —that there have been significant decreases in certain areas. Every member of the House who has an interest in this matter knows that and it is also known to the member for Mitcham, and for him to misrepresent it is pretty poor. If the State Bank executive staff had been increased in respect of number or salaries, I can assure the member for Mitcham that the Treasurer would be having a word with them, but the facts are quite the reverse. As I stated, the number of executives in the bank salary bands has increased, as everyone knows, including the member for Mitcham—

*Members interjecting:*

**The Hon. FRANK BLEVINS:** —and the member for Coles, because of the integration of Ayers Finnis Holdings Limited and Beneficial Finance Corporation and the transfer of their executives to the bank. There is nothing difficult about that. On a comparative basis, excluding Ayers Finnis and Beneficial Finance, the number of executives being paid more than \$100 000 in the bank has declined from 24 in 1991 to 23 in 1992. Since 30 June 1992, a further five executives have left the bank, bringing the total number of executives earning in excess of \$100 000 down to 18 compared with 24 in 1991. On a fully consolidated basis—that is, the bank, Beneficial and Ayers Finnis—the number of executives earning in excess of \$100 000 has actually fallen from 51 to 41.

The total salary bill for these executives, and this was in the annual report, has also declined significantly from \$7.8 million to \$6.6 million. To be more specific—and everybody likes to be specific and likes to put salaries to names or faces (so we can all point at whether it is Mr Johnson or anyone else and say that he is getting so much)—I will put some names and amounts on the record. The current Managing Director has a salary in the \$370 000 to \$380 000 salary band. I am pleased to say (but maybe Mr Johnson is not) that this salary is 25 per cent less than the salary of the previous Managing Director.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. FRANK BLEVINS:** I want to give some comparisons. Members opposite can put their own names to them. Out of the annual report for these organisations the salary of the Managing Director of the State Bank is comparable to that of other similar sized financial institutions. Based on 1990-91 figures—the latest figures available—the Managing Director of the State Bank of New South Wales, under a Liberal Government, received \$440 000 to \$450 000.

*Mr Becker interjecting:*

**The SPEAKER:** The member for Hanson is out of order.

**The Hon. FRANK BLEVINS:** Closer to home, the Managing Director of the Co-op Building Society—

*The Hon. Jennifer Cashmore interjecting:*

**The SPEAKER:** The member for Coles is out of order.

**The Hon. FRANK BLEVINS:** —received \$320 000 to \$330 000.

*Mr Meier interjecting:*

**The SPEAKER:** The member for Goyder is out of order.

**The Hon. FRANK BLEVINS:** That is compared with the top earner as I have mentioned. I want to make one more point. The trend is all in the right direction: less executives earning less money. That is something that I support.

*An honourable member interjecting:*

**The Hon. FRANK BLEVINS:** Less profit, quite right, and hopefully less losses. The issue here is that what we are witnessing in the State Bank is a free market: individuals writing individual contracts with their employer. As I understand it, members opposite support that system for every employee in Australia. The

inevitable consequence of that system is that some people—

*Mr Lewis interjecting:*

**The SPEAKER:** Order! The member for Murray-Mallee is out of order.

**The Hon. FRANK BLEVINS:**—in some areas will be able to negotiate far higher salaries than they would be able to get in a controlled, centralised system. So, if members opposite advocate a free market system for wage and salary earners, they cannot complain when the free market throws up salaries of this size in the State Bank or any other financial institution. At the moment a select committee of the Upper House is looking at certain statutory authorities in this State. If that select committee—never mind the nonsense moved by two members opposite at the start of Question Time—wants to report and comment on salaries in the State Bank or any other statutory authority, it is free to do so. Let us have no hypocrisy about the size of these salaries. To me they are astronomical amounts. They are amounts about which the people I represent could only dream. Nevertheless, they are the inevitable outcome of the policies advocated by members opposite.

#### GAWLER RIVER

**Mr D.S. BAKER (Victoria):** Will the Minister acting for the Minister of Public Infrastructure immediately investigate, so he can report in full to the House tomorrow, the failure of the Government to implement flood mitigation measures to protect the Adelaide Plains from flooding of the Gawler River? In view of this failure, why will the Government not consider compensation claims from property owners who have suffered in this disaster through no fault of their own?

The Adelaide Plains have suffered four serious floods since 1971—two in the past two months and others in 1983 and 1974. Some have been the result of flooding in the North Para River as well as the South Para River. After the 1974 flood, the then Dunstan Government promised—and I quote from the ministerial statement made to this House on 15 October 1974—‘a long-term management plan for this catchment area.’ As a result of this promise, in 1976 a report entitled ‘Floods, Flood Warning and Flood Mitigation in the Gawler River Basin’ was provided to the State Government. The report was never made public. The report concluded that management of the South Para Reservoir should be changed to incorporate flood mitigation procedures.

**The Hon. LYNN ARNOLD:** I have been out to the area and naturally was asked some questions on this matter. I also spoke with representatives of the councils in that area and, as I have indicated, as a result, my colleague the Minister of Emergency Services announced yesterday that we will be having discussions with councils on flood mitigation. In fact, the history goes back longer than that, and it is well worth the honourable member’s being aware of what has taken place.

*Mr D.S. Baker interjecting:*

**The Hon. LYNN ARNOLD:** Well, just listen to the facts. I suggest that before he starts—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. LYNN ARNOLD:**—going on with other interjections, having asked a question, he should hear some information that will certainly put his mind at rest. In 1987 the Department of Environment and Planning and the then Highways Department became concerned about approvals being granted by councils for further land division in areas that were identified in a 1986 consultant’s report as ‘flood prone’. There was also concern that controls were not adequate to sustain decisions by planning authorities to refuse further applications. Prior to that time—and this is a very important point—the boundaries of the flood plain were unknown and consideration was not given to the flooding potential of the land in question.

On 23 December 1987, the Governor, on a recommendation from the Government, made a declaration under section 50 of the Planning Act in order to halt further land division in the area. The then Minister for Environment and Planning then proceeded to prepare a Gawler River Flood Plain SDP. This plan prohibited land division and building development other than outbuildings within the flood plain. The policies in the plan were brought into interim effect on 10 November 1988 by a declaration from the Governor, also on the recommendation of the Government.

The section 50 declaration of 1987 and the declaration to make the SDP operative in 1988 were both controversial actions which attracted considerable criticism or expressions of concern, particularly from the effected landowners at the time. I would like to know where members opposite might have stood in relation to the concerns that were being expressed. We might just check *Hansard* to see what sort of comments the Opposition members were making at that time. The SDP proceeded through public exhibition from 10 November 1988 to 13 January 1989, attracting some 20 submissions. It proceeded to authorisation on 9 November 1989, although it is emphasised that tighter policies had already been made operative during the previous year. Of course, the very section 50 declaration would have provided for that.

Lands Department aerial photography of the extent of flooding in the area over the past week will enable us to determine new flood prone areas so that policies can be tightened to restrict further development in those areas. However, the bottom line is that when this area was identified as being flood prone this Government did in fact make moves, and I have just detailed them. I suggest that the honourable member pays some attention to those facts.

#### URANIUM ENRICHMENT PLANT

**Mrs HUTCHISON (Stuart):** Can the Premier advise the House whether the Government intends to establish a uranium processing industry in South Australia? In this week’s edition of the *City Messenger*, the Leader of the Opposition has called for the building of a uranium processing plant in this State, saying this would generate as many million of dollars for South Australia as the State’s major car plants. The Leader identified Port Pirie as an example of an ideal site for such a plant.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** I hear a few members opposite saying 'Hear, hear!'

**The SPEAKER:** Order! The member for Victoria is out of order for the third time.

**The Hon. LYNN ARNOLD:** It was interesting to see the press report today. This is not the first time the Leader has made reference to a uranium enrichment plant; he was on TV a few weeks ago speaking about this subject, although at that time he did not actually name a site. I was wondering what site he might have in mind for this entirely safe process, which, according to him has no greater risk than car manufacturing. This sounds like the lead up to his saying that he wants it in his electorate—on Kangaroo Island or near Victor Harbor or other places like that. If one believed in these things, which I do not, there would be a lot going for him as a good local member wanting to attract this entirely safe industry to his own electorate.

**The Hon. Frank Blevins:** According to him.

**The Hon. LYNN ARNOLD:** Yes, entirely safe according to him. But, no, maybe he is starting to get worried about that. So this week's *City Messenger* actually gives us a bit of a clue to the Leader's thinking on this issue. It is not actually his own words. He is a bit coy about having so many words to say himself; one of his staffers has had a word to say. He said that while no sites for a uranium processing plant have been earmarked by the Liberal Party—in that case the member for Victoria, who seems so keen, ought to be encouraging—

*An honourable member interjecting:*

**The Hon. LYNN ARNOLD:** It sounds as though the honourable member would like it down in Naracoorte or Mount Gambier.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** They say they are happy to have it. I guess we could do a bit of a roll call. There are a few people silent on some of the other benches. The member for Murray-Mallee wants one but a few members elsewhere are silent.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr S.J. BAKER:** I rise on two points of order, Mr Speaker.

**The SPEAKER:** The Chair will consider only one at a time. What is the first point of order?

**Mr S.J. BAKER:** It is not appropriate for the matter to be debated as the Premier is now doing and it is not appropriate for him to waggle his finger at members across the floor.

**The SPEAKER:** I uphold the first point of order. On the second point of order, I did not notice any wagging of the finger. The Premier.

**The Hon. LYNN ARNOLD:** The point is that one of the Leader's staff has now told us that Port Pirie was an example of an ideal site for this to take place. I should like to know on what basis that site allocation has been made. I would like to know, for example, the safety information and the environmental information—

*Members interjecting:*

**The SPEAKER:** Order! The member for Custance—

*Mr Venning interjecting:*

**The SPEAKER:** Order! I think I have to warn the member for Custance. He observed the Speaker rising

and then he deliberately interjected across the Chamber. I warn the member for Custance. The Premier.

**The Hon. LYNN ARNOLD:** I should like to know what basis of knowledge has led the Leader to make the statement that the uranium processing plant is, to use his words, 'entirely safe'. It seems to me to be tempting fate for anybody to say that anything in this world is entirely safe, but at long last apparently the Leader has discovered it. I should like to see the technical data that backs that up, because I do not believe that anyone can make such a statement with any degree of substantiation.

He also went on to say that any opposition on environmental grounds is illogical because the enriching and processing part of the uranium cycle is the safest part of that entire process. The other point that needs to be noted is that one does not take one part of the cycle in isolation. Trucks have to take things to the plant and the enriched product from the plant. However, the Leader apparently does not want to pay too much attention to those particular areas. This Government does not support a uranium enrichment plant being built in South Australia.

**The Hon. Frank Blevins:** Neither does the industry.

**The Hon. LYNN ARNOLD:** And neither does the industry. I suggest that a few conversations by the Leader with industry would show that he has yet again missed the mark. It is a case of the hitting and missing routine. Maybe what we shall end up seeing is the kind of changing of view that he has now and again and there will be another statement next week that suddenly backtracks. He is already trying to back away from the 15 to 25 per cent cut statement, saying that he did not actually mean that or he did not actually say that, although he did. Perhaps in next week's *City Messenger* we shall have some backtracking yet again.

**Mr BRINDAL:** I ask you to rule on relevance, Sir.

**The SPEAKER:** The Premier has concluded. The member for Mitcham.

## CASINO

**Mr S.J. BAKER (Mitcham):** I direct my question to the Treasurer. When did the Government first become aware of the concerns of the Casino Supervisory Authority about the role of Genting at the Adelaide Casino, and will he reveal what fee Mr Bakewell has been receiving as Genting's South Australian representative? The report tabled this afternoon raises serious questions about the role of Genting and the income it has received from the Casino. It indicates that Genting's annual fee is about \$3 million. The report questions the position of Mr Bakewell who, I understand, received a substantial fee and other benefits. It also indicates that the Casino Supervisory Authority has had concerns about Genting's role since before the Casino opened, yet Genting's agreement with the Casino appears to have been worth, in total, about \$60 million to Genting.

**The Hon. FRANK BLEVINS:** From memory, the first I knew of any CSA concern was when I spoke to the Chair of the CSA after the member for Mitcham posed his question. That would have been in May this year.

*Mr S.J. Baker interjecting:*

**The Hon. FRANK BLEVINS:** The previous Treasurer did not have it; it was the Minister of Finance.

**Mr S.J. Baker:** In 1989 you were not the Minister of Finance.

**The Hon. FRANK BLEVINS:** Anyway, I will again have the question researched. As regards the sum paid to Mr Bakewell, I point out that a careful reading of both the report and the ministerial statement will show that Mr Bakewell is no longer in that position. What Mr Bakewell's salary was is between him and the people who paid him. Again, in a free market that is their prerogative, and that is a system that members opposite advocate. Nevertheless, if there is anything that ought properly to be revealed to the Parliament—

*Members interjecting:*

**The Hon. FRANK BLEVINS:** I do have some concerns. Whether or not I believe that Mr Bakewell was appropriately remunerated or whether I believe that Mr Bakewell ought to have been doing the job he was doing or doing it in the way that he was doing it is of interest, but it is irrelevant to this point. I think that to want to debate in this Parliament the salary of people who work in the private sector and who have salary arrangements with private sector employers is quite wrong. Irrespective of whether I agree with Mr Bakewell's salary or what I think of him, it is fundamentally wrong to bring into this Parliament the private affairs of private citizens who work for private organisations.

If the member for Murray-Mallee thinks that is right, let him stand up and say so, because I certainly do not, irrespective of what I think of the merits of the salary or of the individual. I will have the question researched, as I said and, if there is anything that I ought to tell the Parliament, I certainly will. Again, if it is a private person's private business, the member for Mitcham is free to find out—and I do not think there is anyone in the town who does not know—what Mr Bakewell was earning, and he can bring it into the public arena, not I.

#### MURRAY-DARLING BASIN

**The Hon. D.J. HOPGOOD (Baudin):** My question is directed to the Minister of Environment and Land Management. In the apportionment of water between the States which are signatories to the Murray-Darling agreement, what account is taken of what is sometimes called environmental flow? Specifically, is the commission satisfied with the balance between the water provided for productive and for environmental purposes and, if not, how much progress has there been towards this goal? Environmental flow is not the name of the senior Vice President of the Wilderness Society but rather a concept that was talked about in the early days of the Murray-Darling agreement whereby a certain amount of water was put aside not for productive purposes but for keeping the river sweet, as it were. As we are seven years or so down from the 1985 meeting that first discussed this matter, I am sure the House would be interested in progress toward that goal.

**The Hon. M.K. MAYES:** I thank the honourable member for his question and for his longstanding interest now as an MP and in the past as lead Minister representing South Australia. He has had an ongoing

interest in and close association with the Murray River and the agreement. In relation to the question, currently a formal, comprehensive investigation is being undertaken to overcome the deficiencies in the current formal allocation arrangements under other water resources management policies and water resource allocation. The review is being conducted by the River Murray Water Resource Committee, one of several water resource committees established under the Water Resources Act to provide advice to the Minister and the South Australian Water Resources Council. The answer to the honourable member's question is that no formal allocation has been made under the Water Resources Act, either for urban use or for environmental flow.

The reason for the committee's looking at this is that we do need to establish those flows for the various users, and as part of that process we get allocations. In practice, water has been directed informally to the environment, as it has been directed for urban consumption over the years, as I am sure the honourable member knows. Regarding that ongoing allocation, in most years the flow in the Murray River has exceeded entitlement levels. Therefore, in addition to maintaining a flow in the river channel, water is also allocated to environmental aspects such as natural flooding events, water level manipulation to enhance the flow to wetlands on the flood plain, an increase in the frequency of flows through the wetlands, and installation of additional culverts in the flood plain causeways which have restricted flows through the wetlands system. So, there is a need for this in terms of not only the environmental impact but also the urban impact.

The water allocation under the formal arrangements has been for irrigation purposes, as the honourable member knows, so I can assure him that my colleagues and I will be applying ourselves with the same enthusiasm as he applied himself in his days as Minister to ensure that we get this matter resolved and so there is a formal allocation not only for the environmental flows but also for urban use.

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#### GRIEVANCE DEBATE

**The SPEAKER:** The proposal is that the House note grievances.

**Mr MEIER (Goyder):** I refer to the floods that unfortunately beset the Adelaide Plains over the past weekend and the clean-up that is still going on. There have been four serious floods on the Adelaide Plains since 1974—in September and October this year, in 1983 and in 1974. Like the latest disaster, the 1974 flood caused widespread property damage and serious crop losses. Again, like the latest floods, the 1974 disaster was caused by flooding of the Gawler River downstream of the South Para Reservoir. As with the 1974 flood, all that the Government now says is that it will investigate flood mitigation procedures. In fact, in replying to a question from the member for Victoria a little while ago, the Premier decided not to address the context of the

question but rather he went on to some abstract things about 1987 and beyond; he was not interested in addressing 1974.

To expose this scandalous story of Government inaction I first take members back to a ministerial statement made in this House on 15 October 1974 by the then Acting Minister of Works, Mr Hudson. In that statement it was promised that the Government would 'formulate a flood warning system for predicting and assessing flash flooding in South Australia' and 'develop a long-term management plan for this catchment area'. As a result, the Government received a report in 1976 prepared by two senior officers of the Engineering and Water Supply Department. That report is entitled 'Floods, flood warning and flood mitigation in the Gawler River Basin'. Its authors were R.D.S. Clark and I.E. Laing.

The report was never made public by the Government that received it. However, I have now been provided with a copy of its conclusions by a person involved in flood mitigation issues who is very angry with the present Government's attempts to shift responsibility following the latest disaster. On the ABC 7.30 Report last night, the Minister of Environment and Land Management attempted to blame local government. He said, 'Local government has not been able to get its act together.' Now, all this Minister is offering is investigation of flood mitigation procedures, once again. Let me come back to this 1976 report to demonstrate which level of government has not got its act together.

This report deals with the role the South Para Reservoir could play in flood mitigation. As background, the authors of the report stated:

...the investigation of flood mitigation methodology and benefits have been pursued in an attempt to evaluate the benefits that would result from a multi-purpose use of the reservoir.

As a result of this work, the report made a series of recommendations for a flood warning system for the Gawler River and for the reservoir to be managed to help mitigate the impact of flooding. The report stated:

Once the flood warning system has been installed and commissioned, the method of gate operation should be changed and based upon real time prediction of inflow with the objective to achieve a degree of flood mitigation wherever possible.

By the admission of senior E&WS officers, these recommendations have never been effectively implemented. In the Gawler *Bunyip* of 9 September this year, the department's operations engineer, Mr John Minney, said the gates of the South Para Reservoir 'were not designed to reduce the effects of a flood, only store water'. In the *Advertiser* of 19 September, Mr Phipps said that 'the South Para Reservoir was simply a water storage reservoir—not a flood control dam'.

The failure of successive Labor Governments to implement effective flood warning and mitigation systems has been very serious and costly. In November 1983, a Labor Government introduced the Statutes Amendment (Flood Management) Bill to define responsibilities for flood management. Various members, including current Ministers, had things to say, but the trouble is that the Government has done nothing in this area. That is confirmed by the State's Flood Planning Officer, Mr Noel Hodges, who is reported in the *Advertiser* of 8 May 1990 as saying that there are major problems in the State's flood warning system. This is yet another example of

Labor's refusal to take any interest in the primary producing regions of our State.

**The DEPUTY SPEAKER:** Order! The honourable member's time has expired. The member for Unley.

**The Hon. M.K. MAYES (Minister of Environment and Land Management):** Mr Deputy Speaker, I congratulate you on taking the Chair. I have to raise a very serious issue in relation to my electorate, one which I think has caused a good deal of distress, uncertainty and anxiety among my constituents. I refer to a letter that the member for Hayward has circulated to people living in the Goodwood area. He has never lived in Unley, operates from a post box in Unley and does not understand how the Unley planning system or community operates.

He has put out what I believe to be a most hysterical and outrageous letter in an attempt to frighten the local constituents of my electorate. It is fair to say that the adage of never let the truth spoil a good story applies in this case. This letter has been circulated in the community to scare the residents about the prospect of a Housing Trust development on the Goodwood High School site. In my opinion, this letter distorts, misleads and attempts to malign me. It distorts my intentions, it is malicious and false, and it seeks to create fear among the residents of Goodwood.

No attempt at all has been made to explain what is happening. This letter is just an attempt to sow the seeds of uncertainty and distrust among residents. I think that is a despicable act on the part of a member for another district who does not even live in this area and who does not understand the electorate. It is an attack on Housing Trust tenants and an attempt to continue the myth that they are in some way inferior to the rest of the community. I believe it is a direct attack on the integrity and good name of Housing Trust tenants.

If the honourable member had bothered to inquire of the Housing Trust or the Unley council, I think a person of integrity would not have been able in all good conscience to write such rubbish and trash which he has put out. I do not believe it is appropriate that he should have written this letter in the way he has. I think he has not only insulted the Parliament but attempted to instil fear in the minds of residents in Goodwood, and I do not believe this sort of approach is warranted.

The honourable member has not bothered to make inquiries of the Housing Trust or the Unley council or, if he has, he has not bothered to convey that fact to the residents of the area. I understand that the Housing Trust is in the process of purchasing the Goodwood High School. However, there has not yet been a proposal from either the Housing Trust or the council. The honourable member has created an air of fear, uncertainty and anxiety among residents, and by doing so he has put in jeopardy any plans that the Unley council had for this site. The council has had discussions with me and the Minister about its options for that site, and we are looking forward to seeing its proposals. Now, there is a whole focus of anxiety because the member for Hayward has interfered, poked his nose in and decided he will conduct a little political point scoring exercise. I am afraid it will backfire on him, as usual, as did the O-Bahn letter that he continues to put out. I welcome it,

because the more he does this the more he sinks into the mire.

The Housing Trust is not considering a proposal that would involve 100 per cent high density living; in fact, only one-fifth of the site would even be Housing Trust, and the rest would be for private development. So, 80 per cent of that site would be available to private developers. The trust would just develop the site and make it ready for private developers. Of course, the Unley council has ambitions to erect a community centre on that site. Those discussions are continuing, and no assistance is needed from the member for Hayward, who will only misinform and create anxiety and distress among the residents. I assure members that my constituents will always be kept informed.

The other part of this outrageous letter implies that I do not consult the residents of my electorate. That is a disgraceful suggestion. The honourable member should contact his Liberal mates on the Unley council and ask them about the policies of consultation they use. For example, he should look at their consultative approach on the Unley shopping centre development. Their consultation occurred after it was signed, sealed and delivered. That is the sort of policy that the honourable member's Liberal mates on the Unley council have applied in the past. I totally reject this outrageous and disgraceful attack on me and the Unley council.

**The DEPUTY SPEAKER:** Order! The honourable member's time has expired. The member for Hayward.

**Mr BRINDAL (Hayward):** I deeply regret the fact that the Minister seems to be upset by the circular letter which, as a Liberal candidate for the State seat of Unley, I sent out to inform people of my interpretation of what the Minister said in this House about the purchase of the old Goodwood High School site. All the Minister says, despite his—

**The Hon. M.K. Mayes:** Fear and innuendo.

**The DEPUTY SPEAKER:** Order!

*An honourable member interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Hayward will resume his seat. I will allow the member for Hayward to have his say unfettered. There have been interjections from both sides of the House. I ask members to come to order and allow the honourable member to have his say. The member for Hayward.

**Mr BRINDAL:** A few moments ago, the Minister alleged that it was a campaign of fear and innuendo. Far from it. If the Minister reads the letter he will see that all it seeks to do is inform people that a course of action might be taken by the Government and to recommend that residents contact either the council or the Housing Trust to keep themselves informed. If providing information is wrong, then I am wrong, but I do not think that is so.

I am pleased to follow the honourable Minister in this grievance debate, because I wanted to raise a matter concerning his ministerial statement to the House today about Wardang Island. I notice that the Minister was quick to excuse everything that had happened on that island: no matter whose fault it was, it was not the fault of the current Government. I commend to the Minister some of the contributions in this House on the Appropriation Bill, because I think the Government has a

lot to answer for in regard to Wardang Island. As I said in this place last Thursday, I do not think the Aboriginal Lands Trust or the Point Pearce community should be called to account over this matter. Clearly, it is a matter on which this Government should be called to account. It is the actions of this Government and its predecessors which caused this situation; therefore, this Government should be called to answer.

*Mr Atkinson interjecting:*

**Mr BRINDAL:** The honourable member opposite can heckle, but I inform him that I fully intend to raise this matter before the Economic and Finance Committee in the hope that we will sort it out in a bipartisan way. I believe the Economic and Finance Committee is the appropriate body to look at this matter, and I think it should be raised as a matter of public importance and dealt with expeditiously and forthwith. I regret, Mr Deputy Speaker, that you are no longer a member of that committee, because I know that with your concurrence and that of the Minister of Agriculture we would have looked at it speedily. I hope my new colleagues on the committee will be equally keen to see that this matter is investigated by the Parliament.

I would also like to raise a matter that concerns any damage on the island being attributed to white vandals. Under what authority does the Minister make such outrageous allegations? How many people have been arrested or charged or even observed trespassing on that island? My information is that there have been very few, if any. What right has the Minister to come in here and allege that white people have gone onto the island and vandalised it? I have heard no-one in this House accuse the Aboriginal people of deliberately smashing it up or anything else. The member for Goyder told us a sad tale of neglect and waste, and he attributed no blame to anyone. Yet, the Minister wants to excuse himself by saying that white people have flocked onto Wardang Island to vandalise and wreck it. If that is right, let him prove it. It is easy to come in here and shoot off your mouth. There is no better example of that than the member for Unley. There is no-one who better uses this place as coward's castle than the member for Unley.

I challenge the honourable member to bring into this House a list detailing the number of people who have been prosecuted, observed or found guilty of trespass or malicious or wilful damage on Wardang Island, because I believe no-one has been. To cast aspersions on the local people of the area or tourists in the way he has done is outrageous.

**The DEPUTY SPEAKER:** Order! The member for Baudin.

**The Hon. D.J. HOPGOOD (Baudin):** A few minutes ago I addressed a question to the Minister of Environment and Land Management in relation to the Murray-Darling Basin. This is a matter to which I will return from time to time in the House because it is important that the sort of momentum that developed during the late 1980s with a real national effort to address some of the ongoing problems in the basin should be maintained. I know it is a matter that has not slipped off the Government's agenda but, nonetheless, I think it important that from time to time the issues should get an airing in this place.



The Murray-Darling Basin is an important resource for all of us. It is one that occupies 14 per cent of the land surface of the continent, something like 1.06 million square kilometres. It has a population of 1.8 million people and it represents most of the irrigated land in the continent: 1.2 million hectares of a total of 1.6 million hectares under irrigation. It produces 90 per cent of our irrigated cereals, 80 per cent of our pasture and lucerne, 70 per cent of our fruit, 25 per cent of our vegetables, 50 per cent of all our sheep and 25 per cent of our cattle.

It is a marginal basin in world terms as regards the amount of run-off it produces. Something like 60 per cent of the basin produces little or no run-off to its rivers, and upstream of the Hume Dam, which represents less than 1.5 per cent of the total area of the basin, produces or contributes 37 per cent to the total flow. If we look at just how dependent South Australia is on run-off from upstream States, we get the following stark figures. As I said, 30 per cent of the total run-off into the basin occurs above the Hume and 75 per cent of the total occurs above the junction of the Murrumbidgee and the Murray. About 13 per cent of the total comes from the New South Wales side and about 25 per cent from the Victorian side. That other 37 per cent involves the real headwaters.

An additional 12 per cent is contributed on average from the Darling and its various tributaries. So, we are left in an extremely vulnerable position as the recipient of water but as a State which in effect has no run-off at all into the system. Perhaps I can best illustrate how the system works in practice with figures taken from the 1988 calendar year, which was a dry year. Total inflow into the system in that year was 9 595 gegalitres. New South Wales and Victoria together were responsible for 3 875 gegalitres of diversions. That meant that 5 720 was available but in fact 4 025 flowed to South Australia, and I assume that the missing water was lost to evaporation and infiltration.

South Australia diverted 481 gegalitres, so that less than 3 544 gegalitres finished up in the sea. Only about a third of the water entering the system finally found its way to the sea, with the rest being lost to diversions, infiltration or evaporation. Therefore, it is not surprising that in a managed system with so much diversion of water resources environmental problems should have arisen. This was very much the spur to the revision of the Murray River agreement in the late 1980s.

What is important to understand from this is that this is not a case where, in fact, there is a stark contrast between productive values and environmental values. Indeed, we have got to the stage in the basin whereby anything that was done to improve the environmental qualities of the basin would clearly have a spin-off in productivity. We have got to the stage where salinity was often so high that the effect of that salinity was leading to production loss, yet it was the diversion of water for productive purposes that in the first place had contributed so highly to those high levels of salinity.

For those reasons the Murray River waters agreement was drastically modified so that those qualitative as well as quantitative aspects could be looked at. I serve notice on the Parliament that I would want to spend a good deal of time in here revealing as much as possible of what has happened to the ongoing management of the system since then.

**The DEPUTY SPEAKER:** Order! The honourable member's time has expired. The member for Bright.

**Mr MATTHEW (Bright):** In the short time available to me this afternoon, I propose to address two extremely serious issues. The first is the financial plight presently faced by the State Emergency Service, and I hope that all members would acknowledge the fine and vital role undertaken by the State Emergency Service volunteers during the recent days when the northern part of our city was subjected to severe flooding. The situation facing the State Emergency Service is one that should be of concern to all members. Because of State budget cut backs and the recent flooding of the Gawler River the SES's ability to meet future new natural disasters will be reduced significantly.

The money allocated through the police budget for equipment in the 1992-93 financial year was reduced to \$25 000, although \$66 900 was requested. By way of comparison, in 1991-92, \$50 400 was allocated and in 1990-91, \$30 000 was allocated. The end result of this funding cut means that in all about \$10 400 of vitally needed rescue ropes cannot be purchased this financial year and a further \$31 500 needed for safety equipment once again cannot be purchased in this financial year. In addition, the SES now has only 10 000 sandbags left after having to purchase an additional 30 000, which were used to meet the Gawler River threat.

That additional purchase of 30 000 sandbags was made through a special purpose Federal Government grant by the Department of Defence and the SES has been advised that such a funding avenue is unlikely to be available again this financial year. This means that, should there be a further flooding threat, we may be faced with a difficulty in obtaining sufficient sandbags to combat that problem. Therefore, the recent storms have come at a critical time for the SES and that has been compounded by the fact that the State budget was reduced by \$39 000 this year in its allocation to the SES against the allocation made in the previous financial year.

Further, the SES faces ongoing funding threats as a result of the Federal equipment grants being ceased from the 1994 financial year. That will cap off the funding problems that the SES is experiencing, and the organisation will lose \$112 000 from that particular financial year.

*Members interjecting:*

**Mr MATTHEW:** The member for Mitchell continues to interject. This is an extremely important issue and I suggest that he have the courtesy to listen to what is being related. The other problem I wish to take up in the time remaining relates to the statement issued by the Minister of Emergency Services concerning the police budget cut backs. In his statement to the House this afternoon the Minister of Emergency Services again demonstrated to this Parliament his complete failure to address the police budget shortfall of \$3.8 million. The Minister did not mention that funding shortfall at all in his three-page statement.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**Mr MATTHEW:** Instead, the Minister chose to fabricate a 15 to 25 per cent funding cut and had the audacity to attribute that position to the Liberal Party.

That is absolute nonsense. At no stage at all, either in this Parliament or outside it, has any member of the Liberal Party advocated a funding cut to the Police Department. The President of the Police Association, Mr Peter Alexander, has spoken out strongly in the October edition of the *Police Journal*, which I received through the mail today. The President's words home in on the problem facing this Government through its new Minister who refuses to address the police funding crisis. Mr Alexander states:

Any attempt to reduce police salaries by restricting or prohibiting particular shifts is not acceptable to the association. Recent measures aimed at cost cutting have resulted in many officers becoming frustrated at being unable to perform their duties effectively.

Those are the words of the President of the Police Association, the representative body in this State. I call on the Minister of Emergency Services to act and to act now.

**The DEPUTY SPEAKER:** Order! The honourable member's time has expired. The member for Albert Park.

**Mr HAMILTON (Albert Park):** Mr Deputy Speaker, I also add my congratulations on your appointment. I read in the *Advertiser* this morning that State and Federal Health Ministers will meet in Adelaide on 23 October to discuss a five-year hospital Medicare agreement. I raise this matter because it is of some concern to me and many of my constituents in the western suburbs, particularly in relation to the need for additional funds to attack the problem of lack of patient access and to tackle the waiting lists at the Queen Elizabeth Hospital. For some time now, through the Minister of Health, I have had discussions with people in the Queen Elizabeth Hospital and have expressed my concern at meetings with the Health Commission at which a number of my parliamentary colleagues have attended.

Yesterday I had faxed to me the surgical booking list summary at the Queen Elizabeth Hospital from 1987 onwards. I will read these figures into *Hansard*, because they are important. In January 1992, there were 2 117; in February, 2 138; in March, 2 110; in May, 2 134; and in September, 2 491. I have also been supplied with a copy of the surgical booking lists in the hospitals and the waiting length in months for speciality treatment from 31 March 1992. I seek leave to incorporate in *Hansard* a section of a table in respect of the Queen Elizabeth Hospital.

**The DEPUTY SPEAKER:** Can the honourable member assure me that the list is purely statistical?

**Mr HAMILTON:** I believe that it is, Sir.

Leave granted.

Numbers on Surgical Booking Lists in Major Metropolitan Hospitals—Length of Wait in Months by Speciality: 31 March 1992

SAHC Booking List System Speciality	TQEH			Total
	0-6	>6-12	>12	
General Surgery . . . . .	300	50	26	376
Ophthalmology . . . . .	68	26	8	102
Neurosurgery . . . . .	13	3	1	17
Orthopaedics . . . . .	414	109	23	546
ENT . . . . .	154	111	96	361
Urology . . . . .	170	43	21	234
Gynaecology . . . . .	80	5	0	85
Vascular . . . . .	57	37	49	143

SAHC Booking List System Speciality	TQEH			Total
	0-6	>6-12	>12	
Plastic . . . . .	141	45	60	246
Thoracic . . . . .	0	0	0	0
Cranio-facial . . . . .	0	0	0	0
Unknown . . . . .	0	0	0	0
<b>TOTAL . . . . .</b>	<b>1 397</b>	<b>429</b>	<b>284</b>	<b>2 110</b>

Note: Timing differences and the exclusion of Check Cystoscopies and Non-Surgical Procedures explain variations between these figures and those originating from hospitals.

**Mr HAMILTON:** It is of concern to me and, I believe, many MPs in the western suburbs who, like I, receive many representations in relation to their constituents who have been on the waiting lists. Whether it be for ENT or one of the many other general surgical, neuro-surgical, orthopaedic, urological, gynaecological, vascular, plastic, thoracic or cranio-facial problems, I believe that my constituents are seeking redress to these problems. I give notice to the House and to the Minister of Health that I will pursue this matter with all the rigour possible to ensure that the western suburbs are treated no differently than other areas.

A perusal of the situation at the Flinders Medical Centre and at other hospitals indicates that the western suburbs of Adelaide are missing out. It is my intention, whether or not it embarrasses this Government, to pursue this matter. I notice that members opposite are smiling at me. They may smile, but the reality is that I intend to pursue this matter. I hope that during his meeting on 23 October the Minister pursues the need to address this imbalance in terms of how my constituents and many others in the western suburbs are missing out on these very important elective and other surgical requirements. For too long they have missed out, and it is my intention to pursue rigorously this matter.

## APPROPRIATION BILL

Adjourned debate on the question:

That the proposed expenditures referred to Estimates Committees A and B be agreed to.

(Continued from 8 October. Page 742.)

**The Hon. DEAN BROWN (Leader of the Opposition):** This is an opportunity to look at both the budget and what was revealed during the Estimates Committees. It was interesting to see that, when the State budget was brought down at the end of August, a huge hoax was inflicted on all South Australians. In fact, the Estimates Committees have highlighted the nature of that hoax, and this afternoon I will look at the extent to which that budget document was financially dishonest and highlight—

**The Hon. J.P. Trainer:** Oh!

**The Hon. DEAN BROWN:** Well, it was financially dishonest. The honourable member gasps. It is obvious that he has not bothered to read it. When the budget documents were brought in, they highlighted that the State debt was \$7.3 billion. However, if we incorporate into that State debt all the other liabilities that will be incurred as a result of the budget in this current year, we

find that we are in hock to the tune of about \$8.8 billion by June 1993.

During the Estimates Committees it was confirmed that the Government has not yet paid to the State Bank \$450 million of the bank's losses from last year. Further, only \$210 million has been provided by the Remm-Myer project, leaving a gap of \$220 million between what has been provided for in the books and the actual current market value. It is interesting to note that the market value is likely to be heading down rather than up for the next six to twelve months. SGIC is technically insolvent, if we use the standards applied by the Insurance and Securities Commission. If we look at the recommendation of the Government Management Board report for SGIC last year that it should comply with those standards, we see that an extra \$89 million should be injected immediately into SGIC. We see that the Government has not yet paid its accounts.

*An honourable member interjecting:*

**The Hon. DEAN BROWN:** In fact, it would be appropriate if the honourable member opposite would listen to this point, because we are talking about accounts unpaid by the State Government of South Australia. The Government has a net outstanding debt on current accounts of \$487 million. That is shameful. In other words it is just using the private sector, where the debt has been incurred, as a means of trying to raise additional finance to improve its budget position. In addition, this year's budget deficit will add \$317 million to our debt. More than \$1 500 million of Public Service debt is included in the current official debt figure of \$7.3 million, which takes it up to the figure I quoted of \$8 800 million by the end of this year. That represents a debt of \$6 000 for every man, woman and child in South Australia. Each new baby born in this State inherits a debt of about \$6 000 million. On a family basis that is \$20 000 per family.

On top of that we have a total of \$3 500 million in unfunded liabilities such as superannuation for public servants and others employed by the Government; WorkCover for Government employees totals \$150 million; and outstanding long service leave totals \$560 million. If we put all of those together, on top of the \$8.8 billion debt, we are approaching a total State Government liability of \$14 000 million. That works out at about \$9 000 for every man, woman and child in South Australia. Let us look at what this Government inherited when it came to office less than 10 years ago. I have talked about the total debt of \$8 800 million by the end of this financial year. When it came to office this Government inherited a debt of only \$2 600 million.

**The Hon. T.H. HEMMINGS:** I rise on a point of order, Mr Deputy Speaker. During Question Time the Speaker ruled that members should address the Chair and not the gallery or members of their own Party and I ask you to rule accordingly.

**The DEPUTY SPEAKER:** I uphold the point of order and ask the Leader to address the Chair.

**The Hon. DEAN BROWN:** I thought that I did address you at the very beginning, Sir. I am sorry if I have not continued to do that, but I will certainly do so. I can understand the embarrassment of the honourable member opposite because he was in this House when the Government came to office and when the total State debt

was only \$2 600 million. Now, by the end of this financial year, we will have a State debt of \$8 800 million—all in the space of 10 years. That is the sort of financial mismanagement that has plagued South Australia for that 10 year period. This State and its taxpayers will now be crippled with that situation for many years to come.

In the second half of September we went through the two weeks of Estimate Committees. It was interesting to hear the rather sorry story unfold during that period. We have the second highest level of unemployment of any State in Australia. We have seen the collapse of several major State financial institutions, Beneficial Finance and the State Bank; and there are substantial losses in SGIC. We have over 9 000 people in our public hospital queues, and this budget is actually cutting back on the number of public hospitals available. In South Australia we now have three times the number of people relying on a significantly reduced number of public hospital beds or wards. In fact, private insurance in South Australia has gone from 80 per cent under this Federal Labor Government to below 40 per cent—to 38 per cent of the population. Therefore, we have three times the number of people relying on public hospitals, but we have fewer public hospital beds. That is why a real crisis is now developing within the public hospital system, with over 9 000 people on the waiting list—and it is getting worse. In fact, I have no doubt that by the end of this financial year the number will be over 10 000.

Our classrooms and schools have more students and fewer teachers. There are fewer support staff to educate the intellectually and physically disabled. I find it incredible that this State Government, in conjunction with the Federal Government, has a policy of pushing all of the people with disabilities out into the community and arguing that they should live a normal life. I do not dispute that, but the Government is actually withdrawing the support that is available for those people in the community.

I have had a classic case of that in my own electorate. I know about this first-hand because my wife is a member of the board of directors of the Crippled Children's Association. I know the fundamental changes that are occurring there as part of Government policy and the lack of resources that exist out in the community. For sheer economic necessity, the Government is forcing those people out but not giving them the community support they so rightly need.

Of course, while we are still looking at education, we see that there is a greater number of both physical and verbal attacks on our teachers and that discipline is breaking down within the school system. I had the opportunity last week to meet five overseas students on an exchange visit to South Australia. They have been here for nine months. I asked them a series of questions about what they thought of our education system. It was universally agreed—and quite independently, because they have been in separate schools—that there is a complete breakdown of discipline in our schools in South Australia. The second point they raised related to their concern about the standard of education here in South Australia compared to that in their own countries. All of that is occurring because of the policies this Government applies to our education system.

The next major factor that came out of the Estimates Committees was the deterioration of public safety in the community. The incidence of violent crime is up from 1981-82 by 176 per cent; property crime is up by 66 per cent; break-ins are up by 142 per cent; robberies are up by 246 per cent; drug offences are up by 99 per cent; motor vehicle theft is up by 92 per cent; and arson is up by 104 per cent. There has been an explosion in crime under this Labor Government. One of the key factors that comes out of that is the lack of resources provided for policing within our community.

Then, of course, we have the public transport system. It is called a public service but, in fact, we have higher fares, reduced services and, in particular, the serious curtailment of services during both the evenings and the weekends. There is also an unsustainable level of spending by this Government. I have revealed previously that this Government spends something like 25 per cent more on State Government services as a percentage of gross State product compared to New South Wales, Victoria or Queensland. Let us look at capital spending as revealed in the Estimate Committees. It has been slashed very substantially, yet capital spending is the one area that can generate jobs very quickly and put up realistic facilities for the community in doing so.

For 10 years we have had this sorry Labor Party that calls itself a State Government with the interests of South Australians at heart. We have seen the demise of the State Bank and now we see what has happened with State finances and State services. We have seen the breakdown of health services, education services and public transport services. Of course, all of that has come out of the State Bank and the mismanagement that has occurred over the past 10 years. It is that area to which I would like to refer, and not just the State Bank but more specifically the bad bank. Some \$3 150 million worth of assets have now been transferred to the bad bank to be worked through. This bad bank, under the control of the Group Asset Management Division (GAMD), is now under the direct control of the Treasurer, so the Treasurer must be fully accountable for what is occurring in that area.

I should like to raise a number of points. First, there is a deliberate fire sale at the bottom of the property market. That is disastrous for South Australians when, by holding those properties for perhaps three or four years, or even less, we could substantially increase the return that we could achieve from the sale of those properties. I have already given evidence to this House, as have other members of the Liberal Party, that highlights that a number of those properties are being sold at about half their actual cost on the books of the State Bank. We have talked about the Ramada Hotel in Sydney, the hotel in Melbourne and the hotel in Cairns. During this past week we have talked about four more properties in Queensland and two large rural properties in South Australia being sold at the end of this month—all at the bottom of the property market. Interstate and South Australian property specialists have expressed their alarm to me about the foolishness of that, because it will cost this State dearly in the long term.

The second important thing about the bad bank, and particularly about the way it is being administered under the Treasurer, is the tactics now being used by the staff of that bad bank to recover the moneys. It is not being

done under prudent banking procedure; it is not being done looking at the long-term interests of small business people or even medium sized businesses in South Australia; it is being done in a rather crude and greedy grab for money by the State Government so that it has some money to fund its promises leading up to the next election.

We find that the GAMD has totally inexperienced people under the control of the Treasurer. I would urge immediately the injection of people with banking experience and experience in work-outs of financial disasters like the one we have to run that bad bank rather than the three individuals who have been given that task so far.

We also believe that the board of the bad bank (GAMD) should be reporting on a regular basis to Parliament through the Auditor-General—I believe it should be done every three months—listing all the assets that have been sold, their sale price and the loss that has been incurred with each of those assets. Only in that way can this Parliament be properly informed on this huge sell-out of bad assets amounting to more than \$3 000 million. If we do not keep a close eye on that, those assets could be sold at perhaps two-thirds of the total market value that they could otherwise achieve. I have done some quick sums which suggest that the potential future loss to South Australian taxpayers could be as high as \$800 million by the premature work through and sale of those properties. This State faces a potential loss of \$800 million.

The next subject on which I want to touch, which comes out of the budget and the Estimates Committees, is the recession that this State now finds itself in. We face the worst prospects of any State in Australia for the next 12 months. The member for Mitcham revealed that position today, which is based not on our figures but on figures from the National Australia Bank. We have had the worst 12 months of any State in Australia for the past 12 months. For the past two years we have had a 10 per cent decline in real terms in this State's economy. We are in a deep recession. There appears to be no prospect that at least in South Australia we are working through that recession and are likely to come out of it in the foreseeable future.

One of the reasons for that is the overall lack of direction given to South Australia by this Government and its failure to deliver on major policies. I will outline some of the projects listed by this Government where it has promised to do things over the past seven years under its present Premier and former Minister of Industry, Trade and Technology. Let us look at the record of this Premier over seven years in regard to the delivery of these projects. There was the redevelopment of Woomera. What has occurred? Nothing. There was the building of a hotel complex at West Beach. What occurred? We incurred a loss of about \$10 million on behalf of the taxpayers and we have nothing whatsoever to show for it. There was the construction of an O-Bahn tunnel under the north-east parklands. Nothing has occurred.

There was to be a paper recycling plant, the Marino Rocks marina, the north-south arterial road, the southern O-Bahn and Tonsley Park interchange, the expansion of the Art Gallery, a large tourist resort at Wilpena, a tourist resort on Kangaroo Island, the Port Adelaide quayside

project, the construction of a third unit at the Northern Power Station, the upgrading of Victoria Square, the attraction of funds for a petro-chemical and coal gasification plant, the East End Market redevelopment, the Lyndoch Valley country club, the Glenelg foreshore redevelopment, Jubilee Point and the Mount Lofty restaurant and cable car project. All those projects have been announced by this Government and not one of them has been delivered in the past seven years. This Government is more concerned about creating the image of a potential project, going out on a major marketing campaign to sell it, and then, 'To hell with it; do not worry about it. People have short memories, and they will forget about it before they realise it has not been built.'

The cost in terms of industrial development, investment in new projects, particularly infrastructure projects, and jobs in South Australia is extreme, and it is reflected in the fact that this State has the worst industrial climate of any State in Australia for new investment. Who would want to invest in South Australia in a factory or even a commercial operation or a tourist development when it has the highest BAD tax, the highest FID tax, the highest fuel tax, the highest WorkCover levy, the second highest electricity charges—I could go on and on? It is the worst environment in the whole of Australia. What is even more disturbing is that now it looks as though we are going to move even further behind Victoria, which has probably been the worst or the closest State to us.

Let us compare some of the failures of the Labor Government with the achievements of the Liberal Party in three years from 1979 to 1982. We brought in the Roxby Downs indenture and got the Roxby Downs development going—the biggest single mining operation in this State. We not only introduced the concept of the O-Bahn busway to the north-east but had it half built and operating. We introduced the International Airport, which has seen very little progress in the past 10 years. It was the Liberal Government that introduced Technology Park and developed the whole environment for high technology industries and attracted companies like British Aerospace, Vision Systems and others to come here and set up. We set up Linear Park along the Torrens Valley, which is now used by literally thousands of South Australians every weekend and which previously looked more like the backyard of the local creek that no-one could walk along. Let us look at the ministry under this new Arnold Government and their performance as individuals.

**The Hon. J.P. Trainer:** Excellent!

**The Hon. DEAN BROWN:** First, we take the Premier.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**The Hon. DEAN BROWN:** Let us consider the judgment of the member for Walsh who said that the performance was excellent. We take first the Premier, the former Minister of Industry, Trade and Technology, the man who is going to create jobs in South Australia. In the past two years alone under that Minister we have lost 38 000 full-time jobs. We have lost 21 000 manufacturing jobs in those two years—equivalent to about five Mitsubishi plants closing down in the past two years alone. That is how many manufacturing jobs we

have lost, and the honourable member opposite in his blind, inarticulate manner says it is an excellent performance. What has the Government done? It has elevated this failure to lead it to the next election.

Let us consider the Minister of Labour, who is the grand supporter of WorkCover, the most crippling piece of State legislation for every employer in South Australia.

**Mr Venning:** It is an absolute disgrace.

**The Hon. DEAN BROWN:** Yes, it is an absolute disgrace. Only last week I was talking to a major manufacturer here in South Australia who employs literally thousands of people and who has very similar plants in Adelaide and Sydney. He pays 8.2 per cent premium on WorkCover in South Australia and 2.4 per cent in New South Wales. That is the difference. Is it any wonder that well-known South Australian companies are going to New South Wales, Queensland and New Zealand to expand their operations rather than develop their facilities here? They know that it is such a bad environment for any future industrial development.

We find that the Minister who lost \$70 million under Scrimber and the Timber Corporation is now in charge of all the infrastructure for South Australia. How would you be? It is like taking the criminal who has just robbed the bank and putting him in as managing director of the bank.

**The Hon. J.P. TRAINER:** On a point of order, Mr Deputy Speaker, it is quite disgraceful for a member in addressing this House to turn his back upon the Chair.

**The DEPUTY SPEAKER:** The honourable member is not really making a point of order. However, at Question Time a point of order was taken on the Premier, and the Speaker requested that the Premier face the Speaker and address the Chair at all times. I uphold that opinion given by the Speaker and I would ask the Leader to do the same. The honourable Leader of the Opposition.

**The Hon. DEAN BROWN:** When I was rudely interrupted, I was talking about the fact that the Minister who had lost \$70 million under the Timber Corporation has now been placed in charge of all infrastructure for the whole of South Australia. The point that I was making was that this is like taking the man who has just robbed the bank and making him managing director of the bank.

That leads me to the next Minister—our new Treasurer. As Minister of Finance, for three years he failed to detect that the State Bank of South Australia had lost \$3 200 million of taxpayers' money. There he was—I am glad he has risen, because I would leave in disgrace, too. It is this Minister who just failed to detect a loss of \$3 200 million. It reminded me of that debate on television last night for the Presidential campaign in the United States of America. When asked if he would be able to manage such a large economy, Ross Perot pointed out that he had absolutely no experience whatsoever of incurring \$40 000 million of debt.

**The Hon. J.P. Trainer:** You're not comparing yourself with Ross Perot, are you? Have you got the same hairdresser?

**The Hon. DEAN BROWN:** No, I am pointing out the contrast between our present Treasurer of this State and the excellent answer given last night. Who else in this State would have the ability to lose more than \$3 200 million over a three-year period and not even detect it? It

took the Opposition 12 months of repeated questioning before the Government even decided to go and look to see whether it had been lost. It appears to be suffering from political deafness; its members appear to have no knowledge whatsoever of how to run that bank or how to act as a Premier or Treasurer and keep some supervision on the board. Even the board members came and expressed their alarm and they took no action whatsoever.

Here we now have a ministry comprising the same, tired old faces in new portfolios, simply because the Ministers failed in all their previous portfolios; it would have been an embarrassment to leave them there, because for the next 18 months we could have pointed out to those Ministers exactly where they failed. That is the reason; that is why they have changed the chairs on the Titanic before it finally sinks—so we cannot over the next 18 months point out where they failed during the past three or four years or more—seven years in the case of the Premier.

I now refer to a couple of key areas that affect the future of this State, the first of those being the MFP. It is three years since the MFP was announced for South Australia, and in that period the Government has not even been able to appoint a board or a chief executive, yet let us think back to the statements we have all heard: 'Don't worry, it will be appointed next month'; 'Don't worry, it will be appointed in two weeks.' It has been going on for 12 months. Whilst the Government has not appointed the board or the chief executive, it has appointed all the staff. That appears to be a new bottom-up approach, where the staff will now dictate to the new board and chief executive what should apply to the new MFP.

It goes further than that: without having appointed the board or the chief executive, the Government has spent or allocated for spending this year \$31 million for the Gillman site, which no-one else in the State even agrees with. I cannot find anyone outside the Government or the MFP area who agrees with the whole thrust of the Government in terms of making Gillman the number one priority for the MFP. It is absolute lunacy to be putting all the resources into Gillman when there will not be a permanent job created there until well after 1996.

**Mrs Hutchison:** Are you anti-development?

**The Hon. DEAN BROWN:** She can speak, after all. Madam, I am not against development; I am against the waste of funds by this Government in pouring another \$31 million into the Gillman site, but only for its first stage. In our own briefing regarding the MFP, I found that about \$320 million will have to be spent on that site before the first land can be sold for development purposes, and \$120 million of that is to be taxpayers' money. Mr Acting Speaker, can you imagine what could be done in South Australia if we spent the \$31 million being spent on Gillman this year in developing information technology industries, or medical research-based industries or other world-class institutes throughout the metropolitan area of Adelaide? Just imagine what we could do with that \$31 million, rather than pouring it all into simply the first minor step of the development of a disaster down at Gillman. None of the people who were involved in the original MFP concept now agree with the thrust being taken by this Government.

*The Hon. J.P. Trainer interjecting:*

**The Hon. DEAN BROWN:** Listen to it; what a sad reflection to say that we are down there buying \$14 million worth of land, creating a bit of a lake and canal and then saying it still creates jobs. It is that pumping of finance into useless projects that has put this State into the debacle it is currently in. Based on the arguments of the honourable member opposite—

**The DEPUTY SPEAKER:** Order! The honourable member will resume his seat. If the member for Walsh and the member for Murray-Mallee would stop screaming at each other across the Chamber and allow the Leader to continue with his remarks, we would all be better off. The Opposition's answer to the budget is probably one of the most important debates. It is a serious debate and should be treated seriously, and I would ask the House to do that.

**The Hon. DEAN BROWN:** I should like to finish on the MFP by pointing out that there has been no commitment by any company whatsoever to establishing the MFP: there has been an expression of interest by BHP but no commitment at this stage, yet here we are heading down this path, and taking so long to do so that other States of Australia have now passed us by, even though they were not involved in the original concept of an MFP. I refer in particular to New South Wales, which is making far greater headway in developing its alternative MFP than we are in South Australia.

The other subject that came up during the Estimates Committees was the Information Utility. Again, it is an area that relates directly to our own Premier and puts his performance for the past two years under scrutiny. For two years the Government has been talking about its Information Utility and what benefits this would accrue to South Australia. However, despite a promise 12 months ago that we would have a business plan for that Information Utility, no such business plan is available. We still do not have a Chief Executive to run the Information Utility, although the Premier indicated that negotiations to appoint one are now under way. But it has taken more than two years even to appoint a Chief Executive.

The feasibility study promised over a year ago discloses now that the savings to the Government will be somewhere between break-even and \$35 million over a five year period, although originally the estimate was a saving of \$90 million over those five years. What business person would proceed with a very substantial investment in a Public Information Utility that has the potential for no return whatsoever over a five year period? Even assuming a gain of up to \$2 million or \$3 million a year, it is questionable. The main point is that the Government appears totally unable to bring about any of these major projects to create jobs in this State and to create further private industry and wealth.

I touch on the uranium enrichment plant, which I have advocated should be looked at in terms of establishing a cost benefit analysis and feasibility study, including looking at the entire question of the safety of the proposed project. I believe that if we are one of the largest uranium producers in Australia and one of the major producers in the world, and if that processing of uranium is a safe process—which it is—and one that would create benefits equal to the export of Mitsubishi

cars from South Australia, then we should be proceeding with it.

It is sheer blindness by this Government to turn its back and reject it simply because of the policies of its own Party. We know why the Premier was in the House today, yelling and screaming over this and trying to ridicule the Opposition. It was simply because his own Party at Federal level has said that we cannot have a uranium enrichment plant on the soil of Australia. I stress again that there are benefits for South Australia. We should be looking at those benefits and making a judgment as to, first, where such a plant should be sited; secondly, whether it should proceed; and, thirdly, what the benefits would be.

I should like to close by looking at the future of this State and by using some of the intellectual power this State has to try to solve the problems of the State and come up with new opportunities. We should develop a reservoir of skills currently existing in our universities and research institutes and bring those together to form an academic institution, which would be made available publicly for companies, for the Government and for broad public discussion in looking at the problems that confront this State and at the opportunities the State could develop

from them. I highlight the skills that are available in areas such as the sciences, technology, law, justice, health, business and agriculture—and I could go on—and how we could use that expertise that currently is largely locked up in the universities and available only to students and to the academic circles in which they move, and make that available to the broad community.

Park, Science Park, the CSIRO, the Department of Defence Science and Technology Organisation, and would do a great deal to give a clear message to all South Australians that we are a broad community; that we have a community partnership to include all South Australians in looking at how to get this State out of the dilemma it faces. On that basis, it is appropriate that I introduce a table that draws a comparison between Victoria and South Australia in terms of economic performance. The majority of people in Australia believe that Victoria has been at the bottom of the list: in fact, when you look at the figures, South Australia is in a worse plight even than Victoria. I seek leave to have this table inserted in *Hansard* without my reading it. It is purely statistical.

Leave granted.

	South Aust	Victoria	Source
Unemployed Persons (Sept 91 - September 92)	+9.6%	+2.5%	ABS 6203.0
Job Vacancies (June Qtr 91 - June Qtr 92)	-6.7%	+52.6%	ABS 6354.0
New Fixed Capital Expenditure (Mar Qtr 91 - March Qtr 92 all industries)	-25.3%	-21.3%	ABS 5646.0
Retail Turnover (June 91 - June 92)	-0.6%	+4.5%	ABS 8501.0
Population (Dec Qtr 90 - December Qtr 91)	1%	1%	ABS 3101.0
Public Sector Outlays as % of GSP (1991-92)	21.5%	18%	NSW Budget Papers
State Public Sector Employment as per cent of Labour Force - December 1991	14.7%	12.9%	NSW Budget Papers
Growth in GSP (1991/92)	-2.5%	-1.5%	National Australia Bank

**The Hon. DEAN BROWN:** I end on this note: this State faces a very difficult future, and we all understand that. This has been brought about by the incapability and mismanagement of this Government, in particular, by the financial mismanagement of the State Bank and, now, by the transfer of those State Bank problems to being the financial problems of the State Government. Those financial problems alone will now impinge very severely upon services delivered to the South Australian community. South Australians will be paying not only for those losses and for the debt that has been incurred but for the reduced services in our schools and hospitals, within the Police Force and within public transport and other essential services. What this State needs more than anything else is a new Government: a Government that is prepared to give it a clear, new direction; that is prepared

and has the courage to introduce the policies that are necessary, such as a revision of WorkCover and a revision of State taxation, to ensure that we stop the waste within Government and produce a lean and efficient Public Service that the State can afford.

Most importantly of all, we need to create the right environment for industrial development and to make sure that South Australia is the tiger economy not only of Australia but of our region. It is only in that way that we will create the wealth and, out of that wealth, the jobs that will give the 90 000 unemployed some hope for the future.

**Mr INGERSON (Deputy Leader of the Opposition):** Having sat through the two weeks of the Estimates Committees, the thing that came out most clearly to me



was that we need a new Government, purely and simply because we have a situation in which my children and those of most of the members of this place will be paying for the mistakes of the 10 years of the Bannon Government. In essence, it is 10 years in which the current Premier was also sitting in that Cabinet.

The budget we have had put before us shows a tax increase of 10.4 per cent, which will worsen our already incredibly high 11.4 per cent unemployment rate. Taxation on business, which is what the taxation levy in this State is, is purely and simply a tax on employment. Although payroll tax is the most specific one, all other taxes at State level are also anti-employment. South Australia's unemployment rate of 11.4 per cent, or 82 500 jobs, is the worst on the mainland, and 40 per cent of that involves youth under the age of 25. Youth unemployment is the most tragic issue in our community today. Continuing to increase taxation will have a significant and direct effect on youth unemployment. We have the highest FID and BAD taxes in the nation and the highest petrol tax of 8.9c a litre. When the new Victorian Government implements its changes to the WorkCare system, WorkCover will be the costliest system in Australia. We have the second highest electricity charges in Australia. This is all because the Government is, in essence, taking over \$100 million a year either in payments on return of capital, which it says is critical to make the Government work, or in a general rip-off of the ETSA organisation.

The change of Government, which involved a change of leadership from Mr Bannon to Mr Arnold, produced purely and simply the same old tired and failed people. It is fascinating that two Independents have been cobbled together to form a Coalition Government. I believe that the member for Hartley, who was, first, a traditional member of the Labor Party but then got his little nose out of joint and became an Independent, and the member for Elizabeth, who has always been an Independent Labor member and very well respected in his electorate of Elizabeth, have sold their souls by jumping into bed with this Government.

As Minister of Industry, Trade and Technology, Premier Arnold presided over the loss of 38 000 jobs, including 21 000 manufacturing jobs, in the past two years. As the Leader rightly said, that is equivalent to four or five Mitsubishi factories closing. He allowed our share of national exports to fall to 5 or 6 per cent compared with our population share of 8.4 per cent. Whilst the Premier is, no doubt, accepting the positive points from the A.D. Little report, he must acknowledge that it was his policy over the last decade that required the A.D. Little consultants to say that the general direction of industry policy was 'like shooting at any bird which flies past'.

The new Premier is trying very hard, often with difficulty, to sell his new team and new direction. In the past three or four weeks, despite this major promotion of the Labor Party by some sections of the media, particularly the print media, according to the latest two surveys its rating has gone down and the Liberal Party's rating has gone up, the gap between the two having widened.

Another point that staggers me about the Coalition is the retention of failed Ministers of the previous

Government. Not only was the member for Todd, Mr Klunder, responsible for the failure of Scrimber and the New Zealand timber investment but it would seem that he ran emergency services from his white car, because that activity was in such a mess. The emergency services organisation was continually under criticism and had no leadership at all.

The hapless member for Mawson was the Minister in charge of the E&WS and, in particular, the water rating system. What a disaster that turned out to be. That system now has to be scrapped because the wealth tax not only affected people in the eastern suburbs but also had a very significant effect on the Labor electorate. That is the main reason why it was dropped, why this socialist dream of transferring wealth through the use of water has had to be scrapped.

I refer to the member for Florey—the 'member for WorkCover': what a disaster that turned out to be. In the six years since 1986, this system, which was initially put together by the now Treasurer and Minister of Finance, has turned out to be an absolute disaster. It has never been totally funded as the Act provides. A select committee has made recommendations that have been continually ignored. The Minister supported the recommendations proposed by the select committee, but he had the gall to say the other day that the Liberal Opposition and the Democrats opposed him and had the Bill withdrawn. I think it is important that the truth be put on the record. The Minister decided, because he could not get his own way after 30 seconds in conference, to pull the Bill out, and he ran out and blamed everyone else. The reality is that the committee was only insisting upon the agreed position of the select committee.

I now turn to the Hon. Barbara Wiese, the former Minister of Tourism. As we have seen in this budget—and I will come to that in a few minutes—there has been a significant reduction in tourism funding, yet it has been heralded in the A.D. Little report as one of the most significant industries for the future of this State. We have had the Stitt exercise; we have witnessed the whole argument over whether development should or should not take place, but the reality is that nothing positive has happened in the past three years in relation to tourism.

The member for Norwood has been demoted from Education. Some people have said that he was a good Minister of Education, but although he has maintained his position in the pecking order he has been demoted to a group of minor portfolios, and I think that is interesting. So, instead of having a group of new faces with a new Premier heading a new team, what we have is a juggling of failed Ministers who have done and will continue to do nothing for the benefit of our State.

During the Tourism Estimates Committee, I was interested to note a very early statement by the Minister of Tourism that the budget was in such a mess that it needed to be redrafted and looked at again. We were looking at the budget that had been put together only a month before, and Minister Wiese said, 'I am not too sure that too many things here are too good. We'd better redraft the whole thing.' What an incredible position for us to be placed in early in that Estimates Committee!

The real expenditure on tourism has been reduced by 7 per cent. As the Hon. Legh Davis said yesterday, we

have a situation in South Australia where in the Queensland report that looked at all the States, in the past two years in the areas of mature and young affluent couples (the two major tourist groups to which we direct all our tourism advertising) showed that in the mature group South Australia is considered to be the third boring State behind Victoria and Tasmania and in the younger affluent group it is the most boring State followed by Victoria and Tasmania.

That report highlights the lack of international tourists coming to South Australia. One issue critical to tourism in South Australia is the need for it to be privatised and for the private sector and the Government to combine in order to give us a new direction in terms of delivery of tourist services. The concept of a commission has been discussed in the industry for about three or four years, but this Government has just ignored the advantages of pursuing such a course even though industry itself has been saying to the Minister and her colleagues for three or four years that change is absolutely essential.

When we look at the whole management structure and the way that tourism is delivered in South Australia, we see the urgent need for change. I note with interest that the new Minister has signalled in the past couple of days that we need to put out to private tender the Government booking service. That is only touching the edges of the real problem. We need to get the private operators directly involved in the marketing and selling of South Australia.

We need to make sure that regional tourism, which attracts the predominant number of visitors to South Australia, is catered for in the new system, unlike under the current budget where there is a significant reduction of about 8 per cent in the amount of money that is to be made available to regional tourism administration. Only yesterday I received a letter from the Chairman of the Outback and Flinders Ranges Tourist Association advising, as the member for Stuart may or may not know, that the chief administrator, Mr Porter, has been brought back to Adelaide. That is a tragic decision because it is one of the most successful regional development areas.

We have a centralisation of tourism in South Australia instead of decentralisation. We have set up regional development boards that are decentralising the whole system in terms of development in this State, yet in tourism we are taking quite the opposite approach by centralising all tourism operators. That not only appears to be wrong but it is quite stupid, because there is no doubt that the best way to develop tourism in the regional areas is to have experts on site who know the operators, the development and tourism opportunities, and who can sell them and make sure that tourism is coordinated throughout the State.

While this specific case is raised today, there are other instances of people being brought back from the regional tourism areas and I believe that that is foolish. One of the major concerns in this regional tourism area is the fact that we have a regional tourism board that seems to get consulted only after the Minister and Tourism South Australia have made their decisions. That is a tragic way to encourage country people to be involved in developing this exciting and profitable industry.

One of the other major concerns in the current tourism budget is the significant drop in research into tourism in

South Australia. There is no doubt that if we want to do anything properly in any industry we need to have an accurate statistical base from which we can work. The Government's decision to reduce the amount of money to be spent on tourism research in South Australia is a tragic and wrong decision. Tourism must be made one of the more important portfolios in this Government. I am interested to note that in the recent change tourism has been lumped in with regional development. A new Minister is handling both of these areas.

I hope for the sake of our State that the two portfolios are combined and that we do not have what seems to be a contradiction whereby regional boards are being developed within the community and the opposite is occurring in respect of tourism. I hope that under the new Minister we will see these areas being developed in tandem, with both areas being taken in the same direction. We will be following up this aspect and making sure that this emphasis will be continued through our questioning.

In an interesting report on tourism put out in recent times by Stuart Innes in the *Advertiser*, we read:

South Australia's share of international tourists to Australia was 'peanuts' and the State needed to be more aggressive and active in its marketing . . . Mr Wong, Chairman of Encounter Australia, which creates tours of South Australia to be sold by travel agents overseas, said the latest figures showed the number of international visitors to South Australia was falling, while the Australian total was rising.

That brings me to the next important issue. Until we get positive development signs in the tourism area in South Australia we have no chance of making sure that we can capture a large and increasing number of international tourists. We have to ensure that the Tandanya project on Kangaroo Island proceeds as soon as possible. We have to make sure that a resort of some type is developed in the Barossa Valley. We have to ensure that in the Flinders Ranges we have a development of significance that can encourage international visitors.

We have to make sure that this Government puts the \$5 million it has in its development board funding to best use in the tourism industry. For too long in South Australia tourism has been treated as a mickey mouse ministry. We need to make sure that it is elevated to its rightful position in South Australia. We need to make sure that all the talking and promises that have been made by the Bannon Government, and indirectly by this new Arnold Government, are brought to fruition. Tourism in South Australia can no longer remain behind the other States.

**The SPEAKER:** Order! The member for Kavel.

**Mr OLSEN (Kavel):** I would like to quote from an article in the *Sunday Mail* of 1 March 1991, as follows:

Parliament has been chosen by the people to govern, to oversee the way the State is run. Parliament must constantly assess what is being done by experts in its employ, it has a right to ask them what they are doing and why they are doing it and, furthermore, to pose questions about the impact of their activities . . . responsibility must rest with Parliament and not with experts.

They are the words of the now Premier, Lynn Arnold, in writing to the *Sunday Mail* in 1981. I pose the question: does the Premier still believe that Parliament should be the body that is in control of the destiny of South

Australia? If he does, we ought to look at the procedures of the Estimates Committees and how they operate in South Australia. If we as South Australian politicians are really serious about wanting to see our State prosper again, with a Government that is responsible and accountable to this Parliament, then no matter who is in control of the Treasury benches we must change the attitude to the budget process of this Parliament. As it stands, the budget process in this State, specifically the Estimates Committee hearings, is in most instances a farce. Estimates are another prime example of how, in the past decade of Labor rule, the role of Parliament, the concept of accountability to Parliament and, therefore, Government accountability to the people of South Australia have been debased.

In the week before the Estimates Committee hearings began I made a speech in which I said that, under the Premiership of the member for Ross Smith, Parliament had been increasingly treated with contempt by the Labor Party, and how the Westminster system of accountability of the Treasury benches of Parliament had been disregarded, especially during Question Time. I can well remember the derision from the Government and the so-called 'knock, knock, knock' from the Government to questions that we were legitimately posing on behalf of South Australians. It is a sad fact that the basis of our questions have been proved to be accurate, and it is a sad fact that what the Government was attempting to do simply disguised the lamentable economic direction in which South Australia was being steered.

The power of the Executive, to the detriment of the State, has been allowed to increase alarmingly. The State's finances and, as a result of the recession, the downturn in the economy and the increase in costs are detrimental to the quality of life of South Australians. The recently completed Estimates Committee hearings confirmed to me yet again the sad fact that some Government Ministers see it as their role to avoid questioning of their portfolio areas in line with their actions during Question Time as witnessed in this Chamber. They deliberately avoid answering questions about their role as servants of the South Australian public. By so doing, they abuse the processes of our Parliament and show contempt for democratic Government, contempt for the role of the Opposition, and contempt for the people who elected them as members of this Parliament. They treat Estimates as a nuisance to be endured and a time waster irrelevant to their positions of power as Ministers of the Crown.

Given the position of the State's finances as a direct result of that power, the actions and inaction of some Ministers as they sat before us during the Estimates Committees suggests a supreme and dangerous arrogance. Their actions during the Estimates Committee hearings projected the view that it is somehow beneath them to have to put up with Opposition questioning as to how they handle the purse-strings of this State. We know from bitter experience that they have been found wanting in the past. One has only to look at the level of the State debt.

I will list some of the inefficiencies that have come to the fore. We had the Scrimber experiment with a loss of about \$60 million; a loss of more than \$12 million in the Government's investment in a run-down timber mill in

New Zealand; pay-outs of more than \$10 million in legal and other costs of union actions that forced the cancellation of the Marineland development, including the retention of a dolphin park; a \$28 million blow-out in the cost of the Justice Information System's new computer network; a \$6 million blow-out in the cost of a new computer system for the issuing of drivers licences and motor vehicle registrations; a \$6 million blow-out in the cost of introducing the Crouzet ticketing system; an \$11 million blow-out in the cost of building the *Island Seaway*, the supermarket trolley that used to run between Kangaroo Island and the mainland; a Government subsidy for the Aser project, currently about \$20 million above original estimates and rising by about \$6 million every year; a \$4.2 million blow-out in the cost of the State Aquatic Centre; and so the list of financial mismanagement goes on.

**Mr Venning:** An absolute disgrace!

**Mr OLSEN:** It is a disgrace. If it is not enough for those Ministers to have presided over that, they still come back to this Parliament during Question Time and appear before the Estimates Committees with an arrogance and a contempt for the questioning of their portfolio areas. The examples to which I have referred, which have helped leave us with a hefty State deficit of almost \$8 billion, explain the need for Estimates hearings and the need for ministerial accountability in this Parliament during Question Time and during the Estimates Committees. How easily they ignore their ministerial duty to answer such financial aspects of their portfolio areas.

Not all Ministers took that approach, I might add. The Premier (Hon. Lynn Arnold) was certainly more forthright, frank and straightforward than the Minister of Forests (Hon. John Klunder) or the Minister of Small Business (Hon. Barbara Wiese). It is appreciated that perhaps they are a little more mindful of their hearings as per that quote from the *Sunday Mail* of 1 March 1981. If the Premier believes in that, and I hope he does, he ought to instruct his Ministers that their behaviour, responsibility and accountability to this Parliament and the people of South Australia ought to take a turn for the better.

*Mr Venning interjecting:*

**Mr OLSEN:** In one or two instances I think that is right. Unfortunately, the present procedures governing the Estimates hearings in State Parliament enable Ministers who are inefficient and incompetent—and that applies to the two Ministers to whom I have referred and who are obviously not in control of their portfolio areas, or they are just plain lazy—to use different methods to avoid answering questions. That came to the fore during the Estimates hearings, and I will refer to that shortly. It does not take much research—I suppose only a read of *Hansard*—to find that the Ministers who performed abysmally and who, to some extent, hid behind the protection of the procedures were, as expected, the well-known weak links in the Bannon/Arnold Government, and I refer again to Minister Wiese, Minister Klunder and Minister Levy. A perusal of the *Hansard* record of the Estimates proves that point.

At one stage in the hearings I had the unfortunate experience of having to deal with Minister Wiese as the then Minister of Small Business. Accordingly, I will put on the record the methods used by that Minister, under

examination of her small business portfolio, which I attended, that allowed her to avoid dealing with questions. She simply had organised a list of Dorothy Dix questions and then slowly read from some long two or three page prepared answers, taking up as much time as possible and keeping her eye on 10 o'clock when the Estimates Committee would cease. When the time expired, the Dorothy Dix questions evaporated. This deliberate, pre-organised protection mechanism showed total contempt by that Minister for the political process, and gave a clear indication of her lack of ability to handle her portfolio area. She was incompetent, not up to the task, too frightened or too lazy, but she was not on top of that portfolio area. It meant that many serious questions could not be asked because time had elapsed.

Such ministerial behaviour was also a slap in the face to many senior public servants who had prepared carefully for every question that they thought could be asked so they would let down neither their department nor their Minister. Their painstaking efforts to treat the Estimates hearings seriously are wasted by Ministers who avoid taking questions, and that time is taxpayers' money. Some public servants must leave the Estimates Committees feeling very disillusioned. Having done all their preparation and fronted up, the Minister wastes time giving lengthy replies to a series of Dorothy Dix questions. Minister Klunder was no different from Minister Wiese in that regard. As the Premier has clearly indicated in his response to the Estimates hearings, it is appropriate that we find out what his instructions are to his Ministers in respect of answering questions during the Estimates hearings, and what are his views on the behaviour of Ministers such as Minister Wiese.

Perhaps the Minister would be prepared to issue a statement—no doubt an excuse—to inform us of the reason for her behaviour, whether it was incompetence, laziness or plain arrogance that had her walk into the Chamber with typed, time-wasting replies to Dorothy Dix questions.

In the Federal Senate it is much different; one cannot use the completion of time as an excuse to avoid asking and answering further questions—they are rolled over. There is no time limit for each hearing. We should look at the Senate Estimates Committees to ensure that Governments of any political persuasion are held accountable in this House and Parliament for their actions and their policy directions.

In the Federal Parliament, a Minister cannot waste time giving long replies to Dorothy Dix questions, because she or he must remain before the Estimates Committee until every member has completed their line of questioning, whether it takes all night, all week or all month. The fact is that an Estimates Committee does not report back to the Senate until all questions have been completed. There is no 10 o'clock cut off time, so nothing is gained by asking Dorothy Dix questions—the Committee stays there until the questions are completed. That ensures the accountability of Government; and there is no hiding behind the time clock. That is something to which we ought to give consideration to eliminate any abuse of the system.

The Tonkin Liberal Government brought in Estimates Committees after the Dunstan decade. The purpose was

to ensure that Ministers were accountable to the Parliament. Since then we have seen those procedures modified slightly, but we have also seen the abuse of the system as Ministers have worked out how they can work their way around the system. One can ask only so many questions in the time allocated. We need to review the Estimates so they become productive, serve their purpose and provide accountability, and so that there is responsibility to this Parliament. It would be no use Minister Wiese stonewalling while she waited for the clock to tick around to 10 p.m.

I also acknowledge that it is vital that questions asked during Estimates Committees be relevant and well researched. I am prepared to acknowledge that in some cases they are not, but I will not stand here and make excuses. However, at the same time that we review Estimates Committee procedures we need to look seriously at the sitting calendar to enable the Opposition a clear two weeks after the budget is delivered to prepare fully for Estimates, which is again in line with the procedures that operate at Federal parliamentary level. As it stands now it is obvious that there are time constraints on research, compounded by a lack of research staff, all of which gives the procedure the air of a game of hide and seek, and for the sake of the State that should not be the case.

I am also of the view that less time would be wasted during Estimates Committees if questions were more fully answered during the year in Question Time instead of those questions having to be repeated during the Estimates Committees. Some days in Parliament it is like extracting wisdom teeth minus the wisdom and without any anaesthetic. So, the Estimates Committees become the logical place to have another try. That should not have to be the situation, and if the Government treated Parliament with respect it would not be. We need to look at the procedures to ensure that the Estimates Committees function as originally envisaged. We must ensure that there is parliamentary accountability and responsibility by Ministers and departmental heads in answering specifically, clearly and concisely as to the financial and policy directions of their departments.

The Arthur D. Little report on the economic direction of South Australia identified clearly that we had wasted 10 years. We have now a position where this State will lag behind all other States in respect of coming out of the recession. Of course, the bottom line is the erosion of jobs, the impact on small businesses and the loss of job opportunities. In looking at that track record let me just remind the House that over the course of the past decade we have seen massive real increases in revenue from major taxes that have had a direct effect on small business—this State and this country's largest employer. In this State we have 56 000 small businesses employing 48.7 per cent of the private sector work force. If we are to tackle the high levels of unemployment in South Australia in any meaningful way, we must have a competitive edge and we must encourage small business by not taxing it out of existence.

Let us consider the situation. Over the past decade land tax has gone up by 144 per cent; payroll tax by 38 per cent; stamp duty by 117 per cent; taxes on alcohol by 51 per cent; cigarette tax by 622 per cent; and petrol tax by 318 per cent. They are real increases above the

movement of the consumer price index. The impact of those taxes and charges has eroded the cash flow and profitability of small business operators. It is about time we adopted the view that profit is a good word and that profitability is a great thing. If our business enterprises are profitable they will expand and create capital infrastructure and job opportunities and we will all prosper. Unfortunately in Australia and South Australia if one makes a profit the first question asked is: who was ripped off in order for that to happen? It is not as it should be, where those who have been successful are questioned about their success and the good formula they used so that it can be followed by example and implemented. In that way perhaps others can be successful and profitable and thus create jobs for the many thousands of young unemployed South Australians.

That brings me to the area of WorkCover. It was the new Premier, Mr Arnold, who said upon his election that he had a number of objectives, one of which was a coalition Government, which he has achieved. The other was to provide levy cuts of up to 20 per cent for WorkCover, which would mean a total saving of \$57 million in premiums to the business operators of South Australia. Given that 56 000 small business people pay these WorkCover premiums, and given that their cash flow and liquidity have been seriously eroded over the course of the past decade, they are looking for relief, a circuit breaker and some breathing space. They looked at that announcement of a 20 per cent cut with some encouragement. However, we have seen a proposal that is nowhere near that envisaged by the Premier, because South Terrace has once again told North Terrace what it will do—to the detriment of the thousands of young people who cannot find a job. It is about time we reversed the roles and that this Parliament became supreme and South Terrace listened to it.

John Lessees said, 'By screwing down administration, WorkCover is going to shave \$35 million off its unfunded liability this year.' The Premier said today that he thought he could get another \$40 million out of WorkCover unfunded liabilities as a result of the legislation being introduced today. My purpose in mentioning that is that we are not yet tackling the difficult issues in relation to WorkCover.

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

**Mr BLACKER (Flinders):** I probably spent as much time as anyone listening to the Estimates Committees, apart from those who were Committee members or officers. As such I tried to gauge the effectiveness of the Committees in pursuing the role of Parliament and the budgetary process. My biggest concern is that, whilst we spent two weeks in the Estimates Committees, we now have a change of Ministers and a change of direction. Quite frankly, all of that debate—the original budget debate—now has little or no meaning in terms of the importance that was placed on it.

Only a week or two before the Estimates Committees I sought advice about the continuation of the water treatment plant in Port Lincoln. The Minister made a press announcement that it was on line and would be continuing. Now, with the change of Ministers and having completed the Estimates Committees, we find that

project has been put on ice and there is no real indication as to how long it will be before it is back on line. I trust that project has not been shelved indefinitely, and I seek an assurance from the Government that that is the case. However, if the budget which has gone through all the due processes of the parliamentary system is to be ignored, what is the purpose of the Estimates Committees, of the budget debate and of this debate? One must seriously ask about and look at the role of the last month of parliamentary debate in this House. We had one week debating the budget, two weeks of Estimates Committees, and another week in the summing up process. It does not seem to matter what took place in the last month; it is irrelevant in the governing of the State, because Ministers have determined that they will make changes to the budget that was put to us before.

It worries me, because the average South Australian citizen has a right to expect that a due process has been complied with, and they would expect that, as members of Parliament, we are debating the budget that has been presented to us and that that budget will be adhered to throughout the year. We now know that it is not, and changes have been made within a week of the Estimates Committees. I disagree with that process. I should have thought that it was appropriate to stick to the budget unless there was a very good reason, that reason being brought before the House, as to why changes should be made.

I should like to use this opportunity to raise a matter that has been of concern on Eyre Peninsula for the best part of 18 months, or even longer. It relates to the provision of a rural care worker by the Department for Family and Community Services in that area. I will mention it briefly now with a follow-up request that the Government undertake an independent inquiry into what has happened. There have been allegations and counter allegations of a kind that have been belittling to individuals, and in my view there has certainly been some harassment by individuals. This matter needs to be clarified. I refer to the position of rural care worker which, some three or four years ago, was established following the initial indications of crisis within the rural community after a series of droughts and, in a number of instances, people effectively walking off their farms.

The Department for Family and Community Services at that time appointed a rural care worker with a very broad brief to mix within the community. That person, being local and appropriately trained, was able to mix in the community because she knew the individuals and families and was able effectively to 'sus out' areas of concern where people were not prepared voluntarily to come forward and talk about their problems. That service worked very effectively. It drew great respect from local communities and local government services. In fact, the Director of Family and Community Services, Ms Sue Vardon, issued a certificate and a letter of congratulation to that individual for the very fine and outstanding work that she had done in the community and for the great respect she had brought upon the Department for Family and Community Services through that work.

From that time there was a change of office bearers at other regional levels, and it was then downhill all the way. Personality conflicts came in. Many members of this House have probably received letters from

individuals, organisations and local government complaining or seeking to know what went wrong and why this situation was allowed to reach that stage and, more particularly, to continue.

A number of serious allegations were made against the officer who was withdrawn from the field, and that is what drew the attention of the community to the matter. A rural care worker, who had been seen to be doing the job for which she was employed, was withdrawn without good reason and not replaced. The department said that it could deal with the matter by having a 008 number or a reverse charge call number so that people who were in crisis could ring the department in Port Lincoln. Obviously that cannot work. The next answer was that they would make a regional trip around and advertise that between 2 and 4 o'clock they would be in the community hall at such and such a place. Obviously that cannot work, because we know that the grapevine within the community will not go on.

I have a folder of letters and copies of letters that have gone to the Minister, a number of questions that I have asked and a number of other actions that have been taken in an endeavour to work through this problem and get a rural care worker back in the field. Eighteen months down the track, that or a similar position is about to be filled. I am raising the point now because I am basically putting on notice to the new Minister a request that an independent inquiry be undertaken into the whole scenario of events. The person who was withdrawn from the field suffered allegations of misappropriation of funds, and those allegations were proved to be incorrect. Allegations of professional misconduct were made against her—again incorrect. All of the scenarios that took place to build up the case against that person subsequently proved to be incorrect.

Furthermore, I was at a public meeting at Tumby Bay nearly 12 months ago when all parties—personnel of Government departments and so on—were present, and I was very conscious of the friction amongst the individuals. Having sat through the whole day and participated in the workshops, knowing the individuals at both local and departmental level, I was shocked to find that allegedly five of those departmental officers had reported back to their senior officer that this person was canvassing and lobbying for her own benefit at that meeting. That was totally untrue. It was a fabrication and harassment against that individual.

I know exactly the circumstances that applied. I was present, I witnessed it and I was a participant in that gathering. These allegations and statements need to be checked. All the letters that are in the Minister's file, in the Director of Family and Community Services' file and in many other Government departments' files need to be thoroughly checked, because the allegations are serious; they are harassment against that individual. I believe that fair, just and due compensation should be paid to that person. I am referring, of course, to Mrs Geraldine Boylan.

I could go on and quote letter after letter and numerous other things, but I am just putting on notice my concern. I should like to hand my entire file and arrange for all those other people who spoke to me to address or give evidence to an independent committee or judge so that justice is not only done but is seen to be done.

A number of other issues, including that particular issue, came up in the Estimates Committee. At that time, the Minister, given his courteous nature, asked that the matter be withheld pending a determination on a position that he had created of rural care worker. I take due recognition of that. However, I was then to find that the position was supposed to have been announced the week before the Estimates Committees. It was held off until the day after the Estimates Committees, and the day after that the person was advised that she did not get the job. Again, it is harassment, and I firmly believe that the department withheld the full story from the Minister at the time of the Estimates Committees. I do not believe for one moment that the Minister was aware that all the interviews for that position were completed, and I do not believe that the Minister was aware that the announcement was to be made the week before the Estimates Committees but, for some reason or other, it was withheld until after the Estimates Committees. I guess my suspicions are even more firmly founded when that sort of thing occurs.

I turn to another issue that has been raised in the local community just in the past few weeks, and that is a request by the Wilderness Society to have a portion of the Lincoln National Park declared a wilderness area. This is another issue that has created great concern within the community, because that park has been extremely well managed by the National Parks and Wildlife Service, and I pass on at this point publicly that the local officers of the National Parks and Wildlife Service have done much in the past five years to build a strong rapport within the wider community on lower Eyre Peninsula, and I have never known the association between the service and the local community to be better than it is at the moment. Unfortunately, this nomination by the Wilderness Society has just fuelled the anger of so many in the community, and I believe it is an insult to the National Parks and Wildlife officers who have worked so diligently to manage those parks in what I believe to be a most effective way.

The basic guidelines for the national parks are to maintain the parks and the natural habitat but at the same time to provide reasonable access to the wider community so that the wider community can enjoy at least part of those parks. The Wilderness Society recommendation is to effectively cut off the area that is locally known as the track to Memory Cove, effectively preventing public access down that way in any way whatsoever. Furthermore, it has proposed that there should be a 1 kilometre boundary in the marine area, and that would effectively cut out lobster fishing, abalone fishing and some of the tuna fishing. That is the area where the tuna for the live pen farms are being taken from at the moment, as well as from in and around the islands, because it is the smaller fish they are after and that is where they come in. It takes in all the recreational areas, where the recreational diving and fishing is taking place; that proposal will take away that area from the angling clubs and from all the people who go to the national park to enjoy them. They will no longer be able to have access there and, if they do, they will have to use a back pack. I for one could complain bitterly that it is an infringement against the disabled, because it would certainly prevent my having access.



There are a number of other factors. I draw the Minister's attention to this because I have reason to believe that his own department is not too happy about this proposal, because it sees it as a reflection on its own management skills. In this case I certainly have no hesitation in strongly defending its management skills and the management of the national parks it has applied, for the reasons I have given. I trust that the Minister will keep a very close watch on what is happening, and I am only too happy to liaise with the Minister in every way possible to see that commonsense does prevail. Whilst there might well be an area that would be declared a wilderness area, it should not be at the expense of the access of individuals and, more particularly, recreational and commercial fishing, which is a vital part of the economy of our area.

During the Estimates Committees the issue of fishing areas was raised, and the white paper was referred to on many occasions. The Minister of the day (the present Premier) did say that changes might have to be made to certain aspects of the white paper. A number of aspects of the white paper which were referred to in the Committees had some support. However, some areas were introduced into the white paper without proper industry discussion. I refer to the sand crab industry, which was not mentioned in previous discussion papers. Where it was mentioned, the indications were that it was not deemed necessary to have any management regime for the sand crab industry. The white paper just came out with a quota basis, starting in June last year. This means that those who have entered the industry since June last year will not be able to have a quota, because they will not have a historical catch rate upon which the new quota can be based. That needs to be addressed, because people have been financially disadvantaged by it.

Other issues were covered in the white paper, such as recreational lobster pots, and I would like to see that issue taken up as well. The matter addressed in the white paper which is of grave concern to the tourist industry and the operators of charter boats in the area is the very vexed question of berleying for sharks for the tourist industry. That problem needs to be addressed properly. There has to be a compromise between the two and, in my view, the tourist industry could well prosper without any disadvantage to any other area, provided zones for berleying could be applied.

The whole Estimates Committees procedure has been talked about by many members of Parliament; some have ridiculed it and some have scorned it. Some believe they are an absolute waste of time. I do not believe that they should be a waste of time: I believe that members of Parliament at all levels could better apply themselves to make better use of the Estimates Committees to make sure that they did work. The original concept of the Estimates Committees did work, I believe, but over the years they have deteriorated.

I again support the motion that was moved by the new Minister of Primary Industries that we should be looking again at the role of the Estimates Committees and perhaps investigating other forms of handling this budget process. If we looked at other forms of handling this process, maybe a better system could come out of it but, in the meantime, we must improve our own performance with the Committees and make better use of the

Government officers who are brought to the table to give information. We must also ensure that the Ministers make that information more freely available to the House. I believe the Estimates Committees could be better used, and I trust that the House and all members of Parliament will look at them with a more positive attitude in future.

**Mr D.S. BAKER (Victoria):** I want to make a brief contribution to the debate and, really, to follow on from the Leader's comments in highlighting the incompetence of some of the Ministers. It is a pleasure to be the shadow Minister to the previous Minister of Woods and Forests, Mines and Energy, Emergency Services and Police because, if ever a Minister should not have survived a reshuffle, it is the Hon. John Klunder. The litany of disasters beside his name is surpassed only by that of the Minister of Finance, the Hon. Frank Blevins, who helped the former Premier to put together the South Australian budget this year—and that must be the most disastrous document this State has ever seen—and, of course, the financial incompetence of the former Treasurer and former Premier, the Hon. John Bannon.

Minister Klunder is probably in a very invidious position. Every time he made a blunder, it was covered up by a bigger blunder by either the Minister of Finance or the Treasurer. If we refer to the Auditor-General's Reports of the past few years and the proud situation of the Department of Woods and Forests, we will understand the magnitude of the problem that has been caused by ministerial mismanagement or financial incompetence or both. This House and the electorate will make that decision in the future.

Woods and Forests used to have assets of \$450 million and it was owned by the people of South Australia. It was run profitably and it contributed much to the growing and processing of timber in South Australia. However, in the past seven or eight years, under the mismanagement of this Government, every time the Woods and Forests Department got into debt, it had to cover it. In the early days it covered the department's debts by borrowing money from SAFA and converting them into equity. SAFA would lend the department \$100 million, but in the Auditor-General's Report for the next year we would see that \$100 million converted into 15 per cent equity, which SAFA then held in the department. The Opposition kept bringing this up, but members opposite would say, 'What's wrong with that? We're just taking shares in it.'

When the position became worse and the borrowings became greater, the Government had to cover it somehow. So, the hapless Minister invented forest increment, a new way of getting cash into a business. At the end of each year you get a tame valuer to value the total forest product for that year, deduct the previous year's value and the increase in value or the forest increment is noted as cash income. I do not think that anyone with any financial ideas at all could allow that sort of thing to be noted in a profit and loss account to cover up losses being made, but the hapless Minister allowed that to happen.

The Auditor-General kept saying in his report that it had nothing to do with AAS10, and he kept qualifying the accounts, but year after year his comments fell on deaf ears. SAFA lent more money to Woods and Forests,



it was converted into more equity and, suddenly, Woods and Forests was no longer owned by the people of South Australia; it was owned totally by SAFA because of the amount of cash it had poured into the department, cash that came indirectly from the taxpayers of South Australia.

So, by sleight of hand accounting methods and the mismanagement of the Minister, in seven or eight years a very profitable operation was turned around from having an asset value of \$450 million to being owned by SAFA. Last year, the Woods and Forests Department lost \$75 million in cash. That is the amount of money that the taxpayers of South Australia had to put into it, even though it had chewed up all its equity and been passed on to SAFA.

So, we forgot the loss of \$450 million, because it paled into insignificance compared with the State Bank, SGIC and the other blunders. The Minister was fortunate that on each occasion a greater disaster befell the State of South Australia and he was saved. I do not know how anyone could overlook the Scrimber operation of which the Minister was in charge and which was begun by a former hapless Minister, Roy Abbott, who was very enthusiastic about it. It was carried on by Minister Klunder, but year after year the Scrimber operation was qualified in the accounts by the Auditor-General. My colleagues in this House repeatedly spoke about it. The member for Mount Gambier, in whose electorate the money was being spent—and it was damaging for him because the Scrimber operation employed a lot of people in his electorate—repeatedly said, 'This is not a financially viable industry.' He kept bringing to the attention of this House the waste and mismanagement that went on, but time and time again it was defended on the other side of the House.

Finally, following incessant questioning and statements from this side of the House, Minister Klunder announced that the Scrimber operation would stop. He said, 'We are closing it down; we can't afford the extra capital.' The Opposition asked the Government why it had lost \$60 million of taxpayers' money, yet the Minister was not prepared to take the blame. The Minister said, 'It wasn't my fault. How can you blame me? It was middle management. You have to watch those people. They were out there spending taxpayers' money and they didn't tell me about it.'

This was the third biggest financial disaster South Australia has ever seen, but still the Minister hangs on and retains his ministerial portfolio. I know that the former Premier has never sacked anyone in his life. Because of the factional nonsense that goes on on the other side of the House he was not prepared to do anything. But we were told that a new broom was coming into South Australia. We had this stepping down of the world's greatest disaster of a Premier, who lost \$3.5 billion of the taxpayers' money, to be replaced by a new broom. The new Premier said, 'We're going to clean it all up. We will put this financial mismanagement behind us. Trust me, South Australia—we're going to do it.' But what happened? There was a reshuffle, the deck chairs were put out, as the Leader said, and the Hon. John Klunder still occupies a position on the front bench of the Parliament of South Australia. Surely that is a disgrace in anyone's language.

However, having been demoted from being Minister of Mines and Energy and Emergency Services, the Minister who never read a report, is now on an overseas jaunt. He took off for the United States on Saturday morning with a few of his cronies. I am told that most of them refused to go, that he had to heavy the head of ETSA, Robin Marrett, by saying, 'Go home and pack your bags, I'm not going on my own. You get on that plane, we're leaving in two hours.' That is the only way he could get anyone to go with him. Robin Marrett, who is retiring from ETSA and who has done a very good job, is forced to go overseas with the hapless Minister.

The Minister has gone to the United States to help sell the mineral potential of South Australia. The Government has announced that it will put another \$11 million into survey work in South Australia—and I welcome that. It is going to fly over at about 400 feet those areas of South Australia over which it is allowed to fly and work out the mineral potential of that land. It is going to sell this project to the Americans to get them to invest some money to further the mineral potential of South Australia. I hope someone in America asks the Minister how much of South Australia is involved, because 47 per cent of South Australia is locked away from even allowing aircraft to fly over it so that surveys can be carried out to tell us if there is any mineral potential.

**The Hon. M.K. Mayes:** That's rubbish!

**Mr D.S. BAKER:** The Minister says it is rubbish. This document from his own department states it all. I will read it to the Minister, because he cannot stop me under section 50 like he used to: Aboriginal lands 19.1 per cent, parks 20.5 per cent, Planning Act 3.3 per cent, national estate 2.1 per cent, Flinders Ranges 1.7 per cent, Commonwealth land 0.4 per cent—a total of 47.1 per cent. It is even stated on this document that it will be difficult to get into some areas. The Minister says that he will have access to the parks, but this document says that they are among the most difficult to get access to. I do not know what the hapless Minister puts on his CV. I suppose he puts 'Woods and Forests \$75 million, debt to forestry \$450 million, Scrimber \$60 million; I'm over here to sell something to the Yanks; come and invest in South Australia.' It would be like having your mother-in-law to dinner.

**The Hon. M.K. Mayes:** Tell us about your policy on tariffs.

**Mr D.S. BAKER:** I will tell you about my policy on tariffs. I have nine minutes left and a couple of other things to say, but I will tell the Minister about my policy on tariffs, and I will tell him a little bit about his policy too. If, Mr Speaker, you will extend my time until after dinner, I will go for another hour and I will give the Minister chapter and verse on tariffs, because he has interjected on the wrong fellow.

*Members interjecting:*

**Mr D.S. BAKER:** I will wait until I have five minutes to go. Will you allow another interjection, Mr Speaker? We have this hapless Minister opposite who has forced the head of ETSA to travel with him to try to sell the project, yet 47 per cent of the State cannot be prospected. One is not even allowed to fly over it, so what hope has South Australia got when the Government has not even the guts to look at the whole State to see whether it has any potential?

Today we heard the Premier say that we are not going to have a uranium enrichment plant because such a plant is no good. The Government can put such a plant in my electorate because I would be happy to have more development down there. As the Leader said, it is the next stage of development and it is the safest stage. Of course, the factions opposite will not let that happen. Mr Speaker, I can understand why you became an Independent, because you did not want to be involved in the factions, but I know you would support such development in South Australia because it would be for the good of the State. However, one cannot even get this new Premier to get the new broom out of the cupboard to try to get a bit of sweeping done, because the factions will not let him have a go.

We have heard all about the WorkCover debacle when the new broom got rolled again, but that is not what I am here to talk about. I am here to talk about Minister Klunder and the problems he has inflicted on South Australia. I refer briefly to the report on No. 1 Anzac Highway, which in itself was a litany of criticism about the sloppy way that building was bought, when no deposit was paid at all. I will not bother referring to the conflicts of interest behind the scenes with SGIC and its Chairman, but the critical part of the report shows that the Minister did not have his foot on the throttle. That is what the report shows: \$200 000 was paid as a deposit on settlement. That is a great sort of deal. Members who have been in business know that it is difficult to pay the deposit on a building on the day of settlement. Normally one wants a few shekels in the bin to make sure that the buyer will front up. If the buyer does not front up with the payment, at least the vendor has the 10 per cent, which is the norm, paid in good faith to indicate that the deal will go through.

I recommend the report by the Economic and Finance Committee. I did not speak at the time of the report's presentation because the House did not allow enough time for all of us to speak, but the committee at least has gone out and checked on the Government and I give credit to those Independents who sided with the Opposition to make sure that the problems involved were brought into the public arena and debated and not hidden under the carpet like the sleazy \$2 million deal of keeping interest rates down before the 1985 election. At least the Independents have made sure that this Government is somewhat accountable to the public of South Australia.

Returning to electricity, because again the hapless former Minister had this matter under his control, we can see that South Australia has the second highest electricity charges in Australia. Mr Marrett, who has done a tremendous job with ETSA in bringing it into the twenty-first century and obtaining productivity levels initiated through the ETSA work force that have been nothing short of astounding—

*The Hon. H. Allison interjecting:*

**Mr D.S. BAKER:** He reduced staff through attrition and has done it well indeed. What happens? Why have we the second highest electricity charges in Australia? It is clearly because last year this Government sucked \$95 million out of ETSA on the pretext that it was a return on capital. Do members know how much capital ETSA has received from SAFA—\$110 million. That is about

the best deal one will ever hear of anywhere: a \$95 million return on capital of \$110 million.

Next year the Government is again budgeting to suck out \$95 million from South Australian consumers and small businesses as well, but on top of that is the 5 per cent levy which is the legitimate return on capital, and I have no argument with that. That is legitimate. The Government has used ETSA as a milch cow to impose a further impost on all small businesses and consumers in South Australia, and this gives us the second highest electricity charges.

What hope does small business in South Australia have when we have a Government which is as deceitful as this Government in sucking one of its better run utilities dry whenever it can? The Government has done that consistently. Look at Woods and Forests, where the redundancy payments were not brought into this year's figures but were held over until next year's figures because the Government could not show them in this year's accounts. This is the sort of thing that was going on.

I have only three minutes left. The Minister opposite wanted to talk about tariffs. We can have a few minutes on tariffs but we will talk about the Federal Government's policy on tariffs. Under the Button plan the Federal Government has said that it is to reduce tariffs in Australia from 35 per cent in 1992 to 15 per cent in the year 2000. That in itself is an impost on the car industry, and the industry no doubt understands that. It has gone along with it on the proviso that there is microeconomic reform and that the savings are made out of productivity and the reduction in costs, and out of all the other things that go on in the car industry, so that the industry can afford the breakdown in tariffs provided the Government performs as an economic manager in the Australian economy.

None of that is happening. We have a centralised wage fixing system that we cannot get out of. We cannot even get an enterprise agreement unless we kowtow to the unions for permission. Of course, productivity gains are minimal. We have the greatest imposts at a State level in payroll tax, and who would not give their eye teeth to get rid of payroll tax? It is a direct impost on the car industry in South Australia.

**Mr Venning:** It's a handicap.

**Mr D.S. BAKER:** It is a handicap, as the member for Custance says, and it is about \$500 million that it is not necessary to collect in this State. What about fuel taxes? The State has imposed another fuel tax and I do not have the time to tell the Minister what the people in the South-East will do, except to point out that they are going to Victoria to buy their fuel. I do not blame them, because of this sectional impost put on them through the fuel tax. The tariffs coming down under the Federal Government's policy will be an impediment to jobs in Australia, especially in South Australia. No microeconomic reform is being carried out at all, because the Government does not have the guts to take the unions on, and that is what it is all about.

The sooner we get the Fightback package in place, the sooner we have enterprise bargaining, the sooner we get rid of the fuel excise, and the sooner we get rid of payroll tax, the sooner Australia will turn around and get going and the sooner the 86 000 who are unemployed in

South Australia will have some hope of getting a job. Mr Speaker, you have to support our moves to support Fightback.

The SPEAKER: Order! The member for Davenport.

Mr S.G. EVANS: Mr Speaker, I draw your attention to the state of the House.

*A quorum having been formed:*

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

Mr OSWALD (Morphett): This evening, in my response to the Appropriation Bill and then to the Estimate Committees, I would like to raise a few matters that I was unable to raise during the proceedings of the committees. I must say that on Committee B, when we met to discuss and question the environment lines, we had the fatal combination of the member for Napier and the member for Henley Beach. It makes it extremely difficult for an Opposition to work effectively when two members work together in concert to ensure that the Opposition does not get a very good opportunity to make a point. When that is coupled with the way the Government orchestrated its questions, it meant at the end of the day that we had managed to get up very few questions of any consequence.

It is a matter which has been of great concern to the Opposition over many years, and it came to a head again in these Estimate Committee hearings. We did not raise it as a matter of protest because it would have wasted more time, and over past years we have been very conscious of the time that has been wasted by protesting at the manner in which the Committees are conducted. On this occasion I let it go by because it would have just wasted more time. But it is not productive for the Chair and members of the Government to work together to make sure the time passes.

This related not only to the environment lines; notwithstanding that the Botanical Gardens lines are interesting at any point, these were extended to the extent that we went past the luncheon adjournment and then in the afternoon we did not have much time for questioning. It is on that basis that shortly I will refer to several questions that we were unable to get up, to at least get them on the public record to show our concern for these matters, and hopefully these will be responded to at a later date. No doubt they will also end up on the Notice Paper as questions on notice at a later date.

Also, when we got to the recreation and sport lines, I had a large number of questions that I wanted to ask in relation to racing generally. Members will recall that last year I spent some time analysing the South Australian Sports Institute. On this occasion it was going to be the TAB's turn. It is rather a coincidence, I suppose, that on that morning the Minister came in with a statement on the TAB, and I must admit that it did change the complexion of the debate somewhat. Once again we had many questions on the administration of the TAB which were going to be asked. It was not a coincidence at all that I chose the TAB this year. It was chosen because of the concern that has been building up in the community, and in particular in the racing industry, over the past year or so, about the direction and profitability of the TAB. At the end of the day, after we had had our debate on the TAB, and as all members know it revolved around the

future of the board, the last thing I had expected, I suppose, was to see Ken Taeuber in the newspaper with his now famous press release coming out and threatening to sue me if I had anything more to say about the future of the board.

The Hon. T.H. Hemmings: Has he?

Mr OSWALD: Well no, he hasn't as yet. I would hope that commonsense might prevail and that he does not take that course of action, and indeed I assume that commonsense will prevail and that that course of action will not be taken. There are two or three things that should be said. First, the Minister representing the Government came into the House and imparted the knowledge that he had at that stage which was from the Solicitor-General and gave grounds as to his areas of concern. It was based on the Minister's statements that the Opposition also took up his concern in relation to the board, which, as I have also repeated consistently, excludes Dr Morton, the new member of the board at the South Australian Jockey Club.

Dr Morton replaced the other nominee from the South Australian Jockey Club and was not involved earlier in the piece. I would have thought that every honourable member would follow with some interest the actions of Ken Taeuber, the Chairman of the board, because in actual fact it is an action on the part of a statutory body to silence a member of Parliament. Any member could be placed in that position. The Minister (Hon. Kym Mayes) came into the House and stated, in a ministerial statement:

I am not satisfied that the board has adequately dealt with these matters. I believe that the conduct of the Chairman has been inadequate for the following reasons:

(1) The Chairman did not instruct that minutes be kept of the board meeting of 23 January and did not ensure that documents presented to the board were retained. Such actions were inconsistent with the Racing Act 1976.

(2) The Chairman did not communicate to the Minister either the allegations or the fact that the board had met to consider them, or that the board had decided to take no disciplinary action against the General Manager.

None of my comments tonight is to be construed at all as regards any comment concerning the General Manager. I am not involved in that at all. My comments relate to the actions of the board, based on the Minister's statement. Those actions of the board were initiated on 23 January and for some eight months the board had knowledge of it. There are two ex-members of Parliament on the board and there is a very senior public servant. The three of them would have known quite clearly that ministerial responsibility and the responsibility to tell the Minister. Every one of them knew about their responsibility to tell the Minister. However, they chose not to. Indeed, two of them are political appointees to the board. One was appointed to the Greyhound Control Board and the other to the Harness Racing Control Board. As a consequence of those appointments, they were appointed to the TAB board. They knew of their responsibility to tell the Minister. They knew of their responsibility to keep minutes of such a meeting, and they chose not to do so.

The Minister referred to the Racing Act, and so will I. Under terms and conditions of office, the Act provides:

The Governor may remove a member for (a) ... (b) ... (c) ... or (d).

Item (c) is 'Neglect of duty'. As a member of Parliament, based on the Minister's statement, I believed (and still

believe) that there was a neglect of duty to go out and at least tell the Minister. It is interesting that the new Minister of Recreation and Sport is in the Chamber tonight. Very shortly the question will be asked of the new Minister responsible for racing as to where he stands in this whole matter. The Opposition's call for the removal of the board, based on the evidence presented by the former Minister, is well on the public record, and I would hope that the new Minister will react accordingly.

*The Hon. G.J. Crafter interjecting:*

**Mr OSWALD:** The new Minister interjects that I prejudge. There is no prejudging the fact that the board did not tell the Minister, and I put it to the Minister: if this happened again and allegations like this were floated past the board and the board considered them, shredded the evidence and took no action, without even having the commonsense to pass on that information to the Minister, I believe there would clearly be a neglect of duty on the part of the members of the board.

**The Hon. G.J. Crafter:** Which members of the board are you making this assumption about?

**Mr OSWALD:** I have nominated the board, excluding Dr Morton, who is a recent nominee on the board.

**The Hon. G.J. Crafter:** What about other members of the board?

**Mr OSWALD:** I put it to the House, as I have put already to the Estimates Committee, that all members of the board are included.

**The Hon. G.J. Crafter:** You prejudge some and not others.

**Mr OSWALD:** It is not a question of prejudging anyone. I am suggesting that the evidence has been put there by the honourable member's colleague. I am basing it on the evidence put forward by his colleague that the board met as a full board, so everyone was involved in it except Dr Morton. The new Minister will have a fair test of his responsibility, as will the Premier of the day, to see whether he does anything about it or whether we see the start of a cover up. I hope that that does not happen because the eyes of many are upon the Government at the moment to see what it does about this board. I hope we will see some action shortly. With the gravity of the allegations thrown around I hope we will see a speedy resolution to the matter. I hope the Minister will be able to say within a week or so that the whole matter is resolved. To drag it on does not do anyone any justice, but at the end of the day there has been a neglect of duty on the part of the board.

It is intolerable that the board did not pass it onto the Minister and intolerable that if a member of Parliament, based on information provided by the Minister, says that he agrees with the Minister that there has been a neglect of duty, and an attempt is then made to silence the Opposition by saying, 'If you keep saying that we will issue a writ.' We are simply quoting section 45 of the Racing Act. It is a sad indictment of what is happening here in South Australia with regard to free speech.

I have only nine minutes left, so I will shift onto a couple of matters that I raised during the Estimates Committees and a couple of other matters that we were unable to raise because of insufficient time. One matter relates to turnover tax for bookmakers. In 1986, 99 bookmakers and 1 146 clerks and agents were registered, with a turnover of some \$228 million. The figure has

now dropped to 68 registered bookmakers and 682 clerks and agents with a turnover of \$114.5 million. The figure has dropped by half. The turnover tax as a percentage of gross turnover was levied at a time of significant cash flow through the bookies' bags. Since then, individual business costs have risen dramatically while turnovers have spiralled downwards. In order to prevent remaining bookmakers becoming an endangered species, will the Government do something about their turnover tax?

Turnover on the TAB has spiralled astronomically. The Government gets its percentage on the TAB and bookmakers are almost an endangered species. Their costs have skyrocketed and their expenses have never been higher, yet they are paying their full turnover tax at a time when Victoria has cut its turnover tax and Queensland has dramatically reduced its turnover tax to enable the survival of the bookmakers. If we do not maintain the survival of bookmakers it will affect TAB turnover, in which case it will affect Government revenue. That goes two ways—some back into racing and some back into general revenue. Anyone who says that bookmakers do not impact on TAB turnover should watch a race over the TAB to see what happens in the last 60 or 30 seconds before the horses jump. The pool will start off two minutes out with \$30 000 and will run up to \$80 000 or \$90 000 in the last 30 seconds. That happens because professional punters are watching the bookmakers and seeing the last bookmaker prices. Once they get an indication of where the last bookmaker prices are going, they then make their investments.

If we do not have a healthy bookmaker ring we will lose the professional punters. Instead of having turnover where we are holding \$90 000 plus on a race it will be down around \$30 000 or \$40 000 and will have a dramatic impact on our TAB turnover. If we cannot maintain our TAB turnover, the racing industry will knuckle under. So, if any member is sent off on a tangent by someone saying it does not matter about the bookmakers—and I know there are members of the TAB board and people in the racing industry who have this obsession that we can do without bookmakers—let me point out that if we decide to ignore the fact that the warning signals are that bookmakers look like becoming an endangered species and if we do not do something about the turnover tax and other matters to help them then it will impact on both the TAB turnovers and, at the end of the day, on the whole Government revenue.

The other matter that I would like to raise also relates to the TAB. In the past four consecutive years TAB turnover has risen from \$316 million, to \$465 million, to \$495 million, to \$496 million respectively. Every year it has gradually increased. Over this period the percentage of profit has dropped from the figure of 28 per cent in the first year I mentioned to 20 per cent, then 6 per cent and last year it sustained a loss of 5 per cent. Some very serious questions need to be asked about what is happening at the TAB when a business is working on fixed percentages and the turnover is rising over four years from \$316 million to nearly \$500 million and its profitability has gone from 28 per cent, to 20 per cent, to 6 per cent and now minus 5 per cent.

The new racing Minister may be interested in the reply because I have asked the TAB through Minister Mayes to provide me with a very detailed statement on what is

going on at the TAB. It is crucial to the racing industry—the third largest employer we have left in this State—that we know what is going on with the TAB and the profitability breakdowns, because we cannot maintain a statutory authority whose turnover is going up and whose profitability is going down without some sort of public explanation. It is a matter of grave concern to us, and I ask the Minister—because he is in the Chamber tonight—whether he would expedite that reply and ensure that he gets a copy of it himself, because I think that it would make very interesting reading for him. I am sure that this will be a matter that the two of us discuss at length over the next 12 months on behalf of racing.

I refer next to the question of SAJC occupation of Victoria Park and the Grand Prix Board and its activity. I have no problem with racing being moved from Victoria Park and relocated at headquarters and having its activities spread between headquarters at Morphettville and Cheltenham, with a few conditions. The conditions are centred around what sort of compensation can be arranged. Certainly, at the end of the day, racing needs an additional track and therefore money will need to be set aside for a new track. There should also be compensation for giving up the lease at the Victoria Park Racecourse.

What will happen is that the political debate will revolve more around the relocation of the Grand Prix track. I put to the Government that it should proceed with the negotiations. It will not have any problems with me in relation to the removal of horse racing, provided the compensation is adequate. However, there must be compensation to enable the industry to re-establish, to build a new track and to have some reserves to build replacement facilities. There is another argument in relation to the relocation of the track and whether the Government agrees to having any buildings constructed on the hard standing area south of the existing heritage grandstand. Time limitations tonight will now allow me to pursue that matter, but I am very happy to take up that issue on another occasion when we have more time.

In conclusion, in February 1991, the Minister said he was currently examining whether or not bookmakers should be allowed to retain unclaimed bets. I will ask the Minister on notice what was the result of that inquiry and what was the decision taken. It is really important that these small surface matters are addressed. If the Government at the time was claiming to be looking at unclaimed bets, it should do so again and look at it sympathetically. At that stage, the Minister was saying that the bookmakers in conjunction with the racing codes should adopt flair and imagination in developing a marketing strategy to attract patrons to the racecourse. That is all good and well but, if your business is struggling, it is very difficult to get involved in other matters. I urge the Government to support this proposition.

**Dr ARMITAGE (Adelaide):** In addressing the Estimates Committees and the *denouement* of those Committees in which I participated, I have to say that it was a particularly disappointing experience as such, because we were discussing the budget of a particularly tired Government. I feel that it was quite clear that the budget itself had been cobbled together around the disasters of the State's finance, and what is disturbing for

the people of South Australia is that the new Treasurer, after the move, was specifically thanked for the effort which he had put in in framing this budget—at that stage, of course, the new Treasurer was the then Minister of Finance. Given that the document itself was quite devastating for South Australia, which I feel needed an injection of hope and confidence rather than more taxes, it is a worrying thing that the new Treasurer clearly had so much of an input into that document which, as I said, was not good for South Australia and for South Australian business.

The community in South Australia reflects the lacklustre Government that we have had for 10 years, and businesses tell me on a regular basis that they have virtually given up. Is it any wonder that, when members of the business community heard the new Premier announce with much huffing and puffing and lots of bluff and bluster and so on that he would solve the WorkCover problems, and that this was part of the brave new front, the brave new world for South Australia, they believed that this was at least a window of opportunity for them? But, unfortunately, the new Premier fell into the same mire that saw the end of his predecessor, because he was unable to deliver. In the end, his colleagues nobbled him before he got into the starting gates and his desires, which were worthwhile, unfortunately were not delivered to help South Australian business. It is a pity, but nevertheless it is what many of us expected—the ALP Caucus has whipped the Premier into shape, and we have more of the same.

The strategy of the budget itself was not to address any of the problems but to acknowledge the problems and to fix them by increasing taxes rather than going to the root cause. The overall effect of this budget, as we know, will be to increase taxes by 10.4 per cent, which will impact dramatically on South Australia, particularly given that already we have the highest petrol tax in Australia; thanks very much, Mr Premier! We have the highest FID in South Australia; thanks very much, Mr former Premier! Our export share is 5.6 per cent, despite a population share of 8.4 per cent; thanks very much the former Minister of Industry, Trade and Technology, who is now the Premier! And it adds insult to injury, given the sorts of figures that I have just quoted, that the Government chooses to increase taxes by 10.4 per cent on South Australians, South Australian businesses and, perhaps even more importantly than all, South Australia's employers.

In a review of the past 10 years, the *interregnum* between the most recent and the future Liberal Government, the State debt, which was originally \$2 600 million in 1982, is now officially \$7 300 million, and it will rise by the end of this budget period to \$8 800 million. Thanks very much Labor Government. Total State liabilities will be \$13 billion. As I mention this figure I hear prudent former Treasurers and prudent former Premiers turning in their graves; they would be ashamed. South Australians in general feel let down. Given that they feel let down, they look to leadership for solutions. What do they see? They see the same old faces; they see them in slightly different responsibility areas and they see a couple of them in different seats, but they see the same old faces. South Australians were crying out for a new direction. They got an old 1980s

Government to solve 1990s problems. But I remind Labor members that South Australians have not been fooled by the supposed brave new world approach of the supposed brave new world Premier Arnold who has already been proven to have lead feet. I say they have not been fooled because the figures which were quoted from the most recent research indicated (and I am sure they will resonate loud and long through the portals of the Labor Party Caucus) that 53 per cent always beats 32 per cent.

Turning to the specifics of the Estimates Committees, in Aboriginal affairs I was distressed to highlight considerable wastage at Marla where Aboriginal administrative homes are standing vacant and \$60 000 rental per year has been turned down. Whilst I accept, as the Minister makes clear in his report to me which I received today, that he does not have direct responsibility for those homes (and I mentioned that in my question), he has a responsibility to speak to his Federal colleague and to see that the money is not wasted. It is particularly distressing to see \$60 000 rental not being taken by ATSIC when perhaps 200 kilometres away there is poor servicing and maintenance on the AP lands.

Despite all the strategies that have been devised by the Labor Government thus far, there is still the problem of petrol sniffing. I am looking forward to seeing the results of those strategies, which I understand I am to receive at some later date, but there is no doubt that petrol sniffing is still a problem in the Aboriginal lands. It is a distressing feature because petrol sniffing is so dramatic and has such dramatic effects on youth in the Aboriginal communities. The problem must be addressed.

**The Hon. T.H. Hemmings:** In which community is petrol sniffing going on?

**Dr ARMITAGE:** I tripped around the AP lands and saw it in many communities. I also visited Port Augusta.

**The Hon. T.H. Hemmings:** Where is the petrol sniffing going on at an alarming rate?

**Dr ARMITAGE:** The member for Napier is clearly trying to be inflammatory. I know that it is going on in a number of communities, and it was acknowledged in the Committee that it is still a problem. If the member for Napier believes that I am silly enough to try to further inflame this situation, he is wrong. However, I will tell him that it was admitted by public servants in the Aboriginal Affairs Department that this was a problem. Strategies have been devised and I am looking forward to seeing them working.

I also note with great optimism that in Aboriginal affairs the health workers in the communities on the AP lands are adopting strategies in which I completely concur and which are thought out laterally. They are as simple as subsidising in the canteens or shops within Aboriginal communities things such as fruit and vegetables and penalising fizzy drinks, ice creams, and so on, which are clearly bad for the Aboriginal people who have, in many instances, rates of illness such as diabetes at perhaps 40 per cent, which is a staggering figure. That is a feature of Aboriginal communities and the work that is going on there which is to be greatly applauded.

Looking at the health portfolio, we had a very interesting day in the health area, when one of the first things we discussed was the matter of waiting lists. There is no doubt that there are 9 300 people on the waiting list at the moment—not 8 500 as the new Minister told us.

To ignore the fact that they exist is the quickest way I have ever seen of getting rid of 1 000 people from the waiting lists. The Hunter report was mentioned, and one of the interesting things was the former Minister of Health's indication that there were many strategies for removing people who perhaps did not need to be on the list.

We actually quoted an example of someone living in Murray Bridge who was rung at 11 o'clock and told that, if she could get to Adelaide by 2 o'clock, she could have her operation at 2 o'clock. Given that this person had been sent to Adelaide for the operation because the doctors in Murray Bridge wanted her to have specialist anaesthetic pre-workup and specialist physicians looking at the problem, she said that she was not sure whether she could find her husband, who was somewhere in town, get down there, go through all the admission procedures, have all these workups and still be operated on by 2 o'clock, even if she had not just had morning tea, which meant that she would not have fasted for four hours. I know that you, Mr Deputy Speaker, will be interested in the fact that the clerk on the end of the phone said, 'You are clearly not interested in having your operation: I will remove you from the list.' It is a scandal that these people are on the waiting list and people with no medical expertise at all are removing them from it.

The other interesting thing about the Hunter report is that it has been particularly selectively quoted from by members opposite. One of the most interesting features of that report, which is the much vaunted strategy for solving the waiting list problem, is that the parts that were not quoted thus far in fact said things such as: it is plain stupid to have unutilised beds in the private system and for there to be 9 500 people on the waiting list in the public system. What did Mr Hunter, this eminent surgeon (and indeed he is), say was the solution: encourage private health insurance.

Where has that been mentioned in a Labor Minister of Health's press release? I wonder whether that has been selectively not quoted and is being ignored because it is directly related both to the Fightback package and to everything that we on this side of the House have said is the way to solve the problem. Whether I am right or wrong, it is a fact—

*Members interjecting:*

**Dr ARMITAGE:** Despite all the interjections opposite, Mr Hunter says, 'Let's encourage private health insurance as an effective and up-front way of cutting public hospital waiting lists.' All I can say is that we on this side of the House agree with him.

During the Estimates Committees we also talked about the fact that, as part of the plan to close Minlaton Hospital, a much vaunted plan by the South Australian Health Commission, led by the Minister despite all the tenets of supposed social justice, which everyone realises is nothing more than an election ploy, the South Australian Health Commission, despite the direct statement of the doctors at Minlaton who said 'If you plan to close our hospital we will leave Minlaton,' said, 'If you go, we will supply enough medical staff to provide the same cover.'

So, the commission then went ahead with its plans to close down the hospital, despite all the tenets of social justice, and the doctors then left. No-one was more



surprised than the Health Commission. It had only been told that was what was going to happen but its bluff had been called. So, what was its response? Its response was, 'Let's pay someone \$4 500 a week; let's give them rent free accommodation and travel expenses and so on, to cover up our bungle.' That is \$4 500 a week, with all expenses paid.

The Health Commission officers had the gall and the hide to sit here and expect the public to think that its plans were a wonderful idea. These plans directly caused the immediate departure from town of two of the best—and well recognised as the best—country doctors in South Australia, and the Health Commission then imposed this \$4 500 extra fee on the public. It is amazing.

We also found that, because of budgetary restrictions, the Children's Hospital has decided not to supply incontinence pads to spina bifida children. I learnt from the new Minister of Health that the total grand cost saving per annum, given all the emotional input that parents of children of spina bifida have had and given all the dilemmas and problems they have in their families, will be \$18 000. Yet, this is from the hospital where there is an identified saving of \$600 000 through contract cleaners offering cleaning services by competitive tender. The unions and management want it; there have been discussions between the unions, management and the firm that clearly wants it.

If members opposite want me to name the union, I will tell them: it is the Miscellaneous Workers Union. Where is Mr Heron? All the players want it; it will save \$600 000, and for some reason (I think it is that once there is one competitive tender working well it will sweep through the place) no-one on the Government side will sponsor it, and it will not be done. They are missing out on \$600 000 in savings, but they are happy to impose a \$18 000 cost on the parents of children who need incontinence pads.

We also revealed that a Health Commission document (which was nothing from the Liberal Party: this is not Liberal Party propaganda but a leaked Health Commission memo) stated, as I read out in the committee and as I will read out again, because it makes such interesting reading:

The commission is firmly of the opinion . . . that the current [health] system is unwieldy and that structural reform is a matter of priority.

That is absolutely wonderful. Here we have the Health Commission, the body which supposedly runs the place, which is responsible for health care and its provision in South Australia, stating that the current system is unwieldy and that structural reform is a matter of priority. Why has the Government, which has been controlling this unwieldy system that needs urgent reform, not done something about it? Why has it let all these unwieldinesses and inefficiencies just burgeon on in the system when it cut beds left, right and centre to solve its problems? It is an example of an absolutely tired Government that cannot make decisions; it is paralysed by its inactivity and the fact that it has this huge debt which it has created and which it does not know how to handle.

Last week I pointed out what was potentially the most revealing of all the matters in the health Estimates Committees. When asked about the Booz Allen and

Hamilton consultancy, which cost the taxpayers of South Australia a total of \$3.5 million, the Chairman of the Health Commission said, 'I don't have a copy, I've never had a copy and, if I did, I probably wouldn't have time to read it.' Isn't that great? We have beds closing all over South Australia, we spend \$4 million on a consultancy, and the Health Commission's Chairman has not read the report and does not have a copy. That is indicative of the way this Government goes around bungling and using—indeed, abusing—taxpayers' money.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

Motion carried.

**The Hon. FRANK BLEVINS:** I move:

That the remainder of the Bill be agreed to.

Motion carried.

Bill read a third time and passed.

### CRIMINAL LAW CONSOLIDATION (APPLICATION OF CRIMINAL LAW) AMENDMENT BILL

Received from the Legislative Council and read a first time.

**The Hon. FRANK BLEVINS (Deputy Premier):** 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

At common law, all crime is local. One of the consequences of this is that each State (or area of criminal jurisdiction) may only take jurisdiction over (or try) criminal offences committed within the territory of the jurisdiction. In a prosecution in which that question is that issue, the general rules is that the prosecution must prove beyond reasonable doubt that the court has jurisdiction to try the case.

This is essentially a nineteenth century doctrine of common law. It was developed at a time at which the limits of legislative and judicial power were carefully constrained by the territory under their control. Clearly, it also belonged to a time in which population and criminal mobility was far more limited than is presently the case. Over the years, the courts have had to interpret and develop the doctrine to take account of crime, such as drugs, fraud, hijacking and conspiracy, which pay no attention to the territorial limits of States, except in order to manipulate them. As a consequence, this area of law is a complex minefield.

Various legislative measures have been developed over the years to ameliorate the effects of this. Some examples are the Commonwealth Service and Execution of Process Act which is now due for a major overhaul, extradition and the Commonwealth Mutual Assistance legislation, and cooperative schemes between the States, such as those operating in the area of driving offences and confiscation of the proceeds of crime, and that proposed for orders requiring people to keep the peace.

The general question of this area of law was raised again in stark form by a case in 1984 on which the prosecution could not prove where the crime took place. The charge was murder and the alleged victim had disappeared, but the body was not found and it could not be determined with any probability, let alone certainty that, if the accused had killed the victim, where he had done so. As a result of the Standing Committee of Attorneys-General referred this matter to the Special Committee of Solicitors-General. The intractable nature of the problem led to a lengthy period of consultation between these two bodies and the Parliamentary Counsels' Committee.



These deliberations were interrupted by the decision of the High Court in *Thompson* (1989) 63 ALJR. In that case, there was sufficient evidence for a jury to conclude that the accused killed four people—but it could not be established whether this was done on the Australian Capital Territory or the New South Wales side of the border. In general terms the High Court agreed that in the case actually before them, the location of the offence need only have been proved on the balance or probabilities but significant doubts exist as to whether that would or should have been the result if there had been a significant difference between the applicable criminal laws of the two possible criminal jurisdictions.

In the course of deliberations about this problem, the Solicitors-General took the view that the territorial rule of the common criminal law was too restrictive and should also be dealt with. An overall solution was devised to cover the general rule and the specific problem raised in *Thompson*. Consideration of the solution has been protracted because of the intractable nature of the problems which arise, dealing as they do with the nature and extent of State criminal power, the burden of proof in criminal proceedings, and the inter-jurisdictional possibilities of all nature of crimes.

This Bill represents the considered best legislative solution to these problems and has been accepted both by the Solicitors-General and the Stating Committee of Attorneys-General. The draft has been considered and accepted by the Committee of Parliamentary Counsel. It has been recommended that it be enacted in each Australian criminal jurisdiction. I commend the Bill to the House.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 proposes a new section 5b to provide for the application of the criminal law of the State in any case where all of the elements of an offence exist and a territorial nexus exists between the State and at least one of these elements. The territorial nexus exists if the element is or includes an event occurring in the State, or the person alleged to have committed the offence was in the State at the time of the occurrence of an event that is, or is included in, an element of the offence. The existence of the territorial nexus will be presumed, and the presumption will be conclusive unless the court of trial is satisfied, on the balance of probabilities, that the necessary territorial nexus does not exist. The provision will not apply to an offence that makes the place of the commission of the offence an element of the offence, to an offence that excludes the requirement for a territorial nexus, or to an offence for a charge laid before the commencement of the section.

Clause 3 provides for the consequential repeal of section 17 of the Act.

Mr S.J. BAKER secured the adjournment of the debate.

#### **POLICE SUPERANNUATION (MISCELLANEOUS) AMENDMENT BILL**

Returned from the Legislative Council without amendment.

#### **ACTS INTERPRETATION (AUSTRALIA ACTS) AMENDMENT BILL**

Received from the Legislative Council and read a first time.

The Hon. FRANK BLEVINS (Deputy Premier): 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**

The purpose of this Bill is to provide that any law made before the commencement of the Australia Acts is as valid as it would have been if the Australia Acts had been in operation when the law was made. The Australia Acts consist of identical Acts of the Parliaments of the Commonwealth and the United Kingdom and were enacted at the request of the States. Each Act is called the Australia Act 1986. The legislative powers of the State Parliament, after the commencement of the Australia Acts in 1986, are wider than they were before the commencement of the Australia Acts. Before the commencement of the Australia Acts the legislative powers of the State were limited in at least three ways:

1. The State Parliament had no power to pass laws having extra-territorial effect.

2. The State Parliament had no power to pass laws which were repugnant to Imperial legislation applying to the Colony (now the State).

3. The State Parliament had no power (and still has no power) to pass laws inconsistent with the Commonwealth Constitution.

The Australia Acts removed the residual colonial fetters on State legislative powers by providing that State legislative powers include the power to make laws having extra-territorial operation and by removing the possibility that future State laws might be invalid because of repugnancy to United Kingdom law. The third constitutional limitation on legislative powers, of course, remains.

Concern has been expressed that legislation passed before the Australia Acts might still be held to be invalid on either of the first two grounds mentioned. The Special Committee of Solicitors-General has examined this issue and recommended to the Standing Committee of Attorneys-General that each jurisdiction pass legislation declaring the validity of all legislation in place at the date that the Australia Acts came into operation. The Special Committee after considering a number of legislative drafts has recommended a model Bill to be enacted in all jurisdictions.

The Standing Committee of Attorneys-General has accepted the advice of the Special Committee and agreed to the amendment. Each State is to introduce similar legislation. To date, the Act has been passed by the New South Wales Parliament.

The passage of this measure will add certainty to the law. The Bill applies to all State legislation enacted before, and still in force at, the coming into operation of the Australia Acts. The Bill provides that all such legislation is as valid and effective as it would have been if passed after the coming into operation of the Australia Acts. This measure is basically of a precautionary nature. No cases have yet arisen where it has been demonstrated that there is any inadequacy in the law. It is considered that the amendment will remove the risk of unwarranted technical objections to laws passed prior to 1986 which have been considered to be valid and have operated and been enforced accordingly.

I commend this Bill to Honourable Members.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 provides that the measure will be taken to have come into operation immediately after the commencement of the Australia Acts.

Clause 3 amends section 4 of the principal Act by inserting a definition of 'Australia Acts'. The term means the Australia Act 1986 of the Commonwealth and the Australia Act 1986 of the United Kingdom.

Clause 4 inserts new section 22b into the principal Act. This provides that each provision of an Act or statutory instrument enacted or made, or purporting to have been enacted or made, before the commencement of the Australia Acts is as valid as it would have been, and has the same effect as it would have had, if the Australia Acts had been in operation at the time of its enactment or making or purported enactment or making.

A statutory instrument is—

- a regulation, rule, by-law or statute made under an Act;
- a code or standard made, approved or adopted under an Act;

or

- any other instrument of a legislative character made or in force under an Act (see section 4 of the principal Act).

Mr S.J. BAKER secured the adjournment of the debate.

**BUSINESS FRANCHISE (PETROLEUM PRODUCTS) (FEES) AMENDMENT BILL**

Adjourned debate on second reading.  
(Continued from 27 August. Page 475.)

**Mr S.J. BAKER (Mitcham):** All South Australians should be outraged at this measure. When the community is suffering under the worst conditions it has seen since the Great Depression, and when this Government has done much to destroy the quality of life in South Australia, we have a Bill before us that will increase the price of petrol in Adelaide so that our petrol is the most expensively taxed by State jurisdiction throughout Australia. It is not good enough. I hope that the Premier and the Cabinet are proud of themselves, because I do not know how any member on the other side of the House could sit idly by and see their constituents treated in this fashion. There is no doubt that what we have here tonight is a disgrace: it is an insult to the people of South Australia. It is just another measure to pick up some revenue to bail out the problems that have been created by the State Bank.

I feel outraged, as does everybody else, to think that the poor taxpayers of South Australia, the motorists of South Australia, the people who cannot afford to pay more tax, are being hit once again to somehow make some inroads into the \$3 150 million that this State Government has lost through the State Bank. And that is not the only disaster; we have SGIC and a number of other instrumentalities such as Woods and Forests, SATCO and Scrimber—and the list goes on—which have caused great pain to this community. Before I address the elements of this Bill, I make the observation that, with the difficulties people are facing, with 85 000 people or thereabouts out of work, and with household incomes under great stress, it is absolutely inappropriate that we reduce the capacity of such people to enjoy their lives.

Every member of this House would recognise and realise that, for families in South Australia, for families in Adelaide and country areas, perhaps one of the freedoms they have left is to get into a car and visit a beach, a resort or a tourist attraction. Such activity has previously been regarded as free, and now this Government is making every attempt to reduce the quality of life and the capacity of people to enjoy one of the few freedoms left to them. Everyone should be up in arms, as we have seen at the petrol stations and bowlers, expressing their disgust at the Arnold Labor Government regarding this measure.

I remind the House that, when this Government came to power in November 1982, the tax collections on petrol, the business franchise collections, amounted to a mere \$25.8 million. From this budget alone, the Government expects to collect \$129.9 million in petrol tax. For any mathematician, that is an increase of 403 per cent or, in real terms, 318 per cent. With inflation over that period of approximately 85 per cent, we have a real increase in the petrol tax of 318 per cent. That is absolutely unconscionable, as the member for Stuart would

understand, because the member for Stuart's constituents have been denied the opportunity to come to Adelaide for such simple things as surgery. They cannot afford to get into their cars because of the way this Government is taxing their petrol tank.

What has the Government done with all this revenue over a period of time? We note that until 1982-83 all the money collected from petrol tax went towards road funding. It was put into roads to make them better and safer for South Australian motorists. In 1982-83 that sum was \$25.7 million, and in 1992-93 it is still only \$25.7 million, yet the total revenue take is \$129.9 million.

*The Hon. P.B. Arnold interjecting:*

**Mr S.J. BAKER:** Well, the \$25.7 million we have spent on our roads can effectively be almost halved; half the value is going into our roads, yet the Government has reaped a 318 per cent real increase, and the motorists have to put up with the rubbish of our roads that we see today. If members want a graphic illustration of that, I can only suggest that they look at what happened during the floods when we saw the condition of our roads deteriorate to the extent they could not withstand water erosion. We have had whole sections of roads in areas close to Adelaide being washed away. It disgusts me that in this day and age with so much revenue being collected we cannot even provide proper services in respect of roads, and that has resulted directly from this Labor Government, which has taken so much money away from road funding.

When I first looked at the Bill I wondered how people could cope, and it is important to detail the type of increases that are taking place. Within zone 1, the Adelaide zone, it was 5.5c a litre State taxation for leaded petrol, but from 1 October 1992 that increased to 8.94c because of additional charges imposed on petrol. In zone 2 the increase was from 4.24c to 6.65c a litre and in zone 3, from 3.03c to 4.04c a litre.

For unleaded petrol the increase is similar, but there is not the full impost of the EPA levy, and I will address that matter later. We see similar increases, but we can deduct 15c for the EPA levy, which is applied only in half measure in respect of unleaded petrol. As to distillate, which is an important product, because we rely on transport in country areas to get our goods to our eastern and western State markets, the price increased from 1 October from 6.71c to 10.03c a litre, an increase of 3.32c. In zone 2 it has increased from 5.5c to 7.8c and in zone 3, from 4.24c to 5.5c a litre.

That indicates that this Government has no conception of the difficulties facing South Australians. It has no conception that to be competitive with other States we have to be cheaper, better and more productive. We have to reduce the cost of production in South Australia to a level that makes us more than competitive. The A.D. Little report referred to this and members have referred to it: we have to become a lower cost State than we are today in order to give our businesses and employment a chance. We have 85 000 people unemployed and the Government goes about taxing them in iniquitous ways that directly impact on their capacity to enjoy their diminished lifestyle.

It directly affects their capacity to get a job because South Australia is becoming more and more uncompetitive. On numerous occasions I have mentioned

a need for a lean and efficient Government that does not make mistakes, a Government that can stand on a proud record of achievement, yet we see the total opposite from this Government. It is not only the State Bank with its huge problem but the way the Government is run. I refer to all the public servants employed during the so-called good times and the total lack of scrutiny of Government agencies.

They have impacted on South Australians, who will have to pay billions for the next one or two decades. This serious matter should have been addressed by the Government. It has not been properly addressed and so we see this further taxation measure among all the others which have been previously outlined to the House and which are impacting on South Australians. As I said previously in this House, we seem to be top of the pops—top in so many areas of State taxation—and if any other areas remain unscathed, the Government is doing a very strenuous job of ensuring that we become the top taxation State in almost all areas.

I return to the issue of our dependency on transport. There is no doubt that, for example, the farming community has a very high dependency on transport. It has a very high dependency on fuel for its production. The member for Stuart and I have been on select committees together and we know what is facing people in rural areas, in the towns and in the country areas. We know the banks are reducing their capacity to live a normal life and that every cent counts, and to treat the rural communities in this way at a time of great crisis does no credit to the Government or to any member of the Government who did not fight that measure and oppose this iniquitous petrol tax.

I have been provided with details of fuel costs on broad acre farms and dairy farms. The table, produced by ABARE in their Farm Surveys Report of 1992, shows that in 1990-91 fuel, oil and grease costs per farm in South Australia added up to an average of \$8 550 per farm. That represents a whopping 8.3 per cent of all cash costs paid out on farms. So, it is a very significant item. Any movement in petrol, and more importantly diesel, hits the farming community at a time when they can ill afford it. Further, we should realise that that cost relationship has escalated in recent years. For example, in 1989-90 the cost of fuel represented 7.7 per cent of farm income, so farming properties have experienced a significant escalation in this respect.

The information provided in relation to dairy farms shows a somewhat lower figure, as members would appreciate, because the soil does not have to be tilled, but even so the costs were significant, coming in at 5.1 per cent in 1989-90 and 5.6 per cent in 1990-91 which is the latest information available to me through the 1992 Farm Surveys Report.

When Governments put on taxes they should look at the impact of those taxes in areas which are very sensitive, areas which are under stress, and they should minimise that impact to ensure that we can give people a go and not tax them out of existence as this particular measure does. The farming community is obviously outraged at the measures contained in this Bill. Townspeople in the country areas must be outraged at what they see in this Bill, because whilst the cost of the tax is lower in country areas the cost of transport—

#### *Members interjecting:*

Mr S.J. BAKER: The cost of transport, of course, takes it to a far more expensive level for many of them than the costs applying in Adelaide. I have expressed some extreme reservations and anger about what is happening in country areas, but the same anger must be felt in all constituencies throughout the Adelaide metropolitan area, because they too have to pay this increased price. They are now paying the highest and most vicious prices that prevail in terms of the State tax component compared to anywhere else in Australia.

That is nothing to be proud of, and it is something that this Parliament should do something about. The Opposition will certainly oppose the Bill. I have mentioned the quality of life and would like members to reflect on that when they have to cast their vote when this Bill reaches the second and third reading stages, because everyone here knows of families who have not sufficient income on which to live. We find that we have the highest number of bankruptcies in the country; we have the highest levels of poverty in the country; we have the highest percentage *per capita* of those living on social welfare benefits; we have the highest percentage of supporting mothers in the country; and we have the highest percentage of people in the higher age brackets, many of whom are struggling to survive. So, for all these reasons, we do not believe that it can be countenanced in any fashion that the price of fuel should be increased in this inhumane way.

With respect to the provisions of the Bill, there are three items of which people should be mindful. The first is the indexation by the consumer price index. Initially, the declared price per litre of motor spirits is to be increased from 55c, the current price set by proclamation, to 56.43c. It is estimated to raise \$1.7 million in 1992-93 and \$2.3 million for a full year. Thereafter the declared wholesale price will be adjusted on 1 June each year using the March to March movements in the CPI, with March 1991 being the base year.

We have spoken at length in this House about indexation. We believe it is inappropriate to lock in high costs. We believe it is important that, when we are into a cost escalation, somehow it has to be drawn back. It has to be restricted because high inflation kills a country, as we have seen. We have seen a Prime Minister of this country, because of inflationary problems and balance of payments problems, set crippling interest rates because he has believed strategically that we must be a low inflation nation, yet the Prime Minister has seen fit to index the tax on fuel, and now the Arnold Labor Government has decided to follow suit. That is an inappropriate measure if we are ever going to get the costs of production and the costs facing the consumer under control in this country.

I have severe reservations about indexing petrol by the CPI. It should be borne in mind that this is an indexation upon an indexation. The Federal Government already collects its excise also tied into the CPI. So, it is already indexed. It already increases as inflation increases. Then we have our inflationary burst on top of that. So, we have a double whammy in the system, and the State has traditionally managed to obtain extra revenue by keeping rates at the same level, simply because of the indexation process at the Federal level.

The second item is the increase in the tax rates, and this is the one that I find the most iniquitous. By applying a higher set of taxation percentage on the declared rate, the Government intends to raise the price of petrol and diesel by 3c a litre in zone 1, which is within 50 km of the GPO, by 2c a litre in zone 2, which is from 50 to 100 km of the GPO, and 1c a litre in zone 3, which is the rest of the State. The Government expects to raise \$32 million in 1992-93 and \$43 million in a full year. I will not pursue that. It is another \$43 million in a full year. The \$32 million is being brought to account this year and contributes to the massive tax take of \$129 million this financial year.

The third item of taxation is to apply a levy to fund the EPA by further increasing fuel tax by .3c per litre for leaded petrol and .15c per litre for unleaded petrol and diesel. The Government expects to raise \$3.1 million in 1992-93 and \$4.1 million in a full year to finance the Environment Protection Authority. A further change of a fairly minor nature is to increase the licence fee for class B retailers, namely, the petroleum resellers, from \$100 to \$125 per annum, to take effect on 1 October 1993. It is interesting to note that the Government can, by regulation, change the declared price when it believes that that price is non-representative of market value. I question that in the current context.

Whilst there has been some attempt to keep the movement of declared prices, as it stands in the Act today, in some sort of close relationship with wholesale price movements, the Minister has complete discretion on the part of the Minister, by regulation, to change that relationship quite radically. Nothing in the Bill restricts the capacity of the Minister to declare whatever price he or she might call appropriate. It is interesting to note that, in other States with declared prices, to get over the excise comparison problem the declared prices are here, there and everywhere. There are some very large declared prices and some very small declared prices and if we look at percentages that apply we find that they are either higher or lower, according to the declared price. There is no logic in the declared price whatsoever and it is at the discretion of Government as to how it operates. They are the three taxation measures that the Opposition believe are unfair and unpalatable to the people of South Australia. I seek leave to insert in *Hansard* a table of a purely statistical nature.

Leave granted.

Interstate Comparisons—cents of  
State tax per litre of fuel

State	Leaded petrol	Unleaded	Diesel
South Australia*	8.95	8.80	10.03
New South Wales	6.70	6.70	6.74
Victoria	7.15	7.15	7.00
Queensland	Nil	Nil	Nil
Western Australia	5.67	5.67	7.45
Tasmania	6.15	6.11	6.11

\* This is the Adelaide rate.

Mr S.J. BAKER: The table shows that in Adelaide, for example, the tax on leaded petrol is 1.80c more than in any other State. In New South Wales, which has a number of zones (and the Minister said that we have the lowest in Australia), we see that the zone close to the

Queensland border has zero taxation as they would be unable to compete with petrol stations across the border and we would have petrol tankers situated north of the Queensland border and nothing south for some 200 kilometres. So, New South Wales has a system of zoning to keep that State reasonably comparable and as the zones get closer to Sydney the taxation applied to each zone increases.

In New South Wales, we see a tax of 6.7c per litre on leaded petrol. In Victoria, across the border, we see 7.15c per litre. That is our nearest neighbour and it has taxation which is 1.8c less than South Australia, and I remind members that Victoria has been subject to a special fuel tax to pay off the Pyramid Building Society debt. It should also be remembered that in New South Wales, which has a far lower level of State taxation than us, former Premier Greiner inserted a special tax on fuel to fund his roads system.

Despite that, the tax in New South Wales is 6.7c at the high point. It is always useful to compare Queensland and the petrol tax there is zero. If anyone wants to look at a State that has a greater capacity to progress and provide income to this nation it has to be Queensland. It is quite apparent that Queensland has the greatest growth rate of any State in Australia, and will continue to progress provided Premier Goss does not bugger it all up. He is making every attempt to do so and I imagine that at some time in the future he will also feel the need to place a tax on fuel to pay for his ever-expanding promises. But, at this stage, Queensland enjoys zero petrol tax at the State level. If one looks at the total taxation level, which was a product of Bjelke-Petersen regime, one sees that it is no wonder that Queensland is far more competitive than we are in terms of its businesses, its small businesses, its tourism and all the levels of activity that make it such a vibrant State. It is the sort of thing that we could do here if only the Government were changed.

In Western Australia the tax is 5.67c per litre on leaded petrol and in Tasmania it is 6.15c per litre. If one looks at the unleaded petrol situation one sees that all other States, except Tasmania, do not differentiate between leaded and unleaded fuel. So, the figures I stated previously remain the same. In Tasmania there is a .04c a litre differentiation. In the Bill we have before us there is a reduction of .15c per litre because there is a lower EPA levy prevailing.

In relation to diesel for zone one, we find that the tax in Adelaide is 10.03c per litre, in Sydney it is 6.74c per litre, in Victoria it is 7 cents per litre, and it is zero in Queensland. The farmers and businesses in Queensland get treated properly. In Western Australia the tax is 7.45c per litre, and in Tasmania it is 6.11c per litre. So, we do pale by comparison; we are disadvantaged by the taxation that is applied in this State and everyone would be mindful of just what an impact that will have on our communities.

The two major organisations that have made representations and been out fighting for the rights of South Australians—those at the forefront of this attack on the Government—have been the RAA and the Motor Traders Association. I wish to read into *Hansard* letters I have received—and I am sure the Government has received—in relation to the measure that we have before

the House tonight. There is no doubt that in their fight to have motorists treated decently in this State that they have got out and tried to make a difference. They have put forward the proposition that we simply cannot survive as a State if we keep imposing the highest levels of taxation. Those organisations have demonstrated the total unfairness of the system when South Australians, particularly Adelaideans, have to pay the highest fuel tax in the nation. A letter from the Royal Automobile Association, signed by Mr John Fotheringham, the Chief Executive, states:

Motorists are angry that fuel is to be taxed at an even higher rate. The hike in the metropolitan fuel tax from 5.5c per litre to 8.9c per litre represents an increase of 62 per cent. This is an enormous increase and takes the State's fuel tax level to the highest in Australia.

Petrol and diesel are not luxuries. Yet they are taxed as if they were. They carry one of the highest tax rates of any commodity. Federal excise amounts to 26.15c per litre and, with the new metropolitan State tax of 8.9c per litre, the sales tax rate equivalent for petrol is now a massive 112 per cent. The State budget tax increase will lift the cost of all goods and services and impact adversely on every household and business budget.

The tax increase gives further credence to the proposition that every service station has become an agent for the State and Commonwealth tax offices. The State fuel tax was introduced to provide revenue dedicated to road improvements when the 'ton/mile tax' on heavy vehicles was abolished in 1979. All of the money was initially dedicated to roads but, since 1983, an increasing proportion has been siphoned off for general revenue purposes. The budget papers estimate collections of \$129.9 million in the current financial year of which now only 19.8 per cent will be credited to the Highways Fund. This is highway robbery.

A significant part of the additional revenue is to be used to provide 'a new source of revenue for local government'. Our inquiries indicate that local government has previously received about \$40 million per annum from the State Government in specific purpose grants. Effectively the revenue generated by the fuel tax increase will simply replace these grants; it will not provide additional money for local government.

The fuel tax increase will simply provide more revenue for State Government coffers. How will our petrol taxes be spent? Will any be spent on roads? South Australians do not need increased fuel tax to pay for more permacine in the playground. It is unacceptable that fuel should be further taxed to provide this funding. Prior to the recent State budget, a massive 70 per cent of fuel tax revenue went to general revenue. It is totally wrong that an extra tax impost should be applied to increase the proportion going to general revenue to 80 per cent.

The increased tax includes .3c per litre and .15c per litre on leaded and unleaded petrol respectively to provide funding for the proposed Environment Protection Authority (EPA). However, by virtue of the huge fuel tax slice going to general revenue, motorists are more than paying their way in terms of the establishment of this authority. In the July 1991 discussion paper prepared by the Department of Environment and Planning on the proposal for a South Australian EPA it is stated, in relation to funding, that: 'An addition to the broadly-based levy on petrol is ruled out as an option for a number of reasons. It would add to costs and prices throughout the economy for the general public and business sector. There is growing price resistance on the part of the public to petrol price rises, particularly amongst the less well off in the community.' Why has this EPA charge been imposed when petrol is already taxed at exorbitant rates? Does the user have to pay, and pay . . . and pay?

Indexation of the formula for determining fuel tax is now proposed in the Bill. This is taxation by stealth. It just adds further to the wide range of adverse impacts of fuel tax increases throughout the community. With the already exorbitant rate of tax on fuel, automatic upward indexation is just another grab for revenue without accountability to the people of South Australia.

Motorists are justifiably angry that fuel tax has yet again been earmarked as an area for even greater revenue raising.

The association strongly opposes the provisions contained in this Bill, namely—the increased tax; the environmental levy and indexation.

I could not have expressed it better. The Motor Traders Association also felt appropriately outraged about this latest impost on motorists. I will quote from a letter written to me, I presume to all members of Parliament and to the Government, by Richard Flashman the Executive Director, which states:

The association's members will yet again become the collectors of another tax and bear the brunt of the public anger.

We acknowledge that a tax on fuel is a convenient way to raise large sums in revenue while spreading the burden as widely as possible.

Our criticisms of the Government's proposed action is tempered with support for the very small part of the fuel tax destined to fund the EPA.

Once again, however, the Government has ignored the resource represented by the retail motor industry. I refer to the proposal for noisy, smoking vehicles to be identified through random roadside checks. The industry, through properly accredited persons, could readily conduct such checks as a part of a safety inspection at all changes of ownership or at registration renewal. Such an operation will provide needed income to a beleaguered industry and save the EPA the task of setting up a completely new bureaucracy.

The larger portion of the tax impost, 3c (2c and 1c) on motor fuels, except LPG, will have a major effect on inflation in this State. Everything we consume has a freight cost component and we must expect the transport industry to pass the tax on. The tax will therefore be reflected in every supermarket and grocery store. CPI indexation of the amount must be described as reckless. Fuels are part of the CPI calculation and therefore to CPI index their price will cause automatic and never-ending increases. CPI increases will inevitably lead to adverse wage pressure on business, pressure that retailers simply cannot combat.

The motor industry largely depends on the consumer's discretionary dollar. People need not replace their cars and repairs can be carried out through the many backyard participants in the black economy. The move is therefore viewed by MTA as an irresponsible and reckless measure that cynics might believe is a thinly veiled attempt at raising revenue lost by the State Bank. We believe that the Opposition should fully explore the inflationary effect of the fuel tax, especially on lower and fixed income families. The results of such a study should then be used to bring home to the electorate the full impact of the budget proposals. It should be borne in mind that service station proprietors will have to add to the tax the necessary bank interest charges required to finance the higher costs per load. Remember that service stations are required to pay for the fuel on delivery!

Again, that is a very appropriate submission that this Parliament should clearly understand. We also have information from a number of sources about some of the problems created by the differential. I do not mean to take up the time of the House at length on this subject, but in some ways the fuel differentials that apply between the zones cause difficulties in the fuel distribution system. As I have said, there are some winners and losers in the system. My task is not to debate the issue further, but to note that there are some huge inequities, and Adelaide motorists are paying the top dollar.

I turn now to local government funding. This matter received some mention in the Minister's second reading explanation. We went to local government and asked, 'What is happening with the fuel tax? What part is going to local government? Is it going to fund new programs? Is it going to be an additional amount to increase the range of services provided by local government?'

Mr Venning: Who is going to distribute it?

Mr S.J. BAKER: That is not the most important issue. The most important issue is: what does the fuel tax

represent? Our discussions with local government drew a blank. We found that local government had discussed a number of taxation measures with the Government over a period to give local government greater self-sufficiency. There were a number of items on that agenda. Local government said to the Government, 'We would like to feel that we do not have to come cap in hand to the State Government to fund the necessary services provided by local government.' I do not have any difficulty with that concept. I am sure that local government would like to be self-sufficient and not have to rely on the State Government for \$9 million plus, for example, to look after libraries. I can understand why the Local Government Association said to the State Government, 'We would like the opportunity, even if it means having a dedicated tax, to run our own financial lives separately from State Government.' I do not have any difficulty with that at all.

However, those discussions have not progressed at all. The Local Government Association has had no guarantees from the Government as to what it will gain from the fuel tax. The only thing we could ascertain was that no new initiatives would be funded through the fuel tax, so we could wipe off additional moneys going to local government, as that is not the reality. What, then, was offered to local government? A vague promise was offered that, if this tax were in place, local government somehow could have the capacity to stand on its own two feet without having to come to the State Government.

However, no detail has been discussed as to how that will work, how much of the \$43 million will actually find its way to local government, which programs will be funded and which will not. I should like to address that in some detail at a later date when we reach the point where we know exactly what the Government is trying to achieve. We can say that the Local Government Association does not have a clue what the Government wants, needs or intends. Of course, local government has its own expectations, but I doubt whether those expectations will be met. As can be clearly understood, local government could be buying a pig in a poke. It has no fundamental understanding of what it will actually gain and what it will pay for. At this stage, local government is also a little perplexed as to what will happen with this fuel tax. It is absolutely outrageous for this Government to use local government as the excuse for raising the tax when the level of discussion has reached no stage of finality or even of partial agreement.

The way in which this tax is being imposed is almost tantamount to misleading this Parliament. Members will note, for example, if they go through the budget papers, that no reference is made to the amount of money being collected this year going to any part of local government. We are talking of over \$30 million which the Government expects to collect and which has already started to be collected at the fuel pumps. So, \$30 million is being collected, yet not one allocation of that money can be traced back to local government. The tax is being applied: it is there to bail out the State Bank and the other areas of Government mismanagement, and that is a disgrace.

It is also a disgrace to this Parliament that the Government comes before it with a taxation measure which has still not been approved by the Parliament yet

which is already effectively in place. The Treasurer of this State had an obligation to have this Bill passed at the time of the presentation of the budget. Other taxation measures have been handled equally badly by the Treasurer of this State. I do not need to remind members of what happened with the tobacco tax, the liquor tax or stamp duty and the way in which the Government brought those in and left people in a very invidious position because of the Government's lack of preparation. Yet here we have another example of the arrogance of a Government that expects this Parliament to pass a Bill.

If the Treasurer and the Premier of this State wanted this measure fully debated prior to its effective introduction, we should have had this debate before 1 October 1992. We should not have it assumed by any Government that this measure will succeed, especially when it is such an outrageous measure. It is about time that this Government had a decent dose of honesty and said, 'We are going to take these measures before the Parliament, test them before the Parliament and see whether they are capable of being passed.'

This Parliament is very finely balanced in both Houses and it needs the movement of only one person in either House for the Bill to fail. Everybody in this House understands that, and I might add that in those electorates persons of independent mind or different political persuasion will suffer as much under this measure as everybody else, and some of them more so, because they have very low incomes. So, I would ask those who have some independence or independent thought in this House to judge this Bill on its merits.

In many ways this Bill must impact on the sensibility of every South Australian, given the grave circumstances that the State is under. Also, the way in which it is being pushed through this Parliament is quite reprehensible. Therefore, never let it be seen again, because it is tantamount to assuming that Parliament has no control over, or say in, the running of this State. It is up to the Parliament to agree to the measures introduced by the Government; it is not up to the Government to assume automatically that its measures, particularly measures of this nature, will pass.

So, in concluding, I refer members to the impact that it will have on every family in this State, on our businesses and on our farmers at a time when conditions are worse than they have been since the Great Depression. The Opposition vehemently rejects the Bill.

**The Hon. H. ALLISON (Mount Gambier):** As the representative of one of the more remote country districts of South Australia (my southern border on the ocean is over 300 miles from Adelaide), I have to join our lead speaker, the member for Mitcham, in opposing the legislation, which seeks to impose yet another tax on an already sorely overtaxed community. I am referring not simply to the motorists of South Australia but also to everyone in South Australia who, one way or another, will feel the impact of yet another tax on fuel.

It is not very long ago since members of the House were speculating with some anger and concern on the possibility that the Federal Government would be introducing draconian fuel taxes and tonne/mile taxes on our heavy road transport vehicles. This opposition was on the basis that South Australia, as one of the less populous



and more remote States, would be seriously disadvantaged in comparison with the East Coast States of Queensland and New South Wales and the southern State of Victoria.

Those objections were quite properly based, yet here we have our own State Government, which is ostensibly trying to encourage industry and settlement in this State, imposing yet another tax of its own accord which will have an adverse effect upon the whole of our community and which will further disadvantage South Australia in relation to those Eastern States. A unilaterally imposed tax is even worse than a nationally imposed tax, which would at least affect all States at similar rates.

More recently—and I am speaking once again on behalf of my community in the South-East: the Mount Gambier and Upper and Lower South-East electorates—we have seen the Federal Government through Australian National and the Australian Rail Commission decide to phase out the passenger rail system to Mount Gambier (that already disappeared two to two-and-a-half years ago) and to standardise the Adelaide-Melbourne line, which will virtually exorcise the Wolsley-Mount Gambier line from that east-west link.

With two different gauges you have trans-shipment problems once the freight from the South-East arrives at the Adelaide-Melbourne line. So, that is another problem, and it will further force south-easterners, with all forms of goods coming in and out of the South-East, into using vehicles such as trucks, buses, cars and aircraft, which are almost invariably driven by one or other form of petroleum product. So, the Upper and Lower South-East areas, which are tremendous contributors to the State's wealth—they produce far more wealth on a *per capita* basis than, for example, the residents of Adelaide—will be further disadvantaged.

The State itself will see everything brought into and taken out of it increase in price as the cost of freight soars, as it must do as more and more of our product is committed to petrol driven vehicles, such as trucks. It will be dearer to live in South Australia than in the more populous Eastern States, and that will be a further disadvantage for South Australians.

The cost of fuel in more remote areas—as I well know, because I travel to and from Adelaide on a weekly basis; I come up and down from Mount Gambier at least once a week—is already well ahead of the price per litre in Adelaide. I appreciate that the Government has allowed some differential between the metropolitan area and more remote areas. But even that means that the South-East will still have to pay 74c, 75c or 76c per litre for petrol.

**The Hon. Frank Blevins:** Not because of the tax.

**The Hon. H. ALLISON:** The Minister says, 'Not because of the tax.' The tax is certainly a substantial component. One only has to look at the huge proportion of tax, either Federal or State, that goes into each litre of petrol.

**The Hon. Frank Blevins:** We're being ripped off.

**The Hon. H. ALLISON:** Well, if we are being ripped off, the South-East is being ripped off even more.

*The Hon. Frank Blevins interjecting:*

**The SPEAKER:** Order!

**The Hon. H. ALLISON:** If the Minister would like to take over the next five minutes, I would be very happy to support him.

*The Hon. Frank Blevins interjecting:*

**The SPEAKER:** Order! The Minister will have the right to respond.

**The Hon. H. ALLISON:** As the Minister is hinting—and he is quite correct—there are no price wars in remote country areas. Large oil companies do not engage in price wars in areas where there is very low consumption. So, one can assume that prices in the more remote areas will be pretty standard, and they will be pretty high, whereas in Adelaide one almost invariably arrives from the country areas to find that petrol at every service station is at a considerable or very great discount.

I simply point out that to come to work each week I would have an annual fuel bill of about \$5 000 or more, and that is using gas, not petrol. If I were using petrol, it would cost me \$8 000, \$9 000 or \$10 000 a year simply to travel from Mount Gambier to Adelaide. Once again, the State Government is making motorists and all South Australians pay for the State Bank, SGIC, Beneficial Finance, Pegasus and other fiascos which have cost and will continue to cost taxpayers dearly for decades to come. Our children have a millstone around their necks.

This money that is being raised from petrol tax will not go towards improving the condition of roads in South Australia, as well it might. It will go towards paying the huge interest debt, which must be nearing the \$1 billion a year mark, before we even start to provide any services to South Australia, instead of providing additional and improved facilities for South Australian motorists, whether they be car drivers or transport or bus operators. South Australia has a large land area and we are part of a very large country. This will automatically increase the cost of tourism. I suppose the cost of caravanning and that sort of holiday is already to the point of being exorbitant. We will see fewer caravans on the road and more caravan parks with facilities provided.

Another point that has been made by transport operators in the South-East is that there will be a tendency for South Australian fuel resellers to lose out as a result of this further tax, because truckies coming into South Australia will fill up at the border. They may install extra fuel tanks, as some have hinted they will, and fill up at the service stations across the border just to the east of Bordertown, make it to Adelaide and possibly back again without filling up within the State and fill up once they are in New South Wales at Broken Hill, in Victoria across the border from Bordertown or maybe over the border in Western Australia.

That threat has already been made and it may well be put into practice, further disadvantaging South Australia and further militating against the South Australian Government earning anywhere near the amount of revenue from truck and transport agencies that it is hoping to win. All this makes the cost of rural living higher. There is less incentive to live in the small, isolated rural communities and more incentive to move to the city—to move into Adelaide. That pattern of behavior has already been evident in the past several decades with greater pressure being placed on the Government and its departments to provide essential services such as power, gas, water, land and transport. This further exacerbates



the problems that are already being experienced by that heavy concentration of people, given that South Australia is essentially a State which is over populated in the Adelaide and Adelaide Hills area and under populated in the rest of the State. Nevertheless, the South-East is very highly productive on a *per capita* basis.

I would have a reasonable knowledge of the impact of an increased petrol tax on the transport industry since Mount Gambier has the largest concentration of truck and transports of any town or city in Australia on a *per capita* basis, with the very substantial Scott K&S transport agency plus a number of smaller transport dealers. We have a very large number of trucks moving in and out of the State literally servicing the whole of Australia. I suppose that, if that company does what other companies have threatened to do, a lot of its fuel will be purchased interstate rather than within South Australia, to South Australia's disadvantage. This is one more incentive to trade outside the State rather than within the State.

A further problem for rural people is that annually we will see the cost of fuel indexed and multiply indexed, because it will be a tax on a tax, as the member for Mitcham has said. We will also have the State and Federal components compound taxed year after year, with the State and Federal Governments, certainly not the people of South Australia, being the chief beneficiaries.

Members should compare that with the situation from 1979 to 1982 when well over 95 per cent—and I say that conservatively—of the taxes collected on petroleum by the State were committed to road improvement. Now I should think that that sum would be around the 16 per cent mark. The amount committed to roads has dwindled dramatically. Members should compare that with the Fraser Liberal Government policy of committing a 5c a litre road tax specifically for the purpose of improving the roads around Australia under the Australian bicentennial road improvement program.

That fund was substantially committed to the improvement of highways around Australia. Highway No. 1, for example, was constructed and completed largely as a result of that tax being levied. One can see improvement and appreciate taxes that go specifically towards the people who pay the taxes, that is, the motorists, the truckies, the bus operators and so on. However, one finds it hard to be appreciative of a tax such as this which is openly and blatantly being levied simply to get the Government off the hook.

This State is virtually bankrupt and the Government is bankrupt of ideas. We are on a tax and borrowing led recovery, instead of having a State that is restructured and attracting people and industry towards it. It is a negative move which I cannot support and which the people of the South-East will certainly join me in rejecting.

**The SPEAKER:** Order! the member for Goyder.

**Mr MEIER (Goyder):** I am totally opposed to this Bill. Tonight is another sad evening in the history of this State. It is sad because we are being asked to approve yet again a Government taxing measure. What sort of taxing measure? It is one that will see a 62 per cent increase in fuel excise. As members are aware, the new tax will add about 3c a litre to fuel within a 50 kilometre radius of the

Adelaide GPO, 2c a litre to fuel sold within a further 50 kilometre boundary and 1c a litre to fuel sold in the rest of South Australia.

It is proposed that this tax raise \$32 million extra revenue in the coming year and \$43 million in a full year—a massive rise in revenue. Will that actually occur? Understandably, the community reaction has been one of outrage, and I would like to thank the many people who took the opportunity to write to me to express their indignation at this massive increase in fuel tax. Many of them pointed out the consequences of this increase, including people involved in the transport industry who have identified to me the significant percentage of total cost that fuel represents.

One small transport operator indicated that fuel cost as a percentage of total cost varied between 28 per cent and 32 per cent, but he also indicated that this figure is dependent on distance travelled, wages, leave payments and the like. That is a significant cost. Another transport company indicated that this tax will cost it up to \$510 000 in a year—that is, half a million dollars. This firm indicates that it will seek to buy its fuel interstate whenever it can, because it runs about 14 trucks and uses 1.5 million litres of diesel fuel each year. Understandably, that company indicates that it will be seriously disadvantaged in its day-to-day operations. What an indictment on this Government that is brings in this tax shortly after the interim Arthur D. Little report has been handed down.

That report indicates that, if this State wants to start getting out of the mess it is in, it has to seek to be a lower taxing State. Unfortunately, this, as with several other measures in the budget, is completely opposite to what Arthur D. Little has suggested, and therefore it will be exceedingly difficult for us to get out of the mess we are in. I seek leave to have inserted in *Hansard*, a purely statistical table without my reading it.

Leave granted.

#### STATE FUEL TAX IN THE STATES

South Australia .....	8.90
Victoria .....	7.01
New South Wales .....	6.70
Tasmania .....	6.15
Western Australia .....	5.67
Queensland .....	Zero

**Mr MEIER:** This table indicates that South Australia now pays the highest fuel tax of any State: 8.9c per litre. It identifies the other States, showing that Queensland pays the least; in fact, they pay nothing. Once again Queensland is the State that leads in respect of low taxation. Members may recall that it was not long ago that I highlighted the fact that Queensland pays no financial institutions duty, and that we have many companies at present (as they have been doing for the last few years) transacting as much of their business as they can through Queensland banks. It is pretty obvious that Queensland and some of the other States will benefit at the expense of South Australia, because many of those large transports can carry excess fuel if they want to. Here was the ideal opportunity for South Australia to lead the way; to once again be the central State in real terms; to provide the opportunity for the transport industry throughout Australia to buy diesel at the cheapest possible price. But, no, the former Premier and

now the current Premier seek to make ours the highest price in the land.

I was hopeful that the Opposition might be able to block this measure, and I guess if the independent members seek to exercise their vote accordingly we still can, but the real group that I looked to was the Australian Democrats. You can understand that it really upset me seeing that the Australian Democrats occasionally try to indicate to country residents that they are concerned for their welfare, and yet in an article in the *Advertiser* recently the Australian Democrats have made it very clear that they have no intention of supporting the Opposition in opposing this measure. In fact, as Mr Elliott in another place said on 2 October:

The Democrats would not give the Liberals the necessary support to defeat the tax. The Liberals had yet to come up with a viable, fair alternative way of raising \$43 million a year.

Well, the Democrats are as bad as the Government; they are part and parcel of it, obviously, and they are not interested in the real welfare of this State. I hope the people of South Australia recognise that and will remember that at the next poll.

We have had petrol taxes and fuel taxes for a considerable period of time. I now seek the leave of the House to incorporate a second table entitled State Fuel Tax Collections, and again I give an assurance that this table is purely statistical.

Leave granted.

State Fuel Tax Collections

Year	Fuel Franchise Collections \$ million	Fuel Franchise Credited to Highways Fund \$ million	% To Highways Fund
1979/80	14.209	14.158	effectively 100
1980/81	20.230	20.167	effectively 100
1981/82	23.794	23.737	effectively 100
1982/83	25.792	25.726	effectively 100
1983/84	38.569	25.726	66.7
1984/85	48.487	25.726	53.0
1985/86	46.448	25.726	55.4
1986/87	47.285	25.726	54.4
1987/88	67.470	25.726	38.1
1988/89	76.200	25.726	33.8
1989/90	77.880	25.726	33.0
1990/91	70.133	25.726	36.7
1991/92	86.300	25.726	29.8
1992/93	129.900 (est)	25.726	19.8

**Mr MEIER:** This table shows that the State fuel tax collections since 1979-80 through to the present have been allocated progressively less and less to the Highways Fund. During the period 1979-1982, effectively 100 per cent of the State fuel tax collected went to the actual maintenance, upgrading and construction of our roads. Now, in 1992-93, that percentage has dropped to 19.8 per cent, an absolutely disgraceful situation, and people in my electorate—and I am sure throughout South Australia—continue to ask: why is not more money being spent on our roads? Here is a significant part of the answer. During the term of the Labor Government, the proportion has dropped from the 100 per cent committed to the Highways Fund to under 20 per cent—truly tragic for all of South Australia, and excessively tragic for the rural areas.

So, what effect does this fuel tax have on South Australians generally? I notice that one expert—and I often question 'experts' these days—indicated that it might add only .5 per cent to the overall cost of items. At

a time when we are trying to keep costs to an absolute minimum, when we are in a depression, any .5 per cent increase should be opposed outright, particularly when we think that the Labor Government is trying to make some political play out of the Opposition's goods and services tax, which could add as much as 3 or 4 per cent in the short term to a few items but which, in the longer term, will mean a reduction in their price. We have had a huge outcry, yet it is the Labor Government that brings in this impost. I would say that it will be much more than .5 per cent, because transport costs reflect through to our basic necessities.

I am surprised that the Labor Government should seek to increase the price of some of our everyday essentials such as bread and milk, but that is what will happen. Milk has to be transported considerable distances, initially from the farm gate to the factory, and from the factory to the distribution points, and in many places (my home town included) then delivered to the door on the morning it is ordered. So, there will be a huge fuel cost component in the price of every litre of milk. The same situation applies to bread and other essential foodstuffs.

It is not only in respect of food but the cost of motor vehicles also. All country people must have their vehicles transported to the dealers by heavy transports. I reminded the House a little earlier that one trucking firm estimates this will add another \$500 000 to its operating costs, a massive increase, and that increase will be transferred to the price we will have to pay in country areas for our motor vehicles. It will also apply to the smallest of spare parts that have to be transported by appropriate mode of transport.

*Mr Venning interjecting:*

**Mr MEIER:** As the member for Custance indicates, it is an outright disgrace, and I can only agree with his interjection. The actual cost to farmers is difficult to ascertain because each farmer will be in a different situation. I did note that the South Australian Farmers Federation spokesperson indicated that it would be at least \$130 for inner zone country farmers and at least \$80 for outer zone country farmers. I do not know what he based those figures on. I suspect that it could be for their very brief journeys between their own area and the city, apart from their transport costs in getting items to their farm, taking items off their farm and travelling around their area. It is another totally unnecessary cost.

The worst thing is that the whole fuel excise is tied up with the Federal excise and therefore the 9c needs to be added to the approximately 26c imposed at the Federal level. We recognise that petrol excise is a heavy consumption tax levied on a particularly narrow base. Excise on petroleum products has developed more and more as another avenue for Government revenue. The petroleum products excise, currently collecting about 26c per litre in revenue of which only about 6c is spent on road construction and maintenance, has been progressively increasing because of the CPI increases each year. We never hear about the increases—they just occur. Of course, it was Labor Prime Minister Hawke who brought that in, so he did not have to announce it each time. In fact, we find that the petroleum products excise has increased from \$1.3 billion in 1982-83 (when the Liberals left office) to \$6.6 billion in 1990-91. That is

a real increase of over 300 per cent under the Labor Government's reign.

**The Hon. T.H. Hemmings:** What about your goods and services tax?

**Mr MEIER:** Further, about 55 per cent of the incidence of petroleum products excise falls on business, some \$3.6 billion, while about 16 per cent of petrol excise revenue is levied on exports (some \$1.1 billion) and 15 per cent of the excise on intermediate goods, which falls directly on investments—some \$990 million. I heard the interjection 'What about the goods and services tax?' Well, what about it? We have here some 26c per litre imposed on petrol and what will the goods and services tax do? It will wipe the whole 26c per litre for any business. It will pay absolutely zero.

**The Hon. T.H. Hemmings:** What about the rest of your colleagues—if they're going for a weekend drive?

**Mr MEIER:** Okay, if they are going for a weekend drive they will pay 19c a litre less—a massive saving for the weekend driver in the area of \$11 per tankful of petrol for the weekend driver and something like \$15 per tankful for the business operator. It will stimulate business and it will stimulate tourism. It will in fact stimulate the whole of the economy in a way that we have never seen before, but these people opposite continue to knock the goods and services tax, because they do not understand it, and they are fully acknowledging that they are finished, that they have had it, and that they have taxed this country out of existence. They recognise that the goods and services tax will bring in a new low tax that people will be able to afford and this country will be able to afford.

The tax that we are debating tonight is completely unnecessary. It is an impost that should not occur. It will harm this State more than we realise because of what it is being added to already. It is a tax that comes at completely the wrong time. When Arthur D. Little says, 'Start to lower your taxes, Government, if you want to get anywhere', this Government under the new Premier says, 'We will not have that, we will keep increasing taxes like we have for the past 10 years. We will make sure that people start to scream like they have never screamed before so that the little people really hurt.' We are seeing more of the little people, the underprivileged, the people who cannot afford these taxes really hurting. Members opposite deserve the wrath of the electors at the next election. They will get that election in due course: I wish it was coming in the next few weeks, but it may be a year or so away.

We saw what happened in the Victorian election where the swing has meant that the Liberal coalition will have some 63 seats compared to Labor's 25. That is 25 too many seats for the Labor Party. We will allow the Labor Party here to have two so at least they can have a Leader and a Deputy Leader, but I would not want them to have any more. As I said at the beginning, I am totally opposed to the increase in taxes in this Bill.

**Mr SUCH (Fisher):** On behalf of my electorate I would like to register a strong objection to this increase in the cost of fuel brought about by this Government in its quest to rip a bit more off the long-suffering taxpayers of this State. In my electorate 98 per cent of the households have at least one motor car. That is not

because the people are wealthy; quite the contrary, very few are in that category. They have motor cars because they are a necessity to get to work, to transport children to and from school and to carry out normal everyday family activities. It is not a wealthy area. However, what is happening is that this Government sees car ownership as an easy means of extracting dollars from taxpayers' pockets. The motor car is a necessity in electorates like mine because the public transport system is inadequate; people who work shifts have no alternative but to use a motor car.

In fact, this impost penalises the poorer people in the community who live in the outlying suburbs of the city. They are the people who in general terms are on lower incomes; they cannot afford to buy a house close to the city. So, they live in the outer suburban areas and they are very heavily dependent upon motor transport—their own private transport. They are the people who will be paying \$4, \$5 or \$6 per week extra to satisfy the insatiable financial demands of this Government. I register a very strong protest on behalf of those people in my electorate. Indeed, many of them have expressed their concerns to me by way of letter. It takes considerable effort for people to write a letter and we know that every letter received represents a much larger number of people who feel strongly about this added impost.

I fail to understand the logic of this increase because it is an inflationary measure. We know that transport costs will be increased and that will help increase inflation. The increase in the cost of fuel increases the general running costs of businesses, whether they are in the city or in the rural area. So, what we have here is another measure by this Government which will retard business growth and expansion and hinder the creation of jobs. It is lunacy and it takes away any potential cost advantage we might have in this State. Indeed, it does exactly the opposite: it retards and hinders possible economic development and growth in this State—the very thing we actually need. Regrettably, we find this Government, with its strange approach to economics, increasing costs for business and families and doing the exact opposite to what is required. When this State needs a cost advantage in terms of being able to compete overseas and interstate what we have is the exact reverse, by a Government that fails to understand basic economics.

It is desirable to encourage conservation of fuel; I would be the first to accept that. However, there is a fine line between encouraging conservation and discouraging waste and putting additional unjustifiable cost burdens on to ordinary everyday South Australians, whether, as I indicated before, it involves transporting children to and from school or getting to work—particularly if one is a shift worker—or running a small business or operating a farm. The fuel component of business costs is significant. Those costs will be passed on and, as a consequence, the people of this State will suffer.

In conclusion, I emphasise again that on behalf of my electorate I wish to make a strong objection to this proposal, which is seen by this Government as a quick and easy way to obtain revenue from the long suffering public of this State who need a car to carry out their ordinary everyday activities.

**Mr VENNING (Custance):** I rise to speak against this Bill. The people of the mid-north and of Custance particularly object very strongly to the measures outlined in this Bill. It absolutely and totally astounds me to see a tax such as this one brought in at this time. I would have thought this Government would learn a few hometruths in the past six months—if not in the past eight years—about the problems of South Australia, indeed the problems of Australia generally. What has happened? This tax does everything that it should not do. The way out for South Australia is to provide a haven for industry, so that everybody will come to South Australia, and we can get industry moving again. This is just another impost, another hurdle, another problem that the people of South Australia do not need.

Mr Speaker, you would think it was 25 years ago when all was rosy because this tax comes in at knee high and chops everybody off; everybody is affected. It absolutely astounds me that a Government with all its problems still comes in with a measure such as this. It has not learnt a thing. You would think that, with the huge problems and the absolutely astronomical debt that we have, the Government would have learnt something but, alas, it still brings in draconian measures such as this.

We need to encourage business in this State more than ever before. Just imagine any of us leaving Parliament to start business out there—you would have rocks in your head to consider going into business. It really is a frightening thought. Anybody out there now has to be an absolute whiz-kid entrepreneur to have the chance of surviving, let alone getting on. As my colleague the member for Fisher said previously, this tax hits the poorer people, particularly those in the outer suburbs of Adelaide. They must come in from the outer areas for all their services in the city, and they will pay a disproportionate level of tax in this area.

The Government talks loud and strong about decentralisation. I believe most members individually believe in it. But what do they do? Every move they make, they do the opposite. This will just accelerate the move to the city, to the inner areas where you can avoid taxes such as this. This tax measure will cost the average farmer in South Australia \$1 000 and, as the Minister said earlier, we do appreciate the differential, but we are still paying a lot more for fuel in rural areas of South Australia than we are in the total area of South Australia. We are paying more for fuel on South Australian farms than people are paying anywhere else in Australia. So, the differential is the least we can expect.

Petrol and diesel are not luxury items. The Government is absolutely hypocritical; these born-again economic developers, have, by this deed tonight, brought higher prices to business, primary industries and consumers. This will not get the economy going again. This will mean higher costs in petrol and fuel; everything that is freighted in or out of South Australia will have this cost built into it. Everything that is freighted at all, whether it be food, clothes, or machinery, will now have an increase in freight costs built into it. The freight component is in everything, particularly as we see fewer and fewer goods coming through Port Adelaide; they are coming from interstate. It worries me very much: it is a completely retrograde tax. Where is this extra money going? We have heard very clearly tonight where it is supposed to be

going. As a member who has spent 10 years in local government, I am increasingly very sceptical about the suggestion it will go there. Also, the Environmental Protection Authority is to get some money as well. I am very concerned about the local government aspect in the Bannon budget speech. It states:

The other significant change concerns the establishment of a new tax base for local government by way of an increase in the rates of duty payable on petroleum products, the revenue from which will be made available to local government.

Blind Freddy could see what will happen here. Money will be available. However, it will be given by the one hand and taken by the other. London to a bush, as much money as is received will disappear on the other hand. The grants will not be coming.

**Mr Ferguson:** It is London to a brick.

**Mr VENNING:** It is London to a brick, or whatever you like, but as a man from the bush that is the one I use. Will all the money go to local government? When this Government came to power in 1982 every dollar that was collected on fuel tax was spent on roads and that sum has not increased one cent for the duration of this Government. In fact less than 20 per cent of what is collected is now spent on roads.

What will happen to local government's cut? Will it receive 100 per cent of collections? No way. It would be a complete reversal of form if that were to happen. I have asked the question before and no-one has yet given me an answer as to who will distribute this money. It ought to be in the Bill, but there is nothing there at all. Again, it is in the lap of the gods as to who will distribute the money. Is the money guaranteed in the long term? Obviously not. What grants will local government lose? There are plenty of those. The Government can move those around at will whenever it likes, and it will.

My greatest worry is the 'special purpose grants'. They will probably be lost. That would have a big impact on road building and maintenance in country areas. I have noticed in the last couple of months, particularly with the rains, how our road infrastructure has been damaged. I ask any member of the House to drive around the State and see the condition of the roads and how much we are repairing or rebuilding them. Again, I refer to my friend blind Freddy: he can see—anybody can see—that we are slipping behind with our road replacement program. What will it be like in five years? At the moment we are replacing very few roads. I foresee that in places we will be ripping up bitumen roads and converting them to rubble roads because we cannot afford to re-bituminise or reseal them. These roads all over the place are breaking up with water getting under the edges. The Government is not spending any money on them at all. It concerns me as I drive around the State and see what is happening. We are not doing anything to reverse the trend.

State Governments are renowned for passing responsibility for things on to local government and then withdrawing the funding a year or two later leaving local government holding the baby. The second reading speech for the Fuel Bill made only a passing reference to local government. As we go on, we are hearing less and less about it. It merely referred to additional levies for local government purposes. It does not sound like a major commitment or a significant move towards funding for local government. I am very worried about local government being conned.

The Government cares little for country roads, as is obvious to anyone who drives on them. One knows when one passes Gepps Cross because the bumps in the road increase rapidly. Every cent of the fuel excise introduced by the Liberal Government in 1979-80 went into the Highways Fund. I never hear any Government member refute these facts. Right up to 1982-83, 100 per cent collected was 100 per cent spent on roads. When the Bannon Government arrived on the scene in 1983-84, it froze the amount earmarked. The Highways Fund of 1982-83 is at exactly the same level of \$26 million today. Its relative value has gone down and the tax revenue from fuel has gone up. Less than \$26 million has gone to the Highways Fund and our country roads. The figure has not even been adjusted for inflation. This year of the projected \$129.9 million raised in fuel tax only 19.8 per cent will go to roads—less than one-fifth. If that is not highway robbery, I do not know what is. It is an absolute disgrace. It is a blatant grab for cash to bail out the Government's disgraceful debt.

South Australian voters are paying hand over fist. People living in the country are paying more for petrol and produce, and they are paying more for goods with freight components. This is a regressive tax that hits the poor people more than the rest. Even if they do not drive a car, everything they consume will contain a tax component. Where is the Government's commitment to this State and to our constituents? It is in the State Bank vaults.

As the new chum of this House, I wish that someone would tell me the ground rules. How can we in this House be debating a Bill when it has already been introduced out on the streets? I hope that someone will take me aside and explain that to me, because to me it does not sound quite right. While we are debating this Bill, the measure has already been introduced out on the streets, so we are putting the cart before the horse. If ever we have seen an arrogant Government, a Government that has lost pace and run out of ideas, this must be it.

I must have it all wrong. I must still be a fresher from outside, because I thought that we had to pass Bills in this House before they became law. Apparently, it is the other way round: you put the measure out there and then bring it in here to have it passed. Someone should put me right on this, because I am all at sea with this one. It is absolute arrogance, and this Government has no credibility at all, not only in the way it runs the State but in the way it runs the Parliament.

It is absolutely ridiculous. This sort of tax impacts on everyone. It impacts on a person in Adelaide and on a person in the country; it impacts on tourism and affects everyone and everything. It will affect the fuel resellers as well. Not only will they pick up the increased licence fee of \$125 on their bowlers but they will lose business interstate.

As an owner and driver of big trucks before I came into this place, I know that most of these units will hold up to 1 200 litres of fuel. You can fill up before you enter this State, do your business and go, then fill up again after you leave the State. That is what will happen. It will happen on the Western Australian border and, particularly, on the Queensland border, as there is no tax on fuel in Queensland, and it will happen in Victoria. What will this cost the resellers and businesses of South

Australia? What will it do to the resellers in the South-East adjacent to the Victorian border? It will almost put them out of business. I wonder whether things such as this are considered when the Government introduces this type of legislation, when we are obviously out of kilter with what happens in every other State in Australia. However, the Government does these things *ad nauseam* with no consideration for those affected.

This State has the most expensive fuel in Australia. When I could first comprehend what things cost, I realised that South Australia was the cheapest State in Australia. That was when Tom Playford was our Premier. We in this State prided ourselves on having the lowest costs in the country, so this is the absolute pits—we now have the highest priced fuel in Australia. It absolutely amazes me. I do appreciate, as the Minister said, the 3c differential for the rural zone, but it is still dearer there than in the city.

Last Sunday night I filled up in the city, and it cost me 69.9c per litre. In Crystal Brook it was 72c, as it is in Clare and most other areas of the mid-north—so it is still cheaper in Adelaide. I am very concerned about the Democrats' support for this measure. I thought that the Democrats were supposed to 'keep the Bs honest' (I will not use the word, because I believe that we are not supposed to use those words in this House), but where are they in a situation such as this? When we need them, where are they? They have gone to water. They are not there, yet they have the hide to come out and say, 'We are here to keep the Bs honest' and they let a tax like this go through. It makes me very cross. Who do they think they are conning out there? Once again, we see here the hypocrisy in the stand of the Democrats. They can be blamed along with the Government for many of our problems. The Government is bankrupt, not only of money but of ideas, of any expertise and of any enthusiasm to handle the problems we have at hand.

This problem is very serious and it is moves such as this that have made the people of South Australia so cynical, not only towards the Government but also towards this House and politicians in general. The South Australian people are taking a big dive in their standard of living. They are just starting to realise that; they are just starting to take the dive, and this will be a significant burden on all South Australians, especially those who rely on fuel first to make a living and secondly to move about. This is a cowardly way to pay for this Government's total and absolute inadequacies. The Government has not learnt anything. The South Australian body is almost dead and it does not need a kick in the belly like this. I urge all members to oppose the Bill.

**The Hon. T.R. GROOM (Minister of Primary Industries):** I move:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

**The Hon. T.H. HEMMINGS (Napier):** Just to let the member for Custance know that it is not all bad in the country, if I heard the member for Custance correctly, he said the price of petroleum in Clare is 72c. The price for petroleum in Elizabeth and Munno Para is 72.5c, so let

me just say to the member for Custance that this is not just about country people. I find it rather strange that all I ever hear from members opposite is the plight of country people. If members opposite have an argument against this legislation, let them embrace the whole of South Australia, rather than in that narrow, parochial way they always adopt when they talk about country people, how this and that affect country people. South Australia is made up of urban dwellers, country dwellers, small business people, capitalists, rich pharmacists, wealthy farmers, struggling members for Peake—the whole lot—so let us embrace the whole of South Australia, not just country people.

Having got that off my chest, I will go into the arguments for this piece of legislation. You will find it not surprising, Sir, that I support this Bill. I am not saying I am happy with it; no-one is happy with an increase in the price of petrol and the way it affects all of our lives, but at least I know the reasons why it has been introduced. If members opposite were to give any logical reasons why it should be opposed, rather than this carping criticism of this piece of legislation without really understanding anything about it and the emotional things about how the cost of living will go up, etc., I might be willing to listen to it. I am hopeful that when the members for Light and Flinders stand up at least we will get some reasoned, logical argument against the legislation. I do not include the member for Bright, because he said he would make a speech praising my chairmanship of Estimates Committee B and he has failed to deliver, so I really cannot include him in this context.

It is rather strange that there was a complete lack of opposition to this measure from members on the other side until they received their marching orders from Fotheringham and the RAA. If you recall, Sir, this measure was signalled very early on in the piece. It was introduced in the budget in August, and we heard not a whimper from members opposite until Mr Fotheringham sent us that letter. On cue, they all stood up and started to make urgent noises about how this would cripple the State of South Australia.

In fact, we have heard tonight about the number of letters members have received from their electors about this iniquitous tax. For the information of the House, I have received four letters, including the one from Fotheringham. So, I have received three letters from members of my electorate, which has been referred to often tonight during this debate as consisting of working class people who live in the outer suburbs and who must rely on their motor car to get from point A to point B. Yet, I have received only three letters, and two of those were *pro forma* letters which the RAA advised my constituents to send to their local member. So, all I have received is one genuine letter of complaint.

When I telephoned that person and explained what it was all about, he said, 'I don't agree with it, but at least I now understand why the Government has had to do it.' He did not threaten to kill himself or say that his family would starve. He had a legitimate complaint about this tax increase in the same way as many people have legitimate reasons against tax increases. However, after I spoke to that one person he understood why we did it.

When the Deputy Leader was in charge of the Liberal Party while the Leader was overseas, he was asked the

direct question: 'If you were in Government, would you repeal this piece of legislation?' The Deputy Leader, in a classic case of having two bob each way, would neither confirm nor deny. Not one member opposite, after describing how this tax increase would cripple the State of South Australia and drive businesses out of the State, kill off those businesses in the South-East that are close to the Victorian border, and do all those things which in one word could be described as Armageddon, has stood up and said, 'At the next election, as part of our policy, we will repeal this piece of legislation.'

We all know that the Leader of the Opposition had lunch today with Rupert Murdoch, but we are still not sure who paid for it and we are not quite sure what instructions the Leader of the Opposition was given by Rupert Murdoch. However, we all know that Rupert Murdoch, in his desire to get rid of the Labor Government not only in this State but everywhere, would surely have said to the Leader of the Opposition, 'If you want to get a guernsey on this, you should come into the House, go on TV and say, "We will repeal this piece of legislation; we will reduce significantly the price of petrol so that business can once again surge forward, so that weekend drivers can go here, there and everywhere, so that those people who live in country areas can bring their wives and families down to good old Adelaide,"' but not once have we heard any member opposite say that they will repeal this legislation.

I am not referring to the member for Murray-Mallee, who runs around like a loose cannon. I want a responsible member of the Liberal Party—

**Mr LEWIS:** I rise on a point of order, Mr Speaker. To imply that I am irresponsible is a reflection on me. Indeed, the member for Napier has not only implied that I am irresponsible: he has said I am. I ask him to withdraw that remark.

**The SPEAKER:** The member for Murray-Mallee has requested a withdrawal of the statement made by the member for Napier.

**The Hon. T.H. HEMMINGS:** I don't wish to be pedantic but I don't recall saying 'irresponsible'. I said the member for Murray-Mallee is like a loose cannon; I do not think that is saying that the member for Murray-Mallee is irresponsible. If you, Sir, and the member for Murray-Mallee think that by saying—

**The SPEAKER:** The Chair would appreciate a withdrawal.

**The Hon. T.H. HEMMINGS:** I do withdraw, Sir, and humbly apologise to the member for Murray-Mallee. I am saying that I do not want anyone like the member for Murray-Mallee or some other obscure backbencher to stand up and say that they will repeal this piece of legislation: I want to hear that from the Leader of the Opposition or the Deputy Leader. But no, Sir, we will not hear anything; we will not hear a word, because what we hear today is the usual hypocritical carping and whingeing statements of members opposite.

If per chance members opposite come over and sit on the Treasury benches they will be like pigs in a trough drawing it in from the motorist to pay for all their grandiose pork-barrelling schemes to prop up their marginal seats. You, Sir, know that to be true, the same as I do. All I want to hear members opposite say, to give

it some degree of seriousness, is that they will repeal it, but they do not.

We have even had the hapless member for Mitcham, who is always given the job of leading the debate on behalf of the Opposition, castigating the Government because as a result of the floods at the Gawler River dirt roads were washed away. He said that it was our fault because of this high levy that we put on the petrol tax. What the member for Mitcham did not realise was that all the roads affected by the floods were council-controlled roads and had nothing at all to do with the Department of Road Transport, the Government's budget or the petrol tax. Are you not pleased, Sir, that he lost his job as Deputy Leader; are you not pleased at that result?

**The SPEAKER:** The member for Napier will not put any imputation upon the Chair.

**The Hon. T.H. HEMMINGS:** Not on you, Sir. Is not the member for Henley Beach pleased—

**The SPEAKER:** And the member for Napier will direct his remarks to the Chair, not to the member for Henley Beach.

**The Hon. T.H. HEMMINGS:** We also have had the criticism of members opposite with regard to the rural community and how this increased cost will affect their production and the way that their farms are run. In fact, the member for Mitcham quoted some of the problems of people in the rural communities whom we saw when sitting on the Select Committee on Rural Finance, and I actually take that point.

The wealthy farmers around Clare, where there is very fertile land (and there are very few poor farmers around Clare), are paying .5c a litre less than the unemployed in Elizabeth. I do not hear the unemployed in Elizabeth complaining, because they know that there are times when they need to tighten their belts. The farmer in Clare who drives his Mercedes down to the local garage and fills up his tank at .5c a litre less than the people in Elizabeth and Munno Para has no reason at all to complain.

With regard to the cost of agricultural machinery, I gladly pay the excise on my agricultural machinery. I have no problems with that; nor have my colleagues, because we know, despite the fact that we are paying .5c a litre more than they are at Clare, that this extra increase, whilst no-one likes it, is very necessary. The sooner members opposite stop whingeing and carping in their parochial way to look after that very small group of people whom they represent in this State, the better it will be for all of us. I look forward to hearing from other members opposite who can perhaps look at the issue on a broader scale.

*Mr McKee interjecting:*

**The Hon. T.H. HEMMINGS:** The member for Gilles says that that is impossible. I do not know, because I always think that somewhere there may be a beacon shining through the fog and eventually we will hear such comments from members opposite, perhaps from the member for Light. As I said, I do not like the increase, and I know that you do not like it, Mr Speaker, but it is necessary to increase the rate at this time and all I can say to the Government is, 'Thank goodness it looked after the people of Clare. It is about time it started looking after the people of Elizabeth.'

**The SPEAKER:** Order! The member for Bright.

**Mr MATTHEW (Bright):** I, too, oppose the Bill and the impost on South Australian families and businesses. I express my disappointment about the words uttered by the member for Napier in this Parliament tonight. The member for Napier claims he has received just three letters from constituents and one from the RAA—four letters in all—about this tax. My office and the offices of my colleagues have been absolutely inundated with complaints about this tax, and I can only assume that the member for Napier has received so few letters because the people of Napier are already writing to the member for Hartley—the new Minister—who is of course the Independent candidate for Napier at the next election.

This impost on our State means that we now see a 3c a litre increase in fuel tax which, together with a .3c per litre environmental fund levy, will make fuel in Adelaide the most heavily taxed in Australia. Adelaide consumers will pay 8.95c a litre tax on super, 8.8c a litre on unleaded petrol and 10c a litre on diesel, making us head and shoulders the most expensive capital for fuel.

The 8.9c per litre for super in Adelaide compares with no tax at all in Queensland, 5.67c in Western Australia, 6.7c in New South Wales and 7.15c in Victoria, even with Victoria's massive financial problems. It is quite clear that this Government, which is to reap petrol tax from the pockets of South Australian families and businesses in order to repay the debts in relation to the State Bank, will obtain a massive \$43 million a year from South Australians through this tax.

This comes at a time when we have no incentive at all for people to establish businesses in this State so that they can start employing, providing jobs and starting to return our State to economic prosperity once again. With this extra impost we now see this Government offering South Australians the highest WorkCover premiums in Australia, the highest FID and BAD taxes in Australia, the second highest electricity tariffs and now, should this Bill pass, the highest petrol tax in Australia.

We have seen our debt blow out from \$7.3 billion to a likely \$8.8 billion, and we can add to that the State's unfunded liabilities for superannuation and other liabilities of about \$5 billion; we are looking at a total liability of \$14 billion in this State. That is equivalent to \$9 000 for every man, woman and child in South Australia—\$36 000 for a family of four. That is the impost on South Australians and it is the impost that is being covered in part through this tax that again can offer nothing more than hardship for South Australians.

Earlier the member for Napier wanted to hear about letters, and it is my pleasure to cite in part more than the four letters that the member for Napier has received. I received the first letter on 30 September, and it states in part:

I am appalled that day by day we hear negative news from almost every quarter and experience the burden of heavier taxes as a result. The latest is the increase in petrol tax. Many of us are working in a depressed economy and slowly going backward—some not so slowly—and the dole begins to look attractive. I am giving serious thought to moving away from South Australia to avoid the crushing burdens this Government continues to place upon us, many others are doing the same! The spirit of many I talk to is being crushed and it is time right now to stop inhibiting business endeavour. The citizens of this State



can no longer fund the errors of Government and as a motorist look for some—(no matter how small)—relief.

Another constituent who contacted my office rang to explain that her husband is a self employed cleaner and that their petrol bill is becoming ridiculous. They are fed up with carrying the State Bank debt as a family, they cannot afford to convert their car to LPG and the cost of this petrol impost is eating into their profits. I have a letter from two other constituents, a husband and wife, which states, in part:

I wish to advise you in no uncertain manner that we are very much against the imposing of extra tax on fuel in South Australia as from last week. This Labor Government obviously is continually imposing new or extra taxes to compensate for their own inefficiency and to retain their own high standard of living while the taxpayers' standard of living is deteriorating far too rapidly. Many of us have planned for our retirement from earlier in our lives, and have never received Social Service payments from the Government at any time, and are now being penalised to the extent our future is quite uncertain with a Government such as we have at present. Please make every effort to have this raise in taxes abolished along with the many other parasite taxes which have been imposed on us during the reign of this Government.

Yet another letter I received from a constituent from South Brighton states, in part—

*The Hon. T.H. Hemmings interjecting:*

Mr MATTHEW: The member for Napier does not seem to like this, because he is now hearing that more than four letters have been written, but I will continue to read these letters. The letter states, in part:

This is to register my protest as a motorist—where is it going to end! It is about time the public stood up and was counted in its objection to yet another indirect cost to increase our overall cost of living. Please object on behalf of one of your constituents, Mr Matthew.

The next letter is from a constituent of Brighton:

I have never written to my MP, however, the situation is such that I feel it's time to render my opinion in writing. This State Government has made life difficult for small business. There is absolutely no incentive in this State for people to work harder or longer hours as the more money an individual makes the more tax we pay. WorkCover is a joke! The hospital system, particularly for pensioners and families not in a private medical fund is a white elephant.

Another letter states, in part:

Please act on our behalf to express the latest shock about the increase in petrol tax. Funds that are being misused by our Government to cover up their incompetence in handling funds. This increase is hurting us especially since we depend, with four little children, on transportation and daily basic expenses, such as food.

Another letter I received states, in part:

As electors in Brighton we wish to protest at the recent increase in the State petrol tax. My wife and I are retired persons trying to live on a fixed income without having to resort to an age or service pension with relevant concessions. You will appreciate falling interest rates have affected our income and an increase in taxes such as this must result in a reduction in our standard of living.

Another letter from a constituent of Seacombe Heights reads, in part:

I am writing to protest against the increased tax on petrol. Aside from this issue, the residents of Adelaide seem to always pay more for petrol, through taxes, than their counterparts in other capital cities. I think it is appalling that due to the Government's mismanagement of the State Bank, SGIC, etc, we should have to bail them out, as well as grease the palms in Canberra. Something should be done to amend this situation. For petrol like bread and milk is an everyday commodity for most people at all socioeconomic levels.

The final letter I quote from is from a constituent from Marino and states, in part:

I am writing to lodge my protest regarding the huge increase in State petrol tax. It is unjust and unfair as not only are the motorists affected but everyone because of higher costs involved in freight costs etc. Trusting this tax can be somehow repealed.

That is a small percentage of the letters that were sent to my electorate office complaining of this impost.

*Mr Holloway interjecting:*

Mr MATTHEW: The member for Mitchell has continually been interjecting and asking how have I responded. I know I am not supposed to respond to interjections so I will not do that, but I will explain to the House through you, Mr Speaker, how I responded to my constituents and then perhaps the member for Mitchell will be happy. I will do that by concentrating on a statement from the member for Napier.

The member for Napier told this Parliament that he wants to know what we are going to do, and wanted someone to stand up and tell him what a Liberal Government would do with this tax. Well, Mr Speaker, the member for Napier has been told time and again in this Parliament what a Liberal Government will be doing with respect to State taxes and charges. For the benefit of the member for Napier and others who may not have heard, or were out at the time, or perhaps did not bother to listen, I will go through it again. The Liberal Party has stated in no uncertain terms that, in Government, we will ensure that South Australia is a competitive State and that our costs, our taxes and charges, are at a level that is competitive with other States.

*The Hon. T.H. Hemmings interjecting:*

Mr MATTHEW: Therefore, if the member for Napier, who continues to interject, and others pick up the list of taxes that are imposed on other States and read through that list, and look at the price of petrol in each State, they can rest assured and be content with the knowledge that the Liberal Party undertakes to match the lowest of those States' petrol charges. However, the point is that, whilst we as an Opposition would dearly love to repeal every tax impost that has been introduced by this rogue Government in its continued belting of the South Australian taxpayer with taxes in order to cover its debt, on coming into Government the Liberal Party will inherit that \$14 billion of debt created by this Government, so the South Australian taxpayers understand that we will work to make South Australia competitive again and work towards the abolition of these taxes completely. However, in the first instance, we as a Government—and the member for Napier must have heard this statement before—will be working towards a situation where we are cost competitive.

The major thrust of the debate in this Chamber today has been that this Government is taking us beyond a cost-competitive situation. We are no longer a cost-competitive State. Among those letters that I read to the Parliament this evening, some were from small business people. Those letters expressed a startling sentiment. They expressed a belief that the people would be better off to move their businesses out of this State, but it goes beyond the businesses. Some of those letters were from families; others were from retirees and others were from pensioners: ordinary South Australians from every walk of life who will feel the effects of this tax. In this time of recession, it is vital that this extra impost is rejected.

*The Hon. T.H. Hemmings interjecting:*

**Mr MATTHEW:** It is vital that this Parliament throws out this Bill so there is not a need for the member for Napier to ask: will the Liberal Government repeal it? We want this Bill thrown out now so we do not have to consider that action. This Bill should not pass in the first place. That is the challenge I am throwing out to the member for Napier. If he is concerned that his constituents, who do not write to him in Elizabeth, are actually paying more for petrol than that paid by the member for Custance—if that is the case—the member for Napier has the opportunity to make a stand in this House and cross the floor to vote with the Opposition to oppose this Bill so that he might actually get some congratulatory letters from his constituents. Instead of writing to the member for Hartley, who is also the Independent candidate for Napier, the people of the electorate of Napier may then have some newfound faith in their member of Parliament, who has indicated quite publicly that he is about to retire from this Parliament at the next election. Is it any wonder that these people simply have not written to their member of Parliament?

*Members interjecting:*

**Mr MATTHEW:** The interjections still continue. Members opposite consistently criticise the Fightback package in this Parliament. Judging from some of the comments thrown at the Liberal Party in this place, as well as at the National Party, it is quite clear that many, if not all, members of the Government have not even taken the trouble to read the Fightback document. The member for Mitchell held up in this Parliament a pamphlet, a small extract from Fightback, but not the Fightback document. I repeat: an extract is not the entire document.

If the member for Mitchell seriously wishes the Opposition to regard him as a debater with knowledge of his topic, I invite him to read Fightback. I am sure that if the honourable member cares to telephone the Liberal Party secretary he would be only too happy to sell him a copy of Fightback for his learning. It would make very good bedtime reading and I am sure that we would have a much wiser member for Mitchell after that exercise had been completed. When the member for Mitchell reads that document he will find that the Hewson Liberal Government (as indeed we would have by the middle of next year) will reduce the cost of petrol by 19c a litre. Then the member for Napier will find that the people from Elizabeth are paying a lot less for their petrol. They will not be sending him letters thanking him for that but rather sending them to the Federal Liberal member for that electorate, as indeed there will be at that time: it will be a Federal Liberal member as a result of the large turnaround in the voting pattern that we will see in that part of our city.

The people on the northern side of the city, as well as I am sure the people of your electorate, Mr Speaker, are only too well aware of how hard they have been hit lately. I am sure that your electors look to you, Sir, as our electors look to us for action to be taken on this Bill. I am sure that the electors of Semaphore will be watching eagerly to see the Bill defeated in this Parliament and they, like all South Australians, should not be expected to be subjected to this unnecessary impost.

If nothing else, the day the petrol pump price and signs out the front of petrol stations went over 70c it was a monument right across our city and countryside to the absolute incompetence of this Government. I am happy to let the member for Napier know that through the care shown by petrol station proprietors in my electorate 3 000 brochures were handed to people who purchased petrol in my electorate on the first day that petrol pump prices went up. Those brochures were taken willingly off the counter and informed people of what this Government had done to them through this tax impost.

Is it any wonder South Australians are angry and any wonder members opposite are now silent? I challenge one member of this Government to stand up in his or her electorate and justify this taxation increase at a public meeting. I guarantee that they will be howled down. I reject this Bill categorically. It should be thrown out in no uncertain terms as an indication to the people of South Australia that this Parliament will tolerate no further impost from this Government.

**Mr FERGUSON (Henley Beach):** I was restrained from entering the debate until I heard the contributions from members opposite. I could not contain myself because of the unfair way this debate has been heading.

*Mr S.J. Baker interjecting:*

**Mr FERGUSON:** If the member for Mitcham can contain himself, I will explain how members opposite have been so unfair in the propositions they have been putting up. I refer to the letter writing campaign alluded to by the previous member. I am disturbed at the collusion that occurred between the RAA and the Liberal Party with respect to the number of letters received by local members. It is strange that Mr Fotheringham decided to run a very expensive campaign from the RAA.

*Mr Lewis interjecting:*

**The SPEAKER:** Order!

**Mr FERGUSON:** If the member for Murray-Mallee would like to get back into his straitjacket we might be able to get on with this debate. I have been a member of the RAA for 41 years and to my knowledge it has never consulted its members about how much money it should be spending—our money—in respect of a political campaign. To my mind there has definitely been collusion between RAA and the Liberal Party on this campaign on petrol prices. I have checked back on every single letter that I received immediately following the campaign that was undertaken by the RAA and every letter that came to my office was sent to me by a Liberal Party supporter. It seems to me that there has been a meeting of the Liberal Party in my district, no doubt chaired by Mr Steve Condous, and it seems that the Liberal Party has decided that it will run a letter writing campaign in collusion with the RAA in order to beat up a storm on this particular issue.

I should like to refer to another letter I have received, just to put the record straight, because members of the Opposition have been reading letters from their constituents into the record, and I would like to read a letter from one of my constituents. It states:

Dear Mr Ferguson,

Since I saw on the TV that petrol prices would rise I must admit that I haven't been too pleased with the Government. However, since Mr Arnold explained the reason for the rise and how our prices compared with the other States I have come to

realise that no matter how distasteful it may seem it is necessary. Please keep up the good work Mr Ferguson.

Yours sincerely (signed).

I have read that letter into the record to ensure that there is some balance in this debate. The theme that I want to take up—and I do hope that Mr Fotheringham is prepared to answer this proposition—concerns who decides about how much of members' money the RAA is going to use in respect of these political campaigns. There appears to have been some very strong collusion with Mr Fotheringham. I do not know whether or not Mr Fotheringham is a member of the Liberal Party, but I would not be at all surprised. There seems to be some very strong collusion between Mr Fotheringham and what has been happening so far as the Liberal Party organisation is concerned, at least within my electorate.

I cannot understand why member after member of the Opposition has stood up and quoted the country petrol prices but not mentioned their powerful friends in the oil companies who have been doing something about causing high petrol prices in the country. Not one member of the Opposition is prepared to lay the blame regarding high petrol prices in the country. Because if anyone opposite has read this legislation carefully—and the member for Custance was complaining bitterly about the high prices of petrol in the country—they would have noted that there is at least 4c difference between the amount of tax charged for country and city people. In fact, the Minister at the front bench has explained to me that it is more than that, that it is more like 4.5c. What the member for Custance did not explain was: assuming that the cartage on that petrol costs 2c a litre—and that is an excessive amount of money—the people at Clare should be charged 2.5c less than the people in the city. Why is it that members of the Liberal Party have not got on their feet and complained about the oil companies and the way that they are charging the prices to their country members?

**The Hon. T.H. Hemmings:** Because they get the donations.

**Mr FERGUSON:** The member for Napier is right. Is it not true that the rich oil companies provide very big donations to the Liberal Party come the time of the elections? So, if everybody was fair dinkum about this proposition, they would be blaming not the tax but the oil companies for the high prices of petrol in this country. I hope that, when the member for Murray-Mallee gets up to rebut this proposition, he will explain to the Parliament why he is not prepared to blame the oil companies for the high price of petrol that they are charging for people in the country, and they are probably making excessive profits on it.

Speaker after speaker from the Opposition benches has talked about the taxes in South Australia being the highest in the country. I have never heard such a load of nonsense. South Australia is a low-tax State. And if you do not think it is a low-tax State, you ought to go over to New South Wales, where there is a Liberal Government, and pay the sorts of prices they are asked to pay over there; have a look at the registration on motor cars that they must pay; have a look at their third party insurance; have a look at the price they pay for their drivers' licences; have a look at their rates and taxes over there; have a look at the State taxes they have to pay as compared to South Australia.

**Mr Lewis:** Water is cheaper in New South Wales.

**Mr FERGUSON:** Water is certainly not cheaper in New South Wales. Water charges in New South Wales are at least 30 to 40 per cent higher than they are in South Australia. Not only that, what about the service charges they have to pay for water in New South Wales under a Liberal Government? I refer to the KPMG Peat Marwick South Australian Business Climate Study, and I quote from the report:

Nevertheless, in terms of State Government imposts at least, South Australia is a low tax State. The perception and the reality do not gel, however. Payroll tax is seen as particularly pernicious, yet only Queensland charges lower rates than South Australia. The payroll tax burden is also somewhat lower in South Australia because of the State's lower average wage rates.

The member for Mitcham was talking about South Australia having to be a low cost State. He was assuming that the increases in taxes that we have had put South Australia out of that category. It is not so; it is simply not the truth. The truth is that South Australia has lower average wage rates than either Victoria or New South Wales, and we are still a low cost State. This is the second lowest taxing State in the whole of Australia and we can outdo the other States for costs. Our manufacturing industry has been so successful because we provide to the other States in the white goods and motor car industry manufactured goods and manufactured motor parts. This is the best State to be able to do that. The Peat Marwick report also states:

If State taxes and charges are a major business concern, this is more a reflection of the business climate than what caused it. Entrepreneurial endeavour will not be impeded by minor differences in payroll thresholds or in FID rates. This is not to suggest that costs are not important, but any perceived differential between South Australia and other States is more imagined than real . . .

I have been concerned about the unfair way that the Opposition has tackled this proposition. No Government wants to increase taxes, and it is a problem to have to stand up and support increases in taxation. However, the point is that if we are not to increase taxes we shall have to reduce our services, and no member of the Opposition has yet been prepared to say where he would reduce services to overcome this State's problems. It is all very well to go into a frenzy, as we have seen Opposition members do from time to time tonight, but they have not been prepared to tell us what their policy would be if they were in the same position as we are. All we have had has been blind, unfair criticism about this tax with very little logic attached to it, and they have not been prepared to put in its place what their policy might be if they were in the same situation.

I do not have much more to add to what I have already said. I hope that from now on we shall hear more logical arguments on this proposition. Naturally, I shall be supporting it. The suggestion put forward by Opposition members, that they will oppose this proposition all the way, is very irresponsible, but it sets a precedent. If the State is unfortunate enough to receive a Liberal Administration at some time in the future, the attitude that has been taken by the Liberal Opposition leaves us as a Party free in the future to oppose all tax increases put forward by what might be a Liberal Administration both in this place and in another place.

Any Opposition that aspires to Government and thinks that it may take over the Treasury benches ought to think very carefully about the position it is taking in respect of

budgetary matters. I believe that what we have seen in the past few days is a precedent that members opposite may well regret in due course, because it leaves us morally free as a Party to oppose any budgetary contribution that might be put up by any future Liberal Government, both in this place and in another place. I hope that from now on we have some sensible contributions, rather than the less thoughtful contributions we have had so far. I will be supporting the proposition.

**Mr LEWIS (Murray-Mallee):** I hardly know where to start after that kind of diatribe. I knew from the outset that it was not serious, because the member for Henley Beach could not even do his sums on his own RAA membership, or else he does not know how many annual rings he has. He said that he had been a member for 41 years. So far as I am aware, his age is not 57.

**Mr FERGUSON:** On a point of order, Mr Speaker, unfortunately, I am 57.

**The SPEAKER:** There is no point of order.

**Mr LEWIS:** What we need to do here is understand exactly what is happening.

**The Hon. Frank Blevins:** What's your next one? Ask him another?

**Mr LEWIS:** It might be embarrassing. To prop up its maladministration, the Government is seeking to obtain a further \$43 million from an increase in the tax rates under this Bill, in the first instance, plus \$4.1 million, making \$47.1 million, from the levy it proposes to finance the Environmental Protection Authority. I do not know why motorists should pay, nor do I understand why, with the incidence of this tax falling more heavily on country people, the Government expects that country people should therefore pay more proportionately for the Environmental Protection Authority.

But \$47.1 million is not the total. There is an additional \$2.3 million, making \$49.4 million, approximately \$1 million a week in a full year from these increases. The \$2.3 million about which I spoke is the indexation of it by the CPI, that is, an indexation of the declared price per litre of the motor spirit. Where at present the declared price is said to be 55c—and that is set by proclamation—it is going up to 56.43c. That will bring in a further \$2.3 million in a full year. It will be adjusted thereafter by movements of the CPI for each year, using the March to March movement. Given that that is what the Government proposes, we all need to recognise that every South Australian—almost one million adult South Australians—will be paying an additional \$1 per week on average for this increase in fuel costs.

That is amazing: a further \$1 a week for every adult. It will not be as even and as fair as that, and I will explain why. There is no public transport in rural areas and families that need to get children to recreational activities or to school (and school buses and routes are being removed in significant numbers) will find they will have to fork out more, not because the cost per litre is more but because country people have to travel substantially greater distances for the essentials of living. Their reliance and dependence on fuel as the lifeblood of their families and lives will cost them very much more than the increase that will fall on the pockets of people living in urban South Australia.

It is not simply as the members for Napier and Henley Beach (who have left the Chamber now after saying that they wanted to hear some rational argument) have said; it is not just that rural families and rural people will suffer or that farmers are whingeing—it is not that at all. It is that everything they buy has a far greater freight component, and a significant proportion of that is the cost of fuel. The freight charge on everything they get will be so much higher. The incidence of this tax will fall more heavily on rural communities, especially families, than it does on urban people. They do not have an option to avoid it; they do not have public transport and they do not have paved roads to the same degree as is provided in urban South Australia. Worse than that, their attempts to diversify their economic base to try to provide themselves with bootstraps by which they can pull themselves up out of the mire of debt into which they have been plunged by this State Government's irresponsibility will be further hampered.

Another industry that they and we as a State are trying to develop is tourism. Of course, what we do when we increase tax on fuel is signal to everyone living elsewhere in Australia that it is not a good idea to go on a motoring holiday in South Australia, because the fuel costs more and, if there are other places they would like to go first, they should go there. The fuel cost component of their holiday, given that they have planned to see those other places at some time as a family, perhaps in the next decade, will mean that in the short run it will be cheaper to go to those other places first, rather than South Australia. So, that is a hit against the development of our tourism industry.

It is particularly bad in rural South Australia, because they rely almost entirely on people who travel by motor car to get there—if not by car, then certainly by bus—and those costs will have to rise in South Australia *vis-a-vis* elsewhere. So, that is the reason why we stand here in all honesty and all fairness and with balanced, considered analysis of the facts and say to the Government, the Minister and the members for Henley Beach and Napier, 'Wrong way! Go back!' It is what one sees on every exit ramp one tries to drive up on the freeway: 'You are heading the wrong way.' That is the truth of it, and this Government has not heeded that warning wherever and whenever we have told it, any time in the past 10 years.

Instead, their inane supporters both inside and outside this place say that we are whingeing. If we are whingeing when we try to alert them to the folly of the direction they are taking, to the fact that they are on a collision course, why is it that so often we turn out to be sadly correct in our predictions? You, Mr Speaker, and the Minister at the bench, have heard what I and other members have had to say about the consequences of this kind of tax. There is absolutely no reason why rural people should be expected to bear this burden. Indeed, there is no reason why the people of South Australia would have had to contemplate bearing this burden that is now being foisted upon them if the Government had heeded our warnings.

The tragedy is that the Government did not listen and, as has been pointed out by other members, about \$14 billion can now be identified as the State Government's total indebtedness together with the unfunded liability in

a number of schemes that has to be met at some point or other in the future as a consequence of the Government's irresponsible policies—and there is no need for me to detail those. We are not whingeing and carping; we are trying to explain to members opposite that the money they want to collect is from real people. Let me therefore put it to members opposite in a way in which I think they will understand.

After the next election, if they are lucky, there will be you, Mr Speaker, the new member for Napier and the member for Elizabeth and possibly seven others. I wonder who they will be. The remaining 14 members will retire on a pension. I will help them to understand what it is like to be a constituent of mine when the Government moves a measure such as this. I will stand up in this place and move to cut their pension in half, because of the irresponsible fashion in which they have mismanaged the economy. Anyone who has been a member of the Labor Party and supported its irresponsible economic policies deserves to have their pension cut in half.

Members opposite will then feel what it is like because, when they lose half their pension, they will lose on average about five times as much as most families that I represent earn in a year, and they will have just as much left to spend. Think about it, Mr Deputy Speaker. How would you like to lose half your pension? I remind you that you will still be living on a much higher income than most of my constituents have had for some time, but the effects of your proposal and that of your ministerial colleague and other members to increase taxes in this way need to be brought home to you in some fashion that you will begin to understand.

I want to correct a mistake, a deliberately deceitful comment made by the member for Henley Beach during his speech to the Chamber on this matter. I have a purely statistical table, which shows the annual commercial water rate for all major cities in Australia giving the cents per kilolitre in 1990 and 1991 and the percentage increases that have taken place. I seek leave to insert this table in *Hansard* without my reading it.

Leave granted.

NUS INTERNATIONAL PTY LTD  
Annual Commercial Water Price Survey Australian Major Cities,  
1 July 1991

Rank	City	Cents/ kL 1990	Cents/ kL 1991	% Increase	% ROI
1	Adelaide	80.0	85.0	6.3	4.7
2	Brisbane	78.0	80.0	2.6	3.4
3	Sydney	55.0	64.3	16.9	2.8
4	Perth	56.6	58.9	4.1	2.2
5	Melbourne	54.2	57.4	5.9	4.1
6	Canberra	47.0	53.0	12.8	3.2
7	Darwin	34.0	38.0	11.8	4.1
8	Hobart	35.0	37.0	5.7	3.8
Averages		59.2	55.0	8.2	3.5

Notes:

1. Prices quoted are for usage in excess of any allowance available under property valuations.
2. Where variable step/block structures are applied, the price quoted is the final step/block price.
3. Service availability charges, environmental levies and other taxes/imposts are excluded.

Mr LEWIS: It shows that Adelaide is No. 1, the most expensive centre in Australia.

Mr Venning: For water.

Mr LEWIS: For water, and that is what the member for Henley Beach said was not the case: he said it was dearer in Sydney. Mr Deputy Speaker, let me disabuse you of that. In Sydney in 1990 the price was 55c a litre and in Adelaide it was 80c a litre; and last year in Sydney it was 64.3c and we were 85c. That is quite a deal of difference. Indeed, it is over 20c which, as a proportion of the price, is around 30 per cent of the price paid in New South Wales. Another Liberal State is Tasmania, and there it is only 37c per kilolitre.

An honourable member: That is even better water quality.

Mr LEWIS: It is not only better quality but also it is a lot cheaper. So the member for Henley Beach was very wrong to mislead the House in that way, don't you think? In addition to that, let me also help the member for Henley Beach understand that Mr Fotheringham has not been in contact with the Liberal Party and that the letters that are being written by members of the general public have not been solicited by him, by me nor by any other member of the Liberal Party in any campaign in collusion with either the RAA or anyone else: they come quite spontaneously. I certainly have no knowledge of any such collusion and I have not had any report of any such collusion given to me by any of my colleagues.

To my mind it is a poor thing for the member for Henley Beach to reflect so badly on the integrity of a defenceless member of the staff—indeed, the CEO—of the RAA. How tragic it is that someone in this place should seek to attack somebody in that way. I have heard other members refer to that kind of thing as being scurrilous.

We need to understand that as members of Parliament we are simply not making decisions that are convenient for ourselves when we change tax rates and increase the burden of taxation: we are literally saying to the citizens of South Australia, every jolly living one of them (and we should be prepared to say it face to face), 'I am going to take more money from your pocket'—as the Government is doing—and leave you with less because in our opinion we will do better with that money than you can do yourselves.'

That is what the Government is saying by voting for the proposal that it has brought in here to increase these taxation measures. That is not fair and we (and I am not speaking for the Liberal Party in saying that; I am really saying that it is the Government that has not thought it through) have not thought carefully enough about the effects that our decisions have on people. I do not think that one family in South Australia would believe that this Government is more entitled to that dollar every week than they are. They have worked for it; the Government certainly has not. The only thing the Government has earned is the contempt of the people for its mismanagement of the economy.

Mr Holloway interjecting:

Mr LEWIS: It knew it was doing it. The member for Mitchell, as a member of the Government, knows that it has been doing it, and it has ignored the warnings that have been given to it by members of the Opposition and the public. The warnings that were given by way of correspondence that has been referred to by other members—and I could go and get my own file—are still

treated with contempt, and that is unfortunate, because it shows the level of arrogance and insensitivity which Government members have in dealing with measures such as this.

**The Hon. B.C. EASTICK (Light):** I stand to speak on behalf of the people throughout South Australia, whether they be in the country or the city, because they are all adversely affected by the measure that is before us. It becomes a matter of degree, from one place to another, as to where the precise impact comes. I pick up the fact that the Government has sanctioned and taken no action whatsoever against fuel outlets presently charging as if this tax, which is being debated now, was in place, because the increases that have occurred since 1 October have been real and are being charged now in anticipation of the passage of this measure. For a Government to allow that to happen is an abdication of its true responsibility to the people of the State.

The other point I make quite deliberately is that, notwithstanding that there is a differential between leaded and unleaded fuel, I defy any member to show me more than the odd petrol station across the whole metropolitan area that is presently offering that differential to the people of South Australia. I have seen one. We have a situation where the new livery of a number of service stations ensures that they will not be able to show the differential because, conveniently for them, they have grouped super and unleaded on the one automatic markup window of their various displays.

The member for Henley Beach, as Deputy Speaker, will remember the position in New Zealand a few weeks ago when we found a differential there of 4c a litre between leaded and unleaded fuel. There is no way that we can expect that 4c difference in South Australia based on the figures that have been given to us thus far, but at least the differential was passed on to the public. In this Bill, whilst there is a clear indication that there is an expectation of there being a differential, the Government has made no statement and it has not sought through the appropriate Minister to draw attention to the fact that the people of South Australia are being ripped off by there being no differential in the price that exists between leaded and unleaded petrol.

The Government took the deliberate action, and it is all reported in *Hansard* at page 475, when the then Premier brought down this measure: the differential was there for a purpose. It was clear that, because the environment was involved and because the differential was associated with the environmental impact, those who were not polluting as greatly as others would reap a benefit. Yet, the Government has failed the people of South Australia since 1 October in not bringing to their attention the fact that they ought to be able to obtain their unleaded petrol with that differential.

I am concerned for the people of South Australia on that basis, whether they vote for members opposite or for the Opposition. First, the Government has permitted these charges to be made in anticipation of a price rise and, secondly, the differential that was dangled as a carrot to sell the use of the environmental package has not been enforced and has not even been questioned by the Government. I take it from the nod I got a few minutes ago that that is a clear indication that those are the

circumstances prevailing in the marketplace at present. I suggest that it is not good enough—quite apart from our abhorrence of this measure—that a Government that has dangled a carrot has not taken the initiative, on behalf of the Parliament and the people that it claims to represent, to present to them that differential which is their right.

The second point I would make is that we approach this measure because of the failings of the Labor Government. We are in this position of making up the leeway of Government funds because of the transgressions, and I am not going to recite them one after the other as so many of my colleagues have done and correctly done. We are opposing this measure for the very real reason that the Government has not shown responsibility and, in enforcing this additional cost on the people of South Australia, is not showing responsibility at this moment.

The member for Napier requested that we give a commitment as to what we would do in relation to this measure on coming into government. Of course, it was a bait. The honourable member who was talking about his agricultural machinery—and I hesitate to ask whether he uses leaded or unleaded petrol in his mobilised hobby horse, because that is all he has got—asked us to give a clear indication of what we would do. I found myself in something of a similar position in 1975 when a lot of people were asking, 'What are you going to do about taxes?' I told the people then, 'No commitment can be given on what will be given back until such time as we find the true situation in the Treasury.'

I draw the attention of members from both sides of the House to the circumstances which occurred in Victoria but 10 days ago when, after the first of the briefings obtained by the then Premier elect, he was able to say to the people of Victoria (and it has subsequently been supported by other documentation), 'The position in this State financially is worse than we and the people of Victoria have been led to believe.' Certainly, the Tonkin Government found that in 1979. In 1979 when this Party took the Treasury benches we found that the debts and the difficulties associated with running government were far worse than had been publicly portrayed.

**The Hon. D.J. Hopgood:** Tell us about 1982.

**The Hon. B.C. EASTICK:** I am happy to refer the honourable member's attention to 1982, which was not as has been represented by members of the Labor Party ever since that time; the debt incurred had a continuing impact upon the State of South Australia, whether it related to Monarto, Samcor or any of the other organisations that had been bailed out of a deficit situation which had persisted through the Dunstan 1970s. That is a fact of life; it is a fact of life that put the State of South Australia in a parlous situation because of the commitments made by the Dunstan Government to the Whitlam Government. The large amounts of money which were expended on the basis of Whitlam promises that never came to be left this State with heavy debt in relation to Monarto—

*Mr Holloway interjecting:*

**The Hon. B.C. EASTICK:** I am very pleased that the member for Mitchell, out of his place, has informed us about the value of the railways. He should look at the railways at the present moment and what we did not get out of the railways. He should go back and recap on what



the Hon. Donald Dunstan, as Premier and Treasurer of this State, promised the people of South Australia they would receive from the sale of the railways—and it did not happen. I draw attention to the fact that we, as a Party, would be irresponsible to the people of South Australia to make the sort of commitment that the member for Napier was baying for, because we have no clear indication of what is in the Treasury.

The amounts which have been fudged, those which have been identified already since the budget was brought down on 27 August, are a very clear indication of the uncertainty that exists for any person going into the Treasury office, whether it be the present Treasurer or the Treasurer-to-be after the next election. There will be no clear indication until the auditing of the Treasury documents can be properly attested to.

Presently we get comments relative to commercial confidentiality. We are not allowed to know the truth of the matter. We are not allowed to know the truth of the amount of money which is still outstanding by way of indebtedness to the Australian Taxation Office for the so-called benefits of accounting methods which are very questionable and which have been proved to be questionable. All these matters are the reason why this money is being raised at present; they are the reason why I, on behalf of the people of South Australia that I represent, find it quite abhorrent. I find equally abhorrent the failure of the Government to do anything about the existing pricing mechanism.

**Mr BLACKER (Flinders):** I oppose this legislation and I do so because it is a cost on incentive and business, and therefore it is a cost on jobs. The cost of this legislation is quite clearly set out in terms of the loss of jobs and the loss of businesses. We in this State must make up our mind whether or not we intend to encourage business. The new Premier, although talking about his ideas for the future of the State and looking to the future, has turned around and imposed an increase in tax on the business enterprises of this State. That is something of a contradiction in terms. He cannot win and he cannot encourage business whilst he further imposes taxes of this kind.

Many members have spoken this afternoon and this evening about this legislation, and there has been some debate as to whether we are talking about country or State issues. It does not really matter. Every individual is affected by this legislation, even if they do not own a vehicle. They are affected, because the cost of public transport, and therefore the cost of taxes to cover that, are brought into it. Those people who live in country areas are more seriously affected than those who live in the metropolitan area who do not have heavy transport costs to and from their employment or in their businesses with respect to the dispersal of their products or the taking in of commodities. However, with respect to country people, whether in relation to raw products for processing or the produce going onto the market, there is an additional cost every way we turn.

Much has been said about country businesses, and I have been contacted by a baker who does a delivery run to many country towns on Eyre Peninsula. How does one build this extra cost into the cost of a loaf of bread delivered across the peninsula to a range of different

towns? It is impossible. It just squeezes his operation to the stage where he must question whether it is viable. Therefore, he leaves himself open to attack by the multinationals, which can bring in produce by the semi-trailer load. The bigger they are, the more they can disperse their costs.

Having said that, I would like to refer to a few other areas, one being the fishing industry. I note from the figures provided that the cost of distillate will rise to 10.3c per litre for diesel fuel in the Adelaide zone. I do not know how the fishing industry fits into this equation—whether it is ex-Adelaide for those who bunker in Adelaide or whether they can take the respective zones for wherever they bunker.

I presume that wherever they bunker they can get the appropriate rate. Let us use as an example a tuna vessel with a large freezer currently using 80 gallons or 356 litres an hour. If it were bunkering in Adelaide it is 10.03c a litre, which is \$35.70 an hour in State fuel tax, not including the Federal excise tax. If we multiply that by 24 hours a day, which applies to these vessels, it is \$857 a day and, assuming that that vessel can work for 280 days a year, \$240 000 per annum is going to State tax coffers via the fuel tax on distillate. All of that is a cost of production and, regrettably, nearly all of it is the cost of getting from the berth to the fishing ground and return, so basically it is a transport cost. One does not have to work out the cost this would involve to the total industry, but we can easily work out the revenue to the State Government.

I may be using extreme figures, and I hope that I am, as I would not like to think that all major tuna boats operating out of my electorate are up for \$250 000 a year, but on those figures it would seem that they are. Whether it be \$250 000 or a fraction of that figure, it is a cost of production, and for those individual family fishing companies this cost means not only jobs but also the fact that the efficiency of their operation will be very difficult to continue on that basis. It probably accounts for the fact that a number of our large fishing operations are in some financial difficulty presently.

The Government would be aware that two or three of our larger fishing operations that we thought had been going so well are indeed facing problems. If they are up for \$857 a day in State fuel tax on their operation, is it any wonder they are in some sort of trouble! Fuel for the majority of people is not a luxury but an essential part of business. It is a commodity that people have to have or they cannot operate, particularly in country areas. Our transport system is geared towards petroleum product forms of transport and there is little or no alternative. So, we are locked into such a system. That proportion of money spent on the initial price of fuel and added to the cost of the Federal fuel excise and State fuel taxes all questions viability.

About 20 years ago a tonne of wheat could buy 2 000 litres of petrol. Today it can barely buy 200 litres of petrol. Therefore, the effective ratio compared with 20 years ago of the ability of a tonne of wheat to buy petroleum products to be used for the production of that wheat is 10 to 1 against. All of those costs add up and every step of the production line is involved, whether it be the share farmer going to work on the farm, the farmer himself, fuel to plant the crop, to take off the crop



or transport it from the farm to the silo, for intersilo transfer, to the bunkering of the shipping vessels, and on it goes.

This tax per tonne of wheat is not a one-off cost; it compounds many times over. It is difficult to read into the equation exactly what we are doing in terms of the additional costs of production, but we all know that they are up. I have cited the example of a large fishing vessel currently operating within my electorate. That vessel has an 800 horsepower main motor and 700 horsepower motor drive and refrigeration unit. So, at 80 gallons an hour it uses 356 litres and then the tax is added to that.

*Mr Lewis interjecting:*

**Mr BLACKER:** The honourable member says that that is conservative. It may well be, but I know it is an actual instance of consumption. Most of the issues I intended to raise have in fact been covered by other speakers. It is not my intention to repeat those comments tonight because I believe that repetition is not appropriate at this stage. I think it is appropriate, however, that I place on the record my total opposition, certainly from the point of view of the cost of production for country people—not only country farmers but also country businesses—and metropolitan people. Even those who do not have a vehicle but who use public transport must have this tax built into their cost structure, whether directly or indirectly by way of cross-subsidisation of other forms of taxation, because we all know the taxpayer is cross-subsidising some other transport systems. I oppose the measure for the reasons outlined and for the reasons expressed by other members this evening.

**Mr BECKER (Hanson):** I, too, oppose the legislation, because as previously stated in relation to other tax measures this now completes the trifecta. I have said all along that there are three items that one does not tax: beer, cigarettes and petrol. It has been made very clear to me since I have been in this House that those are the areas that one leaves alone as far as the working man is concerned. In other words, we do all we can to encourage the worker to enjoy the opportunity to earn a reasonable living, and if he wants to enjoy a beer or a cigarette and to relax with his mates why should we tax him for that? But now we are even taxing the worker to get to work. If one is looking for the fastest way to raise money then, of course, one hits the worker because the Treasury knows that he is not going to do without his motor vehicle. In many cases the only way the average worker can get to work is to use his motor vehicle.

I would not have entered this debate if it had not been for the contributions of the member for Napier and the member for Henley Beach. Normally the member for Napier talks nothing but nonsense. We know he is going to retire and he will get up and say anything. But, to turn around and malign Mr Fotheringham from the RAA was grossly unfair and improper, and as far as I am aware—for benefit of the member for Henley Beach—there has been no collusion between the Liberal Party and the RAA. I am a financial member of the Royal Automobile Association and I would expect it to have protested on behalf of motorists in this State about this impost that is being forced on us. There does not have to be any collusion.

In my opinion, Mr Fotheringham was doing his job and the members of the RAA would insist on his doing his job. I do not think he went far enough or hard enough in highlighting the issue and the impact that this tax is having on the average motorist in South Australia. Let us not talk about collusion and Mr Fotheringham being a member of the Liberal Party. I do not know whether he is; I have no idea. I do not know what his politics are; we all might be quite surprised. However, I certainly do not think it is fair to attack somebody who does not have the opportunity to rebut any statements in this Chamber. If he were a member of the Chamber that would be fair enough; I would let him stand up and defend himself, but I think he is quite capable of doing that through the RAA magazine.

The issue that the Government seems to overlook in this type of taxation is that everybody pays. Everybody will be impacted by the impost of a petrol tax, fee or licence, or whatever you want to call it. Every consumable retail item, every consumable good which is required and purchased by workers, their families, the aged and pensioners, anything that is on the supermarket shelves—or as we now know in the pantries of our service stations—is carted by road. So, if you are looking at a taxation that would reap the maximum benefit, then this is the type of taxation you would introduce through Parliament. But there is a danger, and the danger is that it is highly inflationary.

It is irresponsible for any State Government to bring in this type of taxing measure which adds to the inflation of the country. So, for that reason, I believe, on behalf of my constituents, the taxpayers and the residents of South Australia, that we must oppose this measure. We must protest very strongly about any such Government action, at the time of the worst recession we have ever had in the history of country, when our own State is in the worst financial situation in memory. I cannot be party to that, and I am quite prepared to go to the people at any time in the next few weeks or months on this issue alone, because I believe the people in South Australia have had enough. They believe it is time that there was a change in the administration of this State.

In September, the price of petrol at my service station, the Ampol service station, was 66.9c per litre for unleaded petrol; on 1 October it jumped to 72.9c for a few days because of the impact of this new tax. The member for Light hit on the whole problem that has been created. The then Premier, when introducing this legislation, said on 27 August (*Hansard*, page 474):

Licences paid by petroleum wholesalers (oil companies) and petroleum resellers (service stations) form the basis of petroleum franchise receipts. The bulk of the revenue is raised from licences held by petroleum wholesalers for which fees are payable monthly at a rate of \$50 plus a proportion of the value of petroleum products sold in a preceding monthly period.

So, the Government authorises the oil companies or the service station proprietors to collect the new fees in October so that when this comes into force on 1 November the Government starts receiving the additional fees collected. The service stations have had that first monthly period to collect the money from the consumers, and then at the starting date that new amount of money is paid to the Government.

In South Australia, particularly the metropolitan area, the problem has been the difference between unleaded

and leaded petrol. I understand the service stations have not been charging the full recommended retail price for some time. There is a slight difference between the full recommended retail price, and for that reason you will see on the billboards in most service stations, particularly in the western suburbs, the same price for leaded and unleaded petrol. The service station proprietors are instructed mainly by their sales managers in those regions and, in turn, are authorised by the oil companies themselves, as to what price petrol will be at any given day or time.

Quite often the price of petrol will vary at around 4 or 5 o'clock in the evening, depending on the sales in that area on that given day. The billboards are designed to attract the traffic on their way home from the work. So, there is no doubt that the oil companies realise that the greatest consumer of motor spirit in this State is the worker, the average householder. However, there are not so many people working today so we have to look at the retirees and the aged who have been forced into early retirement, those who are under employed or students. Because of our very poor transport system, we also have to depend on our own mode of transport in most cases. That is why the impact of this inflationary tax is horrendous for the average person.

I purchased 70 litres of petrol yesterday, and that meant that I paid \$4 extra for a tank of petrol. I was not very impressed. It hurt, because that is \$4 that I have to take from somewhere else. It means that the greedy Government in South Australia has obtained another \$4 from me and my family and that is another \$4 less that is circulating within the community. The point that this Government has missed for decades is that the more money that it taxes the people and the more that it takes out of circulation within the community, the fewer the jobs. Socialist policy has always been to increase taxes and charges rather than to curtail costs or to look at the efficiency of Government. We have seen that operating in this State for certainly the last decade.

The reason for these extra imposts is very clear. It is the result of the high level of borrowings by organisations. The main authority that borrows money for the State is the South Australian Government Financing Authority. I was amazed that at 30 June 1992 SAFA had borrowed or had commitments to the Federal Government of \$1 946 million; in other words, \$19.4 billion was borrowed by SAFA. That is to cover the debts and the loans of the State Government, Government departments, statutory authorities and local government authorities; in other words, anything and everything to do with the Government in South Australia.

The interest on the Commonwealth funds provided was \$199 million in the last financial year. The interest on other borrowings was \$1 747 million. All up \$1 946 million of interest was paid by SAFA, and that is interest that is paid by consumers in South Australia. Whether it is petrol tax, water rates, electricity charges, local council rates, no matter what it is, in any dealings with any Government department or anything to do with the State Government, in turn, \$1 946 million in interest was collected from the people of South Australia. It is an absolute scandal when we consider that that was \$37.4 million a week, \$5.3 million per day, \$220 756 per hour, \$3 712 per minute or \$61.80 per second.

When I was talking to a group of pensioners last week, they asked me all sorts of questions about the State Bank debt, SGIC, the Government's dealings and finances, and I talked in terms of billions of dollars. They said that they could not relate to that, they could not imagine how huge a sum that was and could I come down to something to which they could relate, so I said that for every minute that we are here \$3 712 goes in interest by the South Australian Government Financing Authority and about 20 per cent of that goes overseas.

It is a fact that \$1 million a day is paid in interest to overseas financial institutions because of the borrowings of the South Australian Government Financing Authority. God only knows where that money has come from. It has probably come from the oil barons and the drug runners. It is probably illegal money that has come out of every tax haven in the world, because that is where the State Bank was borrowing the money. It had a branch in the Cayman Islands and, when we on the Public Accounts Committee asked how many staff it had, it was not going to tell us, but we found out that it was a post office box number.

It is irresponsible to go ahead and borrow willy-nilly all these large sums of money and then turn around and say, 'We are building up assets'. It is no good building up assets unless you own those assets outright. There is no point in building up assets if you need to borrow 100 per cent to purchase them. What we have seen is the disastrous downturn in property values not only in this State and in this country but throughout the western world. Property values have fallen by 25 to 30 per cent, and many companies, States and countries must be so close to being insolvent that it does not matter. I believe that this State must be very close to being insolvent at present.

That type of Government administration is damaging, dangerous and unfair to the people of this State. It is certainly unfair to the current generation as well as to the generations to follow. It is a terrible legacy to leave to these people. The member for Murray-Mallee noted the impact on tourism. I well remember when, some years ago, petrol taxes were introduced by the States and the excises were increased, and the impost that had on the average worker.

If there is one pleasure the average person enjoys it is to have his own set of wheels and either a boat or a caravan. After all, it is one of the pleasures the average worker in this country has been able to enjoy. He has been able to get away and drive to a shack somewhere on the Murray River or out to the country; to one of our beautiful beaches around the coastline or to interstate. A number of people have caravans, and many workers, many carpenters and handy tradesmen, have built their own caravans. There are exceptionally good quality caravans and ideas that have been adopted around the world.

In my opinion, the West Beach Trust operates one of the best caravan parks in Australia. It has been recognised for many years as one of the top caravan parks in the State. I can also remember during the impost of these taxes the effect they had on the West Beach Caravan Park. On page 489 of the Auditor-General's Report for the year ended 30 June 1992 there is a statistical table of site nights occupied at West Beach

Caravan Park. In 1991, 86 379 site nights were occupied. In 1992 that figure had fallen to 80 713. The 1991 figure including on-site vans and cabins was 7 076. In 1992 that figure was 8 738.

The increase of on-site caravans and cabins indicates clearly that, rather than towing a caravan at additional expense, it was cheaper for those who enjoy this type of holiday to drive their caravan and rent the caravan on site. The West Beach Trust also found that, by establishing a bunk house, some 2 403 bunk house person nights were occupied during the 1992 financial year. At Marineland Village, which has caravans and cabins, the nights occupied were 15 274 in 1991, a 57 per cent occupancy, whereas in 1992 the figure had fallen to 13 087 nights occupied, or 50 per cent. At the Marineland Village, which has villas, the villa nights occupied in 1991 were 7 404 and in 1992 they were 7 148, which was a 70 per cent occupancy for the financial year ended 30 June 1991, and it has fallen down to 67 per cent occupancy to 30 June 1992.

There is a measure of the impact on the average citizen and the average worker who like to get away for a holiday, who like to tow their caravan or take a trip interstate. The West Beach Caravan Park was established there so that the average worker could have first-class, reasonably affordable accommodation. As I said, it is the top caravan park in Australia and full credit to those who have managed it and been responsible for many, many years. However, like everything else, it is affected, and it has felt the impact on the management and the difficulty in maintaining the standards when Governments bring in taxes that hurt these sorts of organisations. I do not believe that we are in the business here of kicking the stomach out of the average worker; I believe we are here to help the average worker to live a much easier, much more comfortable and affordable lifestyle and by imposing these imposts I do not think we are doing that at all. We are reneging our responsibility to the taxpayers of the State and particularly the future generations. For that reason I oppose this impost.

**The Hon. FRANK BLEVINS (Treasurer):** I thank members who have contributed to the debate. The debate ranged further than the Bill, but not too far. I was disappointed particularly by those members opposite who represent country electorates that they did not make much more of the point that, apart from Queensland (which does not have a petrol tax) and its southern border, South Australia has the lowest rate of petrol tax of any State in the country. I also think it is a great pity that the RAA also did not mention that in any of its propaganda. I think that is a great pity. When we average out the petrol tax across the whole State, we find that South Australia is approximately where the other States are, but this Government, recognising the special position that country people are in, has made provision for that, because country people do on average a lot more driving than people in the city—the distances are far greater.

What has surprised me (and I am surprised that not one Liberal member of Parliament has taken this up) is that outside 100 kilometres from the GPO petrol has 4.5c or more lower duty than petrol in the city, and the transport costs in most of the settled areas are nowhere near that. In Mount Gambier, for example, I would be surprised if

it was any more than 2c a litre to transport fuel, so there is still a 2c margin in favour of the country, and there is absolutely no reason whatsoever why the country should be paying more than the city.

Why have we heard nothing from members opposite? It has been suggested by members on this side of the House that it is probably because the oil companies fund the Liberal Party to a significant extent. I do not know whether that is the case, but it would not be unreasonable to think that that is so. Deviating slightly from the Bill, perhaps we should have full disclosure of donations to political Parties, and then we would see. However, that has always been opposed by members opposite, so as long as they have anything to do with it we will never know what these donations are and from whence they come.

The Bill has three principal parts. First, there is the levy that is intended to fund the Environmental Protection Authority. There has been some dispute as to whether that levy should be different for leaded and unleaded petrol. I have some sympathy with the argument of oil companies that it is inconvenient to have a slight difference, that if they were to sell it differently they would have to modify their board at a total cost to the State of \$100 000. I think that is a fairly excessive amount, but the principle is perfectly clear. The Environmental Protection Authority believes it is important to encourage motorists, however slightly, to switch to vehicles that use unleaded petrol, and I think that is a perfectly proper stance for an authority such as this to take.

Another part of the Bill provides that the levy will be used principally to fund local government in a number of areas. We have asked local government to enter into discussions to determine in which areas it is appropriate to apply this money. I hope those discussions accelerate, because they have tended to drag and I think it is about time we got on with it. The money is there; all that is required is an agreement with local government.

Members opposite claim a number of things, mostly erroneously, but from time to time they claim a particular affinity with local government. I was surprised that they did not strongly support this growth tax for local government, something for which local government has been asking for a long time, and quite properly in my view. If local government is to have any integrity it must have a broader tax base—there is no question about that. I do not think rates will suffice any longer as a single tax base for local government. So, I would have thought that members opposite would support this proposal on that basis.

The question of indexation was raised by members opposite, that somehow it is a nefarious way of applying this tax. The RAA has called it 'tax by stealth'. I think that is utter nonsense. If that is the case, members opposite should direct their spleen against the Government of New South Wales and the Commonwealth, which apply particular levies in this way. My view is that, if it is good enough for New South Wales and the Commonwealth, there is no reason why the South Australian arrangement should not be similar. I thank members who have made a contribution, and I commend the second reading to the House.

The House divided on the second reading:

Ayes (21)—M.J. Atkinson, J.C. Bannon, F.T. Blevis (teller), G.J. Crafter, M.R. De Laine, M.J. Evans, D.M. Ferguson, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hopgood, C.F. Hutchison, S.M. Lenehan, C.D.T. McKee, M.K. Mayes, J.A. Quirke, M.D. Rann, J.P. Trainer.

Noes (21)—H. Allison, M.H. Armitage, P.B. Arnold, D.S. Baker, S.J. Baker (teller), H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown, J.L. Cashmore, B.C. Eastick, G.M. Gunn, G.A. Ingerson, I.P. Lewis, W.A. Matthew, E.J. Meier, J.W. Olsen, J.K.G. Oswald, R.B. Such, I.H. Venning, D.C. Wotton.

Pairs—Ayes—L.M.F. Arnold and J.H.C. Klunder.

Noes—S.G. Evans and D.C. Kotz.

**The SPEAKER:** There being 21 Ayes and 21 Noes, I give my casting vote for the 'Ayes'.

Bill thus read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

#### ADJOURNMENT

At 11.59 p.m. the House adjourned until Wednesday 14 October at 2 p.m.