

HOUSE OF ASSEMBLY

Tuesday 19 September 1978

The **SPEAKER (Hon. G. R. Langley)** took the Chair at 2 p.m. and read prayers.

QUESTIONS

The **SPEAKER**: I direct that the following written answers to questions be distributed and printed in *Hansard*: Nos. 477, 519, 520, 526-8 and 534.

TELEPHONE ACCOUNTS

477. **Mr. MILLHOUSE** (on notice):

1. How many public servants are entitled to have their private telephone accounts paid in whole or in part by the Government and in which departments are they?

2. What was the total cost to the Government of these payments in each of the financial years 1976-77 and 1977-78?

The **Hon. D. A. DUNSTAN**: The replies are as follows:

1. Department of Agriculture and Fisheries	193
Art Gallery Department	4
Auditor-General's Department	1
Department of Community Welfare	56
Department of Corporate Affairs	1
Department of Correctional Services	42
Department of Economic Development	4
Education Department	100
Electoral Department of	0
Engineering and Water Supply Department	167
Department for the Environment	13
Department of Further Education	25
Highways Department	153
Hospitals Department	189
Department of Housing, Urban and Regional Affairs	4
Department of Labour and Industry	12
Department of Lands	13
Law Department	14
Libraries Department	3
Department of Marine and Harbours	87
Department of Mines and Energy	32
Police Department	5
Public Buildings Department	71
Department of Public and Consumer Affairs	14
Department of Services and Supply	30
Supreme Court Department	1
Department of Tourism, Recreation and Sport	4
Department of Transport	40
Treasury Department	5
Woods and Forests Department	36
Premier's Department	13
Public Service Board	10

Total 1 342

2. Financial Year 1976/77, \$148 269; 1977/78, \$156 789.

CEDUNA BUILDING

519. **Mr. GUNN** (on notice):

1. When does the Government intend to grant the Ceduna Branch of the National Trust of South Australia,

the Old School House reserve on section 90, hundred of Bonython?

2. Is the Government aware that negotiations have been drawn out over a period in excess of two years?

3. In view of the importance of maintaining the Old School building, which is one of the earliest buildings in the area, will immediate action be taken to have the necessary documents prepared so that the agreement can be finalised?

The **Hon. J. D. CORCORAN**: The replies are as follows:

1. The Government has made no decision to grant the Ceduna branch of the National Trust of South Australia the old school reserve in Ceduna. Two other requests for use of part or all of the area have also been received.

2. The Government is aware of a request dated 29 November 1976 from the Ceduna branch of the National Trust to negotiate for its purchase when it was no longer required. The building has been used for a variety of purposes over the years including banking, teacher accommodation (until December 1977) and currently as a store for school furniture.

3. Until the final disposition of the property is determined, documents cannot be prepared. I am arranging for two reports: first, on the historical and architectural significance of the building including the costs of restoration and secondly for the preparation of a joint use plan for the area, which might meet the needs of all users.

ALCOHOL AND DRUG ADDICTS

520. **Mr. DEAN BROWN** (on notice):

1. What was the total cost of buying the Birralee Repatriation Hospital at Belair from the Commonwealth Government?

2. What is the estimated cost of repairing and upgrading Birralee for the planned use of the hospital for the treatment of alcohol and drug addicts?

3. If the Alcohol and Drug Addicts Treatment Board takes over Birralee, how will St. Anthony's Hospital be used in the future?

4. What is the estimated present value of the land and property at St. Anthony's Hospital?

5. What was the total cost of constructing the new accommodation wing and recreation centre at St. Anthony's Hospital and when was it constructed?

The **Hon. R. G. PAYNE**: The replies are as follows:

1. \$317 000.

2. \$43 000.

3. It is proposed that St. Anthony's Hospital will be disposed of in accordance with normal Government practices and procedures.

4. \$300 000.

5. The total cost, including furnishings and fittings, was \$60 000. It was completed ready for occupancy in August 1973.

CHILDREN

526. **Mr. MATHWIN** (on notice):

1. How many children were placed under the Minister's care and control in each of the years 1971 to 1977?

2. How many of those children died before they attained 18 years of age?

3. How many of those children met violent deaths from causes that were unknown?

The Hon. R. G. PAYNE: The replies are as follows:

1. Year ended	30-6-71	606
	30-6-72	672
	30-6-73	443
	30-6-74	387
	30-6-75	287
	30-6-76	245
	30-6-77	263

2. There were 40 deaths among all care and control children.

3. None.

527. **Mr. MATHWIN** (on notice):

1. How many children who were taken in the Minister's custody on remand or under care and control orders from the year 1971 to 1977 were suffering from contagious diseases?

2. How many of those children of each sex were suffering from the venereal diseases—

(a) gonorrhoea; and

(b) syphilis?

The Hon. R. G. PAYNE: The replies are as follows:

1. There has been no reason to keep statistics. Action is taken on an individual basis in relation to medical care for each child. To answer this question would necessitate an examination of 6 411 files. The cost would not be justified.

2. Whenever there is any suspicion that a child coming into care might be suffering from venereal disease or the child coming requests it, the child is referred to the venereal diseases clinic for examination and any necessary treatment. Results of these visits are confidential between the clinic and patient.

INDUSTRY DIRECTORY

528. **Mr. TONKIN** (on notice):

1. How many copies of the South Australia Industry Directory, 1978-79, were produced?

2. What was the cost of its production?

3. To whom have copies been circulated?

4. What business and commercial organisations were consulted before the directory was published in its present form?

5. What organisations or commercial interests requested the preparation of this most recent edition?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. 6 000.

2. \$26 000.

3. All South Australian manufacturers; major wholesalers and retailers in South Australia, Victoria and New South Wales; overseas offices of the Department of Trade and Resources and the Department of Foreign Affairs; selected Government departments and agencies; selected industry organisations.

4. All organisations appearing in the directory were consulted to secure information.

5. A large number of requests were received from industrial and commercial interests for a revision to the directory released in *Development 1976*.

MINISTER OF TRANSPORT

534. **Mrs. ADAMSON** (on notice):

1. Apart from toilet facilities, what other facilities are being provided in alterations to the Minister's office for the total cost of \$49 000?

2. When did the department first occupy its present premises?

3. What have been the increases in the Minister's staff since that time to justify the provision of additional

facilities?

4. How many:

(a) women; and

(b) men,

work on the fifteenth floor?

5. How many toilets were there for :

(a) women; and

(b) men,

before provision of the new facilities?

The Hon. G. T. VIRGO: The replies are as follows:

1. No alterations are being made, nor are any proposed in the foreseeable future.

2. When the State Administration Centre was opened.

3. See No. 1.

4. This question should be directed to the Minister concerned.

5. See No. 1.

LOCAL GOVERNMENT ELECTIONS

In reply to **Mr. RUSSACK** (2 August).

The Hon. G. T. VIRGO: No special problems were experienced regarding preparation and production of voters rolls for local government elections held on 1 July 1978. All councils in South Australia were provided with a street and locality computer print-out as at 31 March 1978, and councils were requested to advise the Electoral Department if any incorrect wards were shown. Any corrections were effected before the print of rolls. Reported complaints on the correctness of the rolls were negligible.

BEEES

In reply to **Mr. BLACKER** (8 August).

The Hon. J. D. CORCORAN: To prevent the spread of the disease, European foul brood, which was discovered in the South-East in 1977, an area was proclaimed prohibiting bees and equipment from being taken from the area without prior written consent of an inspector. Because of the migratory nature of the beekeeping industry and seasonal conditions at that time, many hives had been removed from the area just prior to the proclamation, and it was from this source that the Streaky Bay out-break occurred. Treatment was administered and the likelihood of spread of disease minimised. Large numbers of hives are regularly taken to Eyre Peninsula, but these are normally located in the Mid-North and as such are not exposed to the disease. Any movement restriction placed on these hives would be unwarranted in view of the fact that Mid-North and West Coast apiarists are protected by the proclamation already in force. An officer from the apiaries section of the department will be visiting Eyre Peninsula shortly, and arrangements have been made for a meeting with apiarists at which a full explanation will be given.

RUGBY GROUND

In reply to **Mr. OLSON** (23 August).

The Hon. G. T. VIRGO: The Town Clerk of the Corporation of the City of Port Adelaide has advised that the matter of obtaining another site for the Port Adelaide Rugby Union Club is currently under consideration by the council but, at this stage, a decision has not been made. The council is conscious of the need for an early determination to enable the rugby union club to continue its programme without interruption.

PETITIONS: PORNOGRAPHY

The Hon. J. D. CORCORAN presented a petition signed by 291 electors of South Australia praying that the House would pass legislation to provide for Ministerial responsibility adequately to control pornographic material.

The Hon. HUGH HUDSON presented a similar petition signed by 406 electors of South Australia.

The Hon. G. T. VIRGO presented a similar petition signed by 133 electors of South Australia.

The Hon. J. D. WRIGHT presented a similar petition signed by 165 electors of South Australia.

The Hon. D. W. SIMMONS presented a similar petition signed by 40 electors of South Australia.

The Hon. G. R. BROOMHILL presented a similar petition signed by 64 electors of South Australia.

Mr. ABBOTT presented a similar petition signed by 16 electors of South Australia.

Mr. WELLS presented a similar petition signed by 165 electors of South Australia.

Mr. McRAE presented a similar petition signed by 10 electors of South Australia.

Mr. GROTH presented a similar petition signed by 222 electors of South Australia.

Mr. KLUNDER presented a similar petition signed by 21 electors of South Australia.

Mr. SLATER presented a similar petition signed by 158 electors of South Australia.

Mr. HARRISON presented a similar petition signed by 145 electors of South Australia.

Mr. GROOM presented a similar petition signed by 71 electors of South Australia.

Mr. BANNON presented a similar petition signed by 41 electors of South Australia.

Mr. TONKIN presented a similar petition signed by 305 electors of South Australia.

Mr. GOLDSWORTHY presented a similar petition signed by 349 electors of South Australia.

Mr. DEAN BROWN presented a similar petition signed by 107 electors of South Australia.

Mr. BECKER presented a similar petition signed by 322 electors of South Australia.

Mr. VENNING presented a similar petition signed by 236 electors of South Australia.

Dr. EASTICK presented a similar petition signed by 67 electors of South Australia.

Mr. NANKIVELL presented a similar petition signed by 42 electors of South Australia.

Mrs. ADAMSON presented a similar petition signed by 21 electors of South Australia.

Mr. ARNOLD presented a similar petition signed by 350 electors of South Australia.

Mr. MILLHOUSE presented a similar petition signed by 92 electors of South Australia.

Petitions received.

PETITIONS: VIOLENT OFFENCES

The Hon. D. A. DUNSTAN presented a petition signed by 669 residents of South Australia praying that the House would support proposed amendments to the Criminal Law Consolidation Act to increase maximum penalties for violent offences.

The Hon. J. D. CORCORAN presented a similar petition signed by 179 residents of South Australia.

The Hon. HUGH HUDSON presented a similar petition signed by 87 residents of South Australia.

The Hon. G. T. VIRGO presented a similar petition

signed by 444 residents of South Australia.

The Hon. J. D. WRIGHT presented a similar petition signed by 1 519 residents of South Australia.

The Hon. D. W. SIMMONS presented a similar petition signed by 8 residents of South Australia.

The Hon. G. R. BROOMHILL presented a similar petition signed by 68 residents of South Australia.

Mr. SLATER presented a similar petition signed by 37 residents of South Australia.

Mr. OLSON presented a similar petition signed by 627 residents of South Australia.

Mr. HARRISON presented a similar petition signed by 107 residents of South Australia.

Mr. GOLDSWORTHY presented a similar petition signed by 45 residents of South Australia.

Mr. VENNING presented a similar petition signed by 249 residents of South Australia.

Dr. EASTICK presented a similar petition signed by 155 residents of South Australia.

Mr. ARNOLD presented a similar petition signed by 130 residents of South Australia.

Mr. WILSON presented a similar petition signed by 694 residents of South Australia.

Mr. GUNN presented a similar petition signed by 121 residents of South Australia.

Mr. BECKER presented a similar petition signed by 416 residents of South Australia.

Mr. MATHWIN presented a similar petition signed by 637 residents of South Australia.

Petitions received.

PETITIONS: VOLUNTARY WORKERS

Mr. TONKIN presented a petition signed by 220 residents of South Australia praying that the House would urge the Government to take action to protect and preserve the status of voluntary workers in the community.

Mr. DEAN BROWN presented a similar petition signed by 30 residents of South Australia.

Petitions received.

PETITION: FINANCIAL MANAGEMENT

Mr. BECKER presented a petition signed by 142 residents of South Australia praying the the House would urge the Government to disclose full details of financial management of taxpayers' moneys and support the principle of open government.

Petition received.

QUESTION TIME**SUCCESSION DUTIES**

Mr. TONKIN: Can the Premier say whether the Government intends to retain its present attitude towards the maintenance of succession and gift duties in South Australia following recent actions by other State Governments and the Commonwealth and, if not, why not?

The Hon. D. A. DUNSTAN: I find a little difficulty in following that question. The Leader said, "Does the Government intend to maintain its attitude, and, if not, why not?" The Leader is master of the conundrum.

Mr. Gunn: Why don't you tell us what you are going to do?

The SPEAKER: Order! The honourable member for

Eyre is out of order.

The Hon. D. A. DUNSTAN: I have made clear that, at this stage, the Government has gone as far as it can with succession duties concessions. This Government was first in the field with several succession duty concessions, including concessions relating to duties concerning the passing of property between spouses, and in relation to rural property. In the present circumstances facing the State the Government does not believe that, at this stage, it can proceed further. I point out to the Leader that concessions in relation to spouses have, in fact, reduced succession duties below forecasts of the Treasury, because considerable advantage has been taken in replanning estates as a result of concessions already made. In those circumstances, the revenue of the State is below what had been expected and, in consequence, we have to take care of the revenue base.

If the Government granted further concessions at this stage it would be difficult to maintain the services of the State. At present other States are trying to get their service to the level of ours, but many of them have not done so.

For instance, Queensland has a level of services so bad that parents, friends, and teachers of the State have had large public hoardings erected in many districts of Queensland showing the following:

Warning: you are now entering an overcrowded school district.

That is not surprising. Queensland has the worst education, community, and hospital services in the whole of Australia. It has no consumer protection services.

Mr. Wotton: Then why did they vote for the Government?

Members interjecting:

The Hon. D. A. DUNSTAN: Only 28 per cent of them do. The honourable member, of course, would like to return South Australia to the situation that existed under Sir Thomas Playford, who went to Queensland to advise how to have a minority Government in power.

Members interjecting:

The SPEAKER: Order! Interjections are out of order, and in any case some of them have nothing to do with the matter before the Chair. I hope honourable members will cease interjecting. I call the honourable member for Rocky River to order. On Thursday last I called him to order several times. When the Speaker is standing, I hope the honourable member will remain silent. The honourable Premier.

The Hon. D. A. DUNSTAN: If we were to reduce succession duties further, and if we are to maintain services (and honourable members opposite constantly request that we extend services in many areas), we would have to raise taxation in some other way. I believe that that would be counter-productive for the South Australian economy, and I do not intend to do it.

STUART HIGHWAY

Mr. KENEALLY: Will the Minister of Transport inform the House of the extent of the work that will be undertaken on the Stuart Highway in the present financial year? The Minister has informed the House previously that it was intended that construction work on the highway would take place during the 1978-79 financial year. During the past few days I have heard rumours that this work might not now take place, and I should like the Minister to inform the House of the true position.

The Hon. G. T. VIRGO: Regrettably, there is a real risk that no work will be done on the Stuart Highway in this financial year unless the Federal Minister for Transport

changes his attitude and gives approval for work to proceed. I am sure members are fully aware that the States no longer are the masters of their own destiny.

Mr. Gunn: Shame!

The Hon. G. T. VIRGO: It is a shame, because we are now the puppets of Canberra, and we can spend money only with the approval of the Federal Minister. He has withheld his approval of the expenditure of funds in accordance with the programme we have put forward and subsequently amended to try to meet his needs, in an attempt to cover up the sins of omission and (let me be quite straightforward in saying this) the lies of Mr. Anthony, who made a promise to the Mayor of Alice Springs that additional funds would be provided. Now, however, Mr. Anthony and Mr. Nixon are welching on that promise, on the telex sent to the Mayor of Alice Springs.

Three months of the present financial year have passed, and we have not received the approval of Peter Nixon. Until that approval is obtained, we are not permitted, under the legislation, to proceed with the building and sealing of the Stuart Highway to the extent that we wish. We have attempted to meet his requirements. We proposed to spend \$350 000 this year, but he has asked us to review our programme. We have done that, and we have increased the amount to \$900 000, but still he is not satisfied. Worse still, he will not declare the Hawker to Leigh Creek road as a national commerce road, and the whole situation at present is extremely serious. I hope that, in future, when Liberal members do their politicking up the Stuart Highway, they will put the blame where it should be—fairly and squarely in Peter Nixon's lap.

SUPERANNUATION

Mr. GOLDSWORTHY: Can the Premier say whether the Government has yet obtained any reliable projections into the future costs of the South Australian Government superannuation scheme? In his Financial Statement, he refers to the fact that the Government has had to invest \$5 400 000 over and above last year's allocation of \$18 400 000, a total of \$23 800 000. The information given previously was that the Government had no real estimate of future projections of what the scheme would cost. Has the Premier any further information on the impact on South Australian taxpayers of the superannuation scheme? If certain of the projections are correct, the consequences could be disastrous.

The Hon. D. A. DUNSTAN: It is even more difficult to get a projection of the costs of superannuation than it is to get a valuation of the past activities of the fund, and that has taken us some years to get. The problem in making a projection is the many imponderables involved. One simply cannot weigh the degree to which people within the superannuation area will take advantage of the options open to them under the superannuation provisions. In these circumstances, it is difficult to get a completely accurate estimate, but I will try to get a general forecast for the honourable member. I have had such forecasts from the Public Actuary previously, and I will try to get the latest forecast for the honourable member.

INDUSTRIAL SURVEY

Mr. SLATER: Has the Premier any information regarding who commissioned a recent survey into the manufacturing industry in South Australia conducted by management consultants, Eric White and Associates and

W. D. Scott and Associates, and can he say whether the survey gives an accurate account of the manufacturing industry in this State or whether he believes that the survey was deliberately commissioned by the Liberal Opposition in order to denigrate South Australia?

The Hon. D. A. DUNSTAN: I have no information on this survey. Having seen the survey, quite frankly I think that its methodology is so poor that it does little credit to Eric White and Associates.

CITRUS INDUSTRY

Mr. ARNOLD: Can the Premier say whether the Government will dissociate itself from the submission made on behalf of the Minister of Agriculture to the Industries Assistance Commission inquiry into the citrus industry, calling for a reduction in the tariff protection from 65 per cent to either 6c per single strength litre of orange juice or 25 per cent *ad valorem*, whichever is the higher? About four weeks ago, I addressed a similar question to the Deputy Premier (unfortunately, I think that the Premier was in Canberra on other business at the time). I pointed out to the House at that time the importance of this matter. The Federal Government must make a decision by 30 September on the tariff protection to the citrus industry. I refer to the South Australian Government's submission made to the I.A.C. inquiry into the citrus industry, as follows:

The South Australian Government recommends:

- (i) that the major form of protection to the citrus industry be tariffs;

There is no objection to that. The report continues:

- (ii) that the level of assistance to the orange sector be a tariff of either 6c per single strength litre of orange juice or 25 per cent *ad valorem*, whichever is the higher.

That is the crux of the whole matter. If the Federal Government acts on that recommendation and reduces the tariff protection from 65 per cent to 25 per cent, the citrus industry will be in as much trouble as is the brandy industry. Following the draft report recommendations of the I.A.C. suggesting a reduction to 20 per cent tariff protection, the Agriculture Department on 4 May wrote to the I.A.C. citrus industry inquiry:

The South Australian Government is in general agreement with the I.A.C. draft recommendation for long-term assistance to the citrus industry. The level of tariff protection is comparable with that recommended by the South Australian Government in its submission.

If the door is left wide open for the Federal Government now to reduce tariff protection on citrus juice coming into this country on the basis that the South Australian Government recommend that this be done, I can only say, on behalf of everyone involved in the industry, that the citrus industry will become chaotic. Not only will the bulk of the citrus juice consumed in Australia be imported juice (which will mean that only a small quantity of locally grown citrus will be required for juicing) but it will also throw that additional fruit on to the fresh fruit market which will wipe out the fresh fruit market as well. I thank you, Mr. Speaker, for your indulgence. I realise I have been commenting, but I think the importance of this matter, which is critical for South Australia as the major citrus producing State, cannot be stressed too highly. I ask the Premier—

The SPEAKER: Order! I think that the honourable member has asked his question.

The Hon. D. A. DUNSTAN: I am grateful to the honourable member for raising this matter, which has not come to my attention. I will get him a reply by tomorrow.

CONCESSION FARES

Mr. DRURY: Can the Minister of Transport say whether the public transport concession fares made available to unemployed persons will affect any benefits paid to them by the Federal Government? As I see it, it would be unjust if unemployed people living on unemployment benefits had their benefits reduced because of the concession fares. This of course would be done by the Federal Government, so I suppose, on reflection, that I would not be surprised by anything it did.

The Hon. G. T. VIRGO: I would be disturbed if there was any suggestion that the Commonwealth Government might reduce what one could describe as the meagre payment unemployed people are now receiving because of the State Government's decision to try to relieve the plight in which these people find themselves, not as a result of any failure on their part or on the part of the State Government, but as a direct result of the economic policies that are so disastrous for the whole of Australia. If there was any suggestion of a reduction in unemployment benefits, we would certainly review the decision we have just taken to see whether we could overcome it in the interests of those people who are being so seriously disadvantaged.

MARINE LAND CARAVAN PARK

Mr. BECKER: Did the Minister of Transport say he misled the House when answering a question on 1 August regarding the cost of the Marineland Caravan Village?

The village was opened at West Beach by the Minister on Sunday 10 September 1978. About 15 months ago an announcement was made that this project would cost \$600 000. Shortly after, the sum was increased to \$620 000. On 7 February 1978, in reply to a Question on Notice, I was informed that the estimated cost was \$700 000. On 1 August 1978, when I asked a further question about the cost of this project, I was told that it would cost \$870 000. On Friday September 8, two days before the opening, a media report claimed that the project would cost in excess of \$1 100 000, and the handout at the opening ceremony stated that the total project cost was more than \$1 100 000. I ask the Minister, because of the seriousness of the price escalation in just over 15 months from \$600 000 to \$1 100 000 and the fact that he gave me a reply in this House on 1 August claiming that the project would cost \$870 000, the reason for the increase of \$240 000, or did he mislead the House in replying to my question?

The Hon. G. T. VIRGO: Although I do not have the information the honourable member seeks, I shall be pleased to get it. Obviously, much of the increase is the result of inflation we are suffering under Fraser.

Mr. Goldsworthy interjecting:

The SPEAKER: Order! I call the honourable member for Kavel to order.

VANDALISM

Mr. OLSON: Can the Minister of Community Welfare say whether he has received the report of the Community Welfare Department Advisory Committee on vandalism? I last raised this matter in the House early in August, when the Minister said he expected to receive a report in about a

month.

The Hon. R. G. PAYNE: I thank the honourable member for raising this matter again. I have received a report from the advisory committee set up some considerable time ago. I am now studying the report and am prepared only to say that it is a most comprehensive document and is worthy of study. I will continue to study it and hope to take the report to Cabinet in about 10 days time.

FISHING LICENCES

Mr. CHAPMAN: Why has the Premier agreed to intervene in the licence fee dispute between South Australia's prawn fishermen and his Minister of Fisheries, the Hon. Brian Chatterton, by agreeing to meet industry representatives on Tuesday next, as reported? This issue has been widely reported for the past several weeks and those reports reflect a serious lack of industry understanding by the Minister and a total disregard for the need to recultivate confidence in our State fisheries, where industry-Government relationships are at an all-time low. In today's *News* an ultimatum, described as "blackmail", has been issued by the Minister wherein he states:

Pay up or lose your licence.

My reading of the mood in the industry now is that the Minister will be keel-hauled if he does not begin to act responsibly on this issue. Earlier this session, the Premier explained to the House that he valued the services of Mrs. Chatterton as an employee of his department, engaged—

The SPEAKER: Order! I cannot see that that has anything to do with the question. I want the honourable member to keep rigidly to his question, which he asked briefly to explain. I allowed the honourable member for Chaffey latitude in explaining his question because the subject was important, but the point the honourable member just made is not important. I hope that he will stick to the question.

Mr. CHAPMAN: I thank you for your ruling, Sir, but to me, to members on this side of the House and to a wide section of the community, this subject is extremely important.

The SPEAKER: I did not say that this was not a serious matter. I hope that the honourable member will not comment; that is all.

Mr. CHAPMAN: I will not comment from here on; I shall stick rigidly to the explanation, brief as it is. It was stated in reply to a question in this House that Mrs. Chatterton was engaged by the Premier to advise on the very matters for which her husband, the Hon. B. A. Chatterton, is the Minister. What I am simply seeking is whether the Premier's intervention in this instance is the result of advice of that officer or is it simply a demonstration of no-confidence?

The SPEAKER: Order! I am not sure that the honourable member is not casting reflections. I hope the honourable member is not commenting. He asked leave of the House briefly to explain the question, and that is exactly what the House allowed.

Mr. CHAPMAN: I did not intend to reflect on anyone. I have respect for the officers who advise in their respective capacities, and there is no reflection on the persons I have mentioned. However I would like to know whether the Premier, in his recent agreement to meet the industry, is demonstrating that he has no confidence in his Minister's ability to handle the fisheries portfolio.

The Hon. D. A. DUNSTAN: The honourable member has, I think, asked five questions in the course of his explanation. The position is that the Government and I

have every confidence in the Minister. I have not intervened in the dispute between the Minister and the prawn fishermen. The prawn fishermen have asked to see me as Premier. They have been told that the Minister of Fisheries has the carriage of this matter and the full confidence and backing of the Government. The prawn fishermen may see me. If they ask to do so, I will not refuse to see them, but they will see me with the Minister. That is not an intervention in any way showing a lack of confidence in the Minister. If I had refused to see the prawn fishermen, the honourable member would be the first on his feet in this place saying that I had refused to see people who were concerned about their industry. I will not refuse to see prawn fishermen if they wish to come to see me as Premier of the State. They may do that, but they have been told beforehand that the Government has every confidence in the Minister and that it backs the policy he has been putting to them. The proposals of the Government to the prawn fishermen are proper and responsible, and they should take account of them. An overwhelming number of people in the fishing industry of South Australia have inundated the Government—

Mr. Chapman: And you're using it as a blackmail tactic—

The SPEAKER: Order! I warn the honourable member for Alexandra.

The Hon. D. A. DUNSTAN: —with requests to be allowed to have prawn fishing licences at licence fees vastly in excess of the very moderate fees proposed in relation to this industry.

Mr. Chapman: You're using what suits you in this instance.

The SPEAKER: Order! I have already warned the honourable member for Alexandra, and if I hear him interject further I will name him.

The Hon. D. A. DUNSTAN: The prawn fishermen of South Australia have every reason to be required to pay a reasonable contribution towards the future of research in their industry and to pay, not some escalation of the original fee, which was fixed long before the prawn fishery in South Australia had been properly established, as a basis of their contribution to the cost to the community of their industry, but a fee which is commensurate with the returns that they make from it. That is a perfectly reasonable proposition. The propositions which have been put forward to the industry include those which would allow for a full survey of the industry and an assessment thereafter of the amount which the prawn fishermen should pay in accordance with their returns from the industry.

That is an attitude which the prawn fishermen have not been prepared to go along with, because, if they have to fix their future fees on the basis of investigation of the facts, that does not make them very happy. The proposal put to the prawn fishermen for a \$2 000 fee for this year, or 40 per cent of the original proposal, and for an investigation which will establish for next year the propriety of the fees proposed, is a perfectly reasonable one. The prawn fishermen comprise the only group in the fishing industry (apart from the abalone fishermen, who want to get in on the fishing act) that is backing the view that they are putting forward at the moment, and many other people in the fishing industry are bitterly critical of the great privileges given to the restricted number of prawn fishermen at present in South Australia. The honourable member has been playing a bit of politics in the House today. He knows perfectly well that the Government's position on this matter has a reasonable basis. For him to suggest that somehow or other I am showing some lack of confidence in the Minister by

agreeing to meet the prawn fishermen has no basis whatever. I shall meet the prawn fishermen, if that is what they wish, with the Minister, and they will be told once again what is the Government's policy.

ELIZABETH CRECHE

Mr. HEMMINGS: Can the Minister of Education say when the creche at the Elizabeth Community College will be made available to mothers who have young children and who wish to take part in day-time courses? I have been approached by several constituents who cannot attend day-time courses at the Elizabeth Community College because they have nowhere to place their children. I understand that there is a fully furnished creche at the college, and that the college has applied for six part-time staff for the creche. I understand, too, that similar creches at the Croydon Park Community College and the Further Education Department language centre in Adelaide are staffed by personnel financed through the Further Education Department.

The Hon. D. J. HOPGOOD: The honourable member having indicated to me last week that he was interested in this topic, I have a little information for him. Regarding the central campus at the Elizabeth Community College, a transportable classroom has been set aside as a child-care facility, and work has recently been completed on furnishing, fencing, and paving. Officers of the department are currently investigating ways in which some part-time staffing can be provided this year.

So far as the Salisbury campus is concerned, the occasional care centre some months ago was moved into a new building on campus that provides more satisfactory accommodation and is suitable for upgrading, and a scheme has been prepared by the department's building branch, and funding is being investigated. It is hoped that upgrading work can commence shortly. The centre is at present staffed by a part-time attendant not employed by the department, and it is hoped that it will be possible to use a part-time departmental employee. This question is also part of the investigation being undertaken by departmental staff in relation to the central campus.

I cannot give a specific answer to the honourable member's question about when some action can be expected. As soon as the present investigation has been completed, we will see whether we can fit what appear to be reasonable requirements into the current budget, and I shall let the honourable member know.

ENVIRONMENT

Mr. WOTTON: Will the Minister for the Environment say how he views the comments of Mr. Harry Butler, as reported in the media? Does he concur with his colleague, the Minister of Health, who, during the opening remarks at the conference "Focus on our Southern Heritage", appeared to agree with the comments of Mr. Butler and, if so, what does the Government intend to do, as a matter of urgency, about the situation? Mr. Harry Butler was reported in the *Advertiser* on Saturday as having said:

You name it, you've got it. By the time you add rabbits, over-stocking, land clearing, and salt problems, you have a whole compounded scenario for disaster.

He is also reported as saying the following:

The topsoil, the lifeblood of South Australia, is being blown out to sea.

Yesterday, in the same paper he is reported as having said that there has been "brutal desertification of South

Australia."

The Hon. J. D. CORCORAN: I read the comments made by the person to whom the honourable member has referred. I notice that he did not come up with any solutions to the problem; he simply made a bald statement. I think that he referred to "genocide" in one part. I suppose it is simple for a person to be all embracing in a scene such as this, and I think that the honourable member ought to recognise that, as he lives in this State, and I think that he has the normal powers of observation. I would like him, if he could, to cite for me the sort of scenario Harry Butler painted, take me to it, and see what we can do about it.

Mr. Wotton: I'm asking you whether you agree.

The Hon. J. D. CORCORAN: The honourable member can ask me that, if he wants to, but I do not have to agree with what he or Mr. Butler says. I am concerned, as I hope that all South Australians are, that we do the best we can to preserve the heritage, both natural and built, that has been handed down to us. Indeed, the speech made yesterday by the Hon. Mr. Banfield at the seminar on our southern heritage was my speech; he delivered it for me.

I do not know whether or not he added to it, but if he did I do not think that I would be at variance with him. I do not want to take up half an hour of the time of the House in detailing what we have done, are doing, or intend to do, to rectify the sins of the past. If the honourable member cares to go back a little in history, he will appreciate that, prior to 1965, very little had been done. Certain things happened, and in odd cases there was some recognition of the need to set aside areas of land, for example, but prior to 1965 virtually nothing had happened in this State to preserve our heritage, and the honourable member has pointed to it. Since then (and I give credit where it is due), the late Bill Quirke, who was a Minister of Lands in the Playford Government, was the first to recognise that this area needed some attention. He at least put some ginger into the national parks area, for example, which is only a small part of the total scene, as the honourable member would appreciate, and which does not cover the total environment. I was privileged to follow him, and I introduced the first Act to set up the national parks commission, as it then was.

I think that I have said enough, during the course of this session alone, to indicate to members and the people of this State this Government's concern regarding matters affecting the environment. I have told the House that we will have a dramatic injection of funds into the national parks scene. The honourable member has asked me when we will be introducing legislation to provide for environmental impact assessments, and I have told him that that matter is currently under investigation. The present manpower freeze has not helped the situation, but I assure him that the work necessary to form the base that will lead to the development of this legislation is well advanced. He knows that, earlier this year, we passed the Heritage Bill, under which the committee, with the exception of one person, has been appointed and is working.

He knows that we are currently involved also in an exercise regarding off-road vehicles and things of that nature. However, I want to make it clear that I am not in a hurry to introduce that piece of legislation, because I believe that irrespective of what—

Members interjecting:

The SPEAKER: Order! Interjections are out of order. The Deputy Premier has the floor.

The Hon. J. D. CORCORAN: I do not want to take any more time of the House, but I just want to point out to the honourable member that, whilst the Harry Butlers of this

world make the general sweeping critical statements that they make, I would be grateful if they could come up with more positive means of overcoming the problems they talk about and highlight. I think the honourable member would agree with me that they do not ever seem to do that.

HIGHBURY PRE-SCHOOL

Mrs. BYRNE: Will the Minister of Education obtain for me a report and any other relevant information as to the stage reached in the establishment of a new pre-school centre to be built and developed on the Highbury Primary School site?

The Hon. D. J. HOPGOOD: Yes.

MR. AND MRS. PLENTY

Mr. VENNING: Will the Attorney-General agree to discuss with Mr. and Mrs. Plenty their particular problem? With your concurrence and that of the House I desire to comment and explain the question. The Attorney-General last week—

The SPEAKER: Order! I hope this is not the same question that the honourable member asked recently.

Mr. VENNING: No, Sir.

The SPEAKER: I hope the honourable member can assure me that it is not. Also, I hope that the honourable member will sit down when I am speaking to him.

Mr. Venning: I am.

The SPEAKER: Order! I have already spoken to the honourable member; I now warn him. He has been in this place long enough to know better than that.

The Hon. HUGH HUDSON: I rise on a point of order. The honourable member, in seeking leave of the House, sought leave from you and the House to comment in explaining his question. I am not prepared to give the honourable member leave to comment. I am prepared to give him leave to explain his question and I suggest the same would apply with you, Sir.

The SPEAKER: Would the honourable member mind starting his question again, doing it in the usual manner.

Mr. VENNING: My question is to the Attorney-General. Will the Attorney-General agree to discuss with Mr. and Mrs. Plenty their particular problem? With your concurrence and that of the House, I desire to explain my question. It was pleasing today to hear the Premier say he would be only too delighted to see anyone who wishes to come to him with a problem. I ask that the Plenty's be given similar consideration. It is true to say that the Attorney-General said once that the problem was a Commonwealth problem, and this matter was taken up with Federal Attorney-General (Senator Peter Durack), who clearly stated to Mr. Don Jessop (who took up the matter with him) that it was a State matter. I ask that the Attorney-General consider meeting these people so that he can explain to them whether he considers this to be either in his area or that of the Commonwealth.

The Hon. PETER DUNCAN: I would like to congratulate Mr. and Mrs. Plenty on the way they are getting excellent attention from their local member. Regrettably, however, he is so lacking in ability he is unable to do anything to resolve the difficulty in which Mr. and Mrs. Plenty find themselves. The situation was adequately explained to the House last week when the honourable member raised this matter, and I certainly do not intend to take further time to deal with this matter. I have been involved over a long period in trying, in a *de facto* sense, to undertake the honourable member's

electoral duties on his behalf. It is not sufficient for local members of Parliament simply to refer constituents to Ministers in an endeavour to fob off the problems of constituents. It is only correct and proper that honourable members in their electoral duties should exercise some responsibility. They should consider the problems that are raised by their constituents and if a matter raised should be referred to the Federal Government, whether or not that Government be a Government of the political persuasion of the member concerned (as in this instance), they should have the guts to refer it on and to insist on some sort of action from the Government concerned and not try to fob off the problem in the way the honourable member is trying to do this afternoon.

I have considerable sympathy for Mr. and Mrs. Plenty. After all, they are unfortunate in having the honourable member as their local member of Parliament. One must have considerable sympathy for anyone in that situation.

The SPEAKER: Order!

Mr. TONKIN: I rise on a point of order, Sir. I was not aware whether or not you called the Attorney to order, but that remark was most improper, and it reflected on a member of this House.

The SPEAKER: I do not uphold the point of order. I thought the Attorney, when I called him to order, had finished his reply.

The Hon. PETER DUNCAN: I conclude by saying that the honourable member would be far better served to take his constituents into his confidence, to tell them clearly and frankly the situation and to suggest to them that they approach their Federal member of Parliament who, I presume, is a Liberal member, and ask him to take up the matter for them. If there is any substance in this matter, I have no doubt, if their appropriate Federal member takes up the matter, that they will get some satisfaction; however, if there is no substance in the matter it will meet an appropriate conclusion. It is about time that the honourable member undertook his responsibilities in the way I have said.

LEGAL AID SERVICE

The Hon. G. R. BROOMHILL: Will the Attorney-General say what will be the effect on low-income earners following the Federal Government's refusal to increase funds for legal aid services? My question follows a report in the weekend *Advertiser*, which states in part:

The Federal Attorney-General, Senator Durack, yesterday refused a request by lawyers to increase Government funds for legal aid services . . . Mr. Fergusson, [President of the Law Council] said lawyers have expressed "very grave concern at what we see as the reduced funding level of legal aid in Australia." He said Federal legal aid had been cut by 3 per cent this year to \$22 000 000 . . . He said Senator Durack had acknowledged that even some pensioners were being refused Government legal aid. These pensioners would have to seek charity from private lawyers. "Human rights should not depend on charity."

In the light of those circumstances, I would appreciate any views from the Attorney-General.

The Hon. PETER DUNCAN: I suppose that the matter raised by the honourable member illustrates the present Federal Government at its most callous worst. The approach that the Federal Government has taken in the recent Budget to legal aid says, "Regardless of need, regardless of proven demand for legal aid amongst people who cannot afford legal services from their own means and resources, we have no intention of making sufficient funds available to enable the problem to be met and to have

these people's legal needs accounted for."

As the honourable member has pointed out, the Federal Budget provided for an effective 3 per cent cut in funds available for legal aid. What Senator Durack did not say the other day in his comments was that not only has this year's Budget been reduced by 3 per cent but there is a significant overhang of legal aid cases from last financial year that the Australian Legal Aid Office has simply not yet made any move to process.

In South Australia, for example, as at 30 June more than 900 applications for legal aid had not been processed by the Australian Legal Aid Office; in other words, they had not been accepted or rejected for legal aid, and had not been referred to private practitioners or members of the staff of the Australian Legal Aid Office in South Australia. Therefore, 900 citizens of this State were left in limbo, waiting to know whether they had legal aid or not, because the Federal Government, in an extraordinary penny-pinching operation, was refusing to make sufficient funds available for legal aid.

If anyone thinks that vast amounts of money are involved in this matter, let me put his mind at rest. We are not talking about a fantastic number of millions of dollars: the total vote for legal aid throughout Australia next year is a mere \$22 000 000, which is peanuts in terms of the Federal Budget. The amount that the Federal Government is proposing to spend on security services in this country is in excess of \$30 000 000. That gives some indication of its priorities—where the lives of ordinary Australians are concerned, this callous Federal Government shows little regard. A few hundred thousand dollars would have been sufficient to clear up the backlog of 900 unallotted cases as at 30 June this year, but to date no funds have been forthcoming to enable that to be done.

The proposed agreement on legal aid between the Federal Government and the State Government of South Australia has not been signed at this date, and the principal reason why it has not been signed is the argument over who should pay for the 900 outstanding applications. I do not for a moment think that the State Government should pick up the tab for that, and it has no intention of doing that. It is absolutely scandalous that the Federal Government should suggest that the new Legal Services Commission should in any way be responsible for applications for legal aid lodged whilst the Australian Legal Aid Office was operating. In real terms and human terms, and in terms of the suffering that has been caused to people in this State, the Federal Government has much to answer for in this matter. As Mr. Fergusson, President of the lawyers' association of Australia, has pointed out in recent days—

Mr. Millhouse: President of the Law Council of Australia.

The Hon. PETER DUNCAN: The honourable member corrects me: the President of the Law Council of Australia has pointed out in recent days that the Federal Government has much to answer for in this matter. Whether or not the private lawyer should pay more towards the provision of legal aid in this country and in this State by accepting a lower dividend in the dollar for the work that he does seems to me to be rather beside the point; the real nub of the argument at the moment, and the real cause of concern for the people in this country, should be the incredible backlog of applications already received by the Australian Legal Aid Office. It is not a backlog, I point out, of work waiting to be done because there are insufficient lawyers or insufficient staff to do it, but of applications that cannot be processed because no money is available from the Federal Government to cover the cost involved. That is a scandalous situation.

I imagine that the cost, in terms of the human misery that is being caused by this ridiculous penny-pinching attitude of the Federal Government, is very great. I am sure that, if one could quote instances of people who are on pensions, of widows and others in necessitous circumstances in the community, who are being held up in their requirement for lawyers to assist them in exercising their legal rights, every member of this House, regardless of Party, would be appalled.

Mr. Mathwin: Only seven minutes to go.

The Hon. PETER DUNCAN: That is typical of the sort of attitude of members opposite. This is a most serious matter.

The SPEAKER: Order! Interjections are out of order.

The Hon. PETER DUNCAN: It is a most serious matter for all members of this community. I have no doubt that there are many people in the honourable member's district who have been unable to obtain legal aid over the past few months from the Australian Legal Aid Office because of the attitude of his Federal colleagues. After his ridiculous and puerile comment this afternoon, I shall do what I can to find out the names of such people and to inform them of his attitude. I do not suggest for a moment that I will be able to find out their names, but I shall do what I can to make sure that his puerile comments receive the sort of publicity they deserve. They show the sort of scurrilous attitudes of members opposite in such matters.

PRAWN FISHERMEN

Mr. BLACKER: Will the Premier say whether he and members of the Government consider that the Government's handling of the prawn authority fees controversy is an example of the worker participation programme envisaged for this State; if it is, does the Government intend to apply the same principles in other industries?

The Hon. D. A. DUNSTAN: The principle of worker participation is that people who are affected by publicly made decisions have an opportunity and a right to influence those decisions. There has been consultation and there is continuing consultation with the prawn fishermen. The Government had modified its proposal, influenced by views put forward by the prawn fishermen. That is a process of participation, and it is a process of participation in which we would seek to involve every person in the community. If the honourable member objects to the prawn fishermen having any participation in Government-made decisions, I can only say that the Government disagrees with him.

BREATHALYSER TESTS

Mr. ABBOTT: Will the Chief Secretary explain to the House whether the Police Traffic Division intends to conduct random breathalyser tests in its current blitz on drinking drivers? In a police warning to drinking drivers in the *Advertiser* on 15 September, it was reported that police would intensify their efforts to apprehend drink-driving offenders during the next month and that areas chosen for their known high incidence of drinking would be saturated by special patrols in the police blitz. Efforts are being made by the Police Traffic Division to cut down on the State's road toll, and little heed is taken of the dangers of drink driving. As most hotels have a high incidence of drinking, can the Minister explain what is meant by the reference to those areas being saturated by special patrols?

The Hon. D. W. SIMMONS: I think the meaning of the comment by the police officer is quite straightforward.

The Minister of Transport, on several occasions, has stated Government policy in relation to random breathalyser tests, and there is no intention of changing that. It is regrettable that far too many fatal accidents and others involving injuries occur as a result of people driving whilst under the influence of drink. I think the police are to be commended for keeping up their efforts to reduce this danger. Obviously, the most effective way of cutting down the risk is to go to the areas where the risk is most prevalent. No doubt that is what is meant by the police officer: they will concentrate on the areas where they are most likely to pick up people offending against the law in this respect. I am sure that what is meant by the term "saturation" is that they will put all the reserves into the areas where they are likely to pick up most offenders. It does not involve any change of policy by the Government on the use of breathalysers.

MOSLEM MEAT FEES

Mr. MILLHOUSE: My question is directed to the Minister of Works, representing the Minister of Agriculture. However, as it is an important question the Premier may prefer to take it. Will the Government, if it has not already done so, inquire into the payments, especially by Samcor, for certification of the method of killing of meat bound for Moslem countries, with a view to making public the facts of the matter? Last Sunday week, the *Sunday Mail* had as its lead story a report by Mr. Dick Wordley about this matter. The heading was "Mystery payouts by meat firms", and a couple of sentences were as follows:

The State-owned meat exporter, Samcor, would not give reasons, in the past week, for refusing to divulge publicly the amount of money it is paying the Moslems . . . State-owned Samcor, through the office of Agriculture Minister Mr. Brian Chatterton, answered "All this money is simply listed under General Expenses". An officer in Mr. Chatterton's department said: "I guess you'll say that sounds like a cover-up." The same officer expressed bewilderment that he could not obtain details from Samcor.

The next day it was reported, I think in the *Advertiser*, as follows:

The Minister of Agriculture, Mr. Chatterton, said last night [that is, the Sunday night] payments for the certificates had been investigated by the fraud squad, officers of his department and the Premier's Department. "The investigations have found no improprieties on behalf of the meat exporters," he said. He criticised a report in yesterday's *Sunday Mail* headed "Mystery payouts by meat firms." He said it did not have any factual basis.

It may be that the Minister was more exercised by matters of citrus or of prawns than of meat, but later in the week reports in the daily papers, the *News* and the *Advertiser*, showed that there was some considerable substance in the matter. This was shown again in an article in the latest *Sunday Mail* stating that a number of people, particularly Moslems in the community, are very perturbed about the allegations that have been made that some of this money may have found its way to the P.L.O., and so on. I do not know what the mystery about it is. First, the Minister says there is nothing in it, and then obviously there is something in it. I suggest it is time the Government cleaned up the matter.

The Hon. D. A. DUNSTAN: Some time ago, the Government received some allegations made by a section of the Moslem community in South Australia which contested the then committee of the Moslem society in

South Australia and its position. It was obvious that there was some disagreement within the Moslem community in South Australia, and a number of allegations were made concerning payments in respect of certification of Moslem-killed meat. Certification of Moslem killing is extremely important to the export trade of the South Australian Meat Corporation. If we did not have that certification, a great many of the exports which we make to the Middle East simply could not be made.

In consequence, an investigation was held by the Government. As the Minister has said publicly, that investigation was into any question of fraud or impropriety in the payments made for certification. The report to the Government was that there was no fraud or impropriety of any kind, that the matter of dispute was purely internal to the Moslem community, and that a section of the Moslem community was endeavouring to beat this up for the purposes of internecine strife within the community. It is not a question in which the Government or the Meat Corporation should involve itself. It is quite obvious that there have been some beat-up stories in the newspapers as a result.

PERSONAL EXPLANATIONS: SITTINGS AND BUSINESS

Mr. EVANS (Fisher): I seek leave to make a personal explanation.

Leave granted.

Mr. EVANS: My explanation relates to the operations of the House last week. On Monday, I rang the Government Whip's office, just after 12 noon, to ascertain the programme. He rightly explained to me that the manager of the House (the Deputy Premier) had not been well, and I expressed the view that we all understand the grit he shows in enduring the suffering he has in carrying out his duties. I accepted that explanation from an officer of the Government Whip, who told me that the Whip would be available later that afternoon. He contacted me as arranged, and told me the programme for Tuesday, to which I agreed. He said that the further programme would be available at 9 o'clock next morning. I came down to the box at 9-10, and it was not there, but it was delivered about 10 o'clock by an officer of the House. On Tuesday, after we had received that programme, it was examined, and the Whip and the manager of the House on behalf of the Government, the Minister of Mines and Energy, approached me separately at different times during the afternoon, when we saw that the sitting was not going to continue into the evening with the programme that we had laid down.

I was asked whether I believed that we would get through the rest of the programme if we finished by 6 o'clock and allowed the grievance for the day to begin at about 5-30. I said that I believed we could get through the programme in that time. I think that that should be accepted as some form of guarantee from me. Members should also understand that a total guarantee can never be given in a House such as this, particularly when members of my Party believe in the right of an individual to speak whenever he so wishes.

Mr. Slater: No discipline.

The SPEAKER: Order! I call the honourable member to order.

Mr. EVANS: On the Thursday, as a result of sitting after dinner, permission was given for the Public Works

Committee, under Standing Orders, to convene a meeting during the sitting of the House. I express my regret that I failed to record four members' names in the pairs. That is basically my responsibility, as I fill out the pairs form and agree with the Government Whip to do that. I filled out the pairs forms, including the name of the member for Spence, but I failed to include the name of the Chairman (the member for Salisbury) or the names of the member for Todd, the member for Light, and the member for Chaffey, in the pairs listing. I want it recorded in *Hansard* that there was an arrangement of pairs, by the Parties, because those members were members of the Public Works Committee. In future, I do not think that it will be possible for an individual to say categorically how long it might take to handle business, because circumstances alter from moment to moment.

The HON. HUGH HUDSON (Minister of Mines and Energy): I seek leave to make a personal explanation.

Leave granted.

The Hon. HUGH HUDSON: I basically confirm the account given by the member for Fisher of the events that took place last Tuesday. In addition, as he will recall and, I am sure, confirm, further discussions took place on Wednesday with regard to the young offenders and community welfare legislation. It was agreed between the Opposition Whip and me that, if we got a certain way into Committee on the Wednesday evening, we would be assured of the Bills being finished by 6 o'clock on Thursday.

Mr. Evans: I agree with that.

The Hon. HUGH HUDSON: I think that the honourable member will recall that we expected to reach that stage at about 11.15 p.m. on Wednesday whereas, in fact, we did not reach it until 11.50 p.m. We would have sat later on Wednesday evening in order to have a conclusion of those two Bills by 6 o'clock on Thursday. The facts of the matter are well understood by all members as to why we did not finish by 6 o'clock. The member for Fisher was put in the position, as he has already indicated, of not being able to secure the co-operation of all members concerned.

Mr. Millhouse: A member has a right to bring up whatever he likes.

The Hon. HUGH HUDSON: It has been traditional in this place that agreements have been reached on time-tableing by the Government and the Opposition, and members on both sides, apart from the member for Mitcham, have attempted to co-operate with those arrangements. A similar arrangement was reached last week. It was not successfully fulfilled and, as the member for Fisher has said, unfortunately that means that it will be more difficult to make arrangements of that type in the future. It is a pity, and I am sure that the honourable member will agree with that. I hope that some rectification of that position might arise.

Mr. MILLHOUSE (Mitcham): I seek leave to make a personal explanation.

Leave granted.

Mr. MILLHOUSE: I make my explanation directly as a result of a comment the Minister made a moment ago in canvassing the business of the House last week. I certainly do not feel myself bound by any arrangement that is made by members of other Parties in this place, and I propose, as I have always done, to speak when I have the opportunity and when I regard it as appropriate that I should do so. Whether that inconveniences the Minister, members of his Party, or members of the Liberal Party or of the Country Party is no concern of mine. I regard myself as having a duty in this place to speak out on behalf of

those I represent in my own electorate and generally throughout the State. I resent any inference (and there was an inference in what the Minister said) that I should be bound by some arrangement that his Party makes with the Liberal Party.

The Hon. HUGH HUDSON: I seek leave to make a further personal explanation in order to get the record straight.

Leave granted.

The Hon. HUGH HUDSON: There was no reflection on the member for Mitcham. He did not have an attack of verbal diarrhoea on Thursday; he was not the one responsible for the breakdown in the arrangement, and no such conclusion to that effect should have been drawn by him. No arrangement made by the Opposition and the Government covers the honourable member. We are willing to put up with his infrequent interventions in debate when he attends the House.

Mr. MILLHOUSE: I ask leave to make a further personal explanation.

Leave granted.

Mr. MILLHOUSE: I must make a further personal explanation in view of what the Minister has just said. I regard it as the duty of every member, not only my own, to speak out when he feels that it is required. That goes for the member for Glenelg, who was directly reflected on but who apparently is not allowed by his Party to make an explanation.

The SPEAKER: Order! If the honourable member continues in that vein, I will withdraw his leave.

Mr. MILLHOUSE: I emphasise that it is my conviction and, I hope, the conviction of every member, that every member has the right—

The SPEAKER: Order! The honourable member is now debating the question.

Mr. MILLHOUSE: —to speak out at any time.

The SPEAKER: Order! I call the honourable member to order.

At 3.20 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

PLANNING AND DEVELOPMENT ACT AMENDMENT BILL

The Hon. HUGH HUDSON (Minister for Planning) obtained leave and introduced a Bill for an Act to amend the Planning and Development Act, 1966-1978. Read a first time.

The Hon. HUGH HUDSON: 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.

Mr. Millhouse: No.

The SPEAKER: Leave is refused.

Mr. Millhouse: Serve him right.

The Hon. HUGH HUDSON: The child member for Mitcham is attending this afternoon.

The Hon. J. D. Corcoran: You'll pay for that one.

The SPEAKER: I call the honourable Deputy Premier to order.

Mr. Millhouse: Hear, hear!

The SPEAKER: Order! I hope the member for Mitcham does not continue in that vein. I have already called him to order, and if he continues he will take the consequences.

The Hon. HUGH HUDSON: The honourable member needs a purgative, and then he would himself experience

the impact he has on everyone else.

This Bill is intended to amend the Planning and Development Act in order to extend the existing requirement for land division approval to allotments in excess of 30 hectares, and concurrently to delete the provision which presently allows separate titles to be obtained automatically for pieces of land traversed by a physical separation such as a road, drain or creek. The present position in relation to land division controls is that the approval of both the Director of Planning and the relevant local council is required for the creation of allotments of up to 30 hectares (80 acres), but no approval is required for allotments of 30 hectares or more. Where allotments in excess of 30 hectares are proposed, titles are obtained simply by the formality of an application to the Land Titles Office for the titles to be issued.

The arbitrary 30 hectares size limit on land division controls is giving rise to a number of serious consequences including demands for unwarranted expenditure on the part of State Government agencies and local councils which neither can responsibly meet. These demands relate to provision of such services as roads and water supply where they are simply uneconomic to provide. General agreement exists that the State Government and councils should be able to consider the effects of subdivision of less than 30 hectares in terms of demand for public services and expenditures, environmental deterioration and adverse effects on full-time primary production. There is no reason for believing that these things cease to be relevant when allotments reach 30 hectares, but the 30 hectare limit on controls has meant that councils are unable to give proper consideration to the growing number of subdivision proposals which create allotments of more than 30 hectares. Proper planning consideration of those potential impacts and prior approval for land division would enable us to avoid some of their consequences.

During 1977, 750 30-hectare allotments were created in 140 localities, particularly in the Mount Lofty Range, Western Murray Area and Fleurieu Peninsula. This is an accelerating trend and is now evident on Yorke Peninsula, Kangaroo Island and elsewhere. It is a trend which increasingly places both councils and State Government agencies under pressure to provide services to 30-hectare allotments and a number of councils have expressed concern about the burden placed upon them as a result and urged that the arbitrary limit be abandoned.

I can give honourable members two striking cases which illustrate the problems. The first example concerns some remote coastal land on Kangaroo Island. The district Council of Kingscote has expressed concern about a recent subdivision in its area created over 90 separate blocks in the Snug Cove area of Investigator Strait, each lot being slightly in excess of 30 hectares, many with coastal frontages. A demand for services, including roads, is inevitable. At present, neither the original homestead nor any of the allotments possesses access to a surveyed or surfaced road. The only major road in the area stops short of the allotments by some kilometres. The area is one of high rainfall. It is subject to flooding and has flood-prone creeks requiring construction of expensive culverts in order to maintain roads in an operable condition. Construction of those facilities is beyond the means of the council.

Kingscote council is also concerned about the burdens placed on council by the problems of absent owners, fire and weed control and other similar services. Information available to council suggests that there are other similar proposals being currently considered in the area, especially along the northern coastline of Kangaroo

Island, and in view of this they see an urgent need for legislation to provide subdivision control to prevent the subdivision of properties at considerable financial benefit to vendors but with no resultant responsibility to assist in financing the facilities, the demand for which arises solely from their subdivision activity.

The second pertinent example illustrates the cost to the State Government of this uncontrolled creation of rural allotments, and concerns the property once known as the Highland Valley Pastoral Company, in the Strathalbyn council area. Forty-nine allotments of 30 hectares each were created and, since no control applied, neither the council nor the Director of Planning was consulted as to whether the subdivision would be in the best interest of the district. To date, fifteen houses have since been built on the land, now housing some forty people, mostly young couples taking for granted normal urban services, particularly reticulated water supply. No reticulated water is available to that district.

A feasibility study into water supply in the Callington-Woodchester-Strathalbyn area was undertaken and it was found that, in relation to three possible proposals, costs ranged from \$1 300 000 to \$2 750 000, the first cost being for supply to only seventy one people. Revenue return on that scheme would have been a mere 0.18 per cent of capital costs, whilst the other more extensive schemes were even less economic. Between the time that that study was undertaken and the aforementioned houses were built, costs have increased significantly but the projected revenue return has remained stable. Supply of water to these houses is totally uneconomic. This situation has been known in the area for some time, yet the new residents of the area are demanding a water supply now that they are settled.

In each of the Kangaroo Island and Strathalbyn cases which I have outlined, the subdivision should not have occurred. The same can be said of much of the indiscriminate land division taking place in various parts of the State. In summary, the 30 hectare upper limit on our land division controls is quite arbitrary, and the consequences of indiscriminate land division include serious uneconomic demands for services, and difficulty in controlling subsequent development on the land.

The effect of the amendment now proposed will be to extend the requirement for land division approval to allotments of any size. Proper and responsible consideration will be able to be given to land division applications, including consideration of questions of reasonable access, water supply, environmental consequences, etc. That will not have the effect of precluding the development of hobby farms and rural retreats in appropriate areas. Nor will it preclude farmers from dividing off parts of their properties for sale to adjoining farmers and consolidation with those farms. It will entitle the local council or the Director of Planning to refuse approval in cases where the land division proposal is unreasonable. In all cases of refusal a right of appeal to the Planning Appeal Board will be available.

Similarly, the associated amendment, which will require that prior approval be obtained to create separate allotments where an existing lot is traversed by a road for example, will simply entitle the council or Director to refuse approval in cases where the proposal is clearly unacceptable and sound grounds for refusal exist. Again, rights of appeal will be available in those cases. The Bill is designed to have effect from the date of introduction of the Bill. I understand that the Bill will have wide support from local councils, who along with this Government view the present situation with considerable concern.

Clause 1 is formal. Clause 2 provides that the proposed

amending Act is to be effective from the nineteenth day of September 1978; that is, the date of introduction into the House of Assembly. Clause 3 amends section 5 of the principal Act. The definition of "allotment" is narrowed by excluding from its ambit portions of separately defined pieces of land that are physically bounded by an intersecting space such as a road, drain or railway. Thus it will no longer be possible to argue that a given piece of land automatically constitutes an allotment simply because, on the plan, the allotment is traversed by a line representing, notionally or physically, a feature such as a road, drain or creek. Paragraph (iv) of the definition of "allotment" is removed by way of consequential amendment. The remaining amendments bring within the ambit of subdivisional control allotments of more than 30 hectares in area. With this end in view, paragraph (v) of the definition of "allotment" is removed, and the present exclusion of allotments of more than 30 hectares is removed from the definitions of "plan of subdivision" and "plan of resubdivision". Clause 4 makes a consequential amendment to section 44 of the principal Act.

Mr. EVANS secured the adjournment of the debate.

JURIES ACT AMENDMENT BILL

The Hon. PETER DUNCAN (Attorney-General) obtained leave and introduced a Bill for an Act to amend the Juries Act, 1927-1976. Read a first time.

The Hon. PETER DUNCAN: 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

A number of very long criminal trials in recent years have pointed up the need to amend the Juries Act to deal with the case where a juror becomes ill or is incapacitated during the course of a trial. As criminal trials become longer the danger of their being aborted for this reason becomes correspondingly greater. At present, section 56 of the Juries Act provides that a criminal case may continue with a reduced number of jurors, provided that the number does not fall below 10. This provision does not apply, however, to murder or treason. In view of the fact that capital punishment for these offences has now been abolished, there seems no further reason for maintaining this distinction. Accordingly, the present Bill amends section 56 to make it applicable to criminal cases generally. Corresponding amendments are made to section 55a, which enables the judge to excuse a juror during the course of a trial. However, amendments are made to subsection (2) of section 56 to ensure that, even if the size of a jury is reduced in a case of murder or treason, the requirement of a unanimous verdict in these cases will remain. Clause 1 is formal. Clause 2 amends section 55a. The amendment enables the judge to excuse a juror during the course of a trial, including a trial for murder or treason. Clause 3 amends section 56. The amendment allows any criminal trial to continue with a reduced number of jurors providing that the number does not fall below ten. Subsection (2), which allows for majority verdicts in certain circumstances, is amended so that it will not apply to cases of murder or treason.

Mr. ALLISON secured the adjournment of the debate.

EVIDENCE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 September. Page 920.)

Mr. VENNING (Rocky River): The Opposition supports the Bill. For the success of the Parliamentary Select Committee into Prostitution, people giving evidence should have a guarantee of immunity from prosecution in respect of offences that may be disclosed by evidence given or submissions made to the Select Committee. The Minister was correct in saying that the proposed amendment is similar to a recent amendment to the Narcotic and Psychotropic Drugs Act relating to the Royal Commission into the Non-Medical Use of Drugs. The present Bill contains a further provision preventing from publication the identity of witnesses before the Select Committee. Likewise, this provision is designed to ensure that potential witnesses will not be deterred by the risk of publicity from appearing to give evidence or make submissions to a Select Committee. I support the Bill.

Mr. MILLHOUSE (Mitcham): I do not oppose the Bill, but there are a couple of things that I should like to say about it in amplification of the support given to it by the Liberal Party through its spokesman, the member for Rocky River. The big thing about the Bill (and I speak with appropriate respect for the Attorney-General) is that it all depends on him, and whether people will be prepared to accept that they have immunity depends on whether they will accept his word. The scheme of the Bill is that no prosecutions will be launched for anything anyone says in evidence at the Select Committee or (and I will say something more about that in a moment) in a written submission to the committee except on the authorisation of the Attorney-General. It is not an absolute protection for anyone: it is simply a protection depending on the decision of the Attorney-General of the day. I assume that that will be the present man for at least as long as the Select Committee continues.

The Hon. Peter Duncan: And a bit longer.

Mr. MILLHOUSE: Perhaps; at least until he is 43 years old. I know that he has announced that he intends to retire from politics at the age of 43. No doubt many people, when that time approaches, will keep him to his word.

The DEPUTY SPEAKER: Order!

Mr. MILLHOUSE: It is not an unqualified indemnity for people: it is simply an indemnity depending on the decision of the Attorney-General. The problem that we have here is that it is not only the Government that initiates prosecutions: a private citizen can prosecute.

I was surprised that the Premier, when he answered an interjection from the Leader of the Opposition, when announcing the Royal Commission into this matter, even though he was speaking off the top of his head, said that he did not think that any legislation would be necessary on this topic. Even to a lawyer who has been out of practice for as long as the Premier has been, I would have thought it would be obvious that the Government, powerful though it may think it is, cannot yet control private individuals in this way. This is an attempt to control private prosecutions. It is not an unqualified indemnity, and people will need to be satisfied with the *bona fides* of the Attorney-General to accept this. There are few in the community who are really as satisfied about this matter as no doubt he wishes there were.

A person by making a submission (anyone can write a letter to the Select Committee—and that is no doubt meant to be a submission in the terms of the Bill) can get

himself some immunity, depending on the decision of the Attorney, of course. All one must do is make a submission; one does not need to come along and give the evidence. If a person wishes to make a submission in which there are admissions, on the face of this Bill, nothing can be done about it unless a prosecution is authorised by the Attorney. A few smart people may try to take advantage of that.

I find it extremely difficult to know why it is necessary to hide the identity, as distinct from the subject matter, of a person giving evidence to the Select Committee. That is what is achieved under new section 67b (3), which provides:

A person who, without the authority of the Select Committee, publishes—

(a) the name of any person who gives evidence or makes a submission, to the Select Committee;

or

(b) any information or material tending to identify any person who gives evidence, or makes a submission, to the Select Committee,

shall be guilty of an offence and liable, upon summary conviction, to a penalty not exceeding five thousand dollars.

That is a heavy penalty indeed. I really cannot understand why it is necessary to hide the identity of people who come forward. I suppose, *ex abundanti cautela*, it is not a bad idea to do it, but I do not believe that it is necessary. However, it raises a pretty question that maybe the clerks at the table will have to ponder: what if one of us in this Chamber blurts out the name of someone who had given evidence? Are we protected by this provision because it is said under Parliamentary privilege? That is a conundrum that may not arise, but I could make it arise now, as we have already had a witness who has given evidence. If I mention his name I suppose I may well be up for the \$5 000, but I am not going to take that risk.

Mr. Becker: It would be a drop in the bucket with your assets

The DEPUTY SPEAKER: Order!

Mr. MILLHOUSE: The member for Hanson is obviously envious of me, but I assure him that he need not be on the grounds of my financial position. It is absolutely pitiful.

Those are some of the comments I make about the Bill. While it may be in the same form as the drugs Bill a couple of years ago, which I must confess I did not scrutinise at the time, it is not really the plain sailing and the absolute indemnity without any question that it seems to be. I also doubt the requirements to suppress names, and I point to a difficulty in interpretation if, under Parliamentary privilege, something was said in the Chamber that contravened the terms of the Bill we are now considering.

The Hon. PETER DUNCAN (Attorney-General): First, this is not an undertaking that there will be an absolute exemption from prosecution for everyone who gives evidence or makes a submission to the committee. Of course that is not the case, and no responsible person in this House would vote for a Bill that permitted any person who gave evidence to a Select Committee to be completely relieved of the possibility of being prosecuted as a result of that information. There could be the ridiculous situation where somebody who had committed murder made an admission in the form of a submission and then said, "Ha, ha, I have made a submission but I can now go away scot free". We will not be in that sort of game. I would have thought that all members of the House would be more responsible than to suggest that we should give anyone an absolute guarantee.

Mr. Millhouse interjecting:

The Hon. PETER DUNCAN: The honourable member criticised the fact that it was not an absolute guarantee; surely that is a clear indication of what I have just been referring to. Secondly, the honourable member made a passing comment on the answer the Premier gave in the House concerning this matter. The Premier was, in fact, quite correct. It was possible, without this legislation, for the Government to give a guarantee to people that, except in exceptional cases, no prosecution would be launched and no conviction sustained against people as a result of evidence they gave to this committee. I point out to the honourable member that even if private prosecutions have been lodged it is always possible for the Governor, exercising his prerogative, to relieve the person of the conviction that has been imposed upon him.

Mr. Millhouse interjecting:

The Hon. PETER DUNCAN: I make the point for the honourable member so that he will be clear that it was, in fact, possible for us to do that. Following remarks that he and others have made, the Government has decided to ensure that there is no misunderstanding about this matter. This Bill should be introduced, Parliament should pass it, and people will then be clear about exactly where they stand. As to the position of the Attorney-General in this matter, the role of the Attorney will be that of exercising what might be described as his quasi-judicial role. I am sure the honourable member knows exactly what I mean. I make the point that the Attorney-General's role in this matter would be in his quasi-judicial rather than his political role.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Evidence before the Parliamentary Select Committee of Inquiry into Prostitution."

Mr. GOLDSWORTHY: It was mentioned to me by the member for Rocky River this morning that no prosecutions would proceed except upon the Attorney-General's authorisation. The Royal Commissions Act has a section that provides:

A statement or disclosure made by any witness in answer to any question put to him by the Commission or any of the commissioners shall not (except in proceedings for an offence against this Act) be admissible in evidence against him in any civil or criminal proceedings in any court.

It occurred to me that a similar situation could prevail at Select Committee hearings as prevails under the Royal Commissions Act. There appears to be a similarity between the situation of the Select Committee taking evidence and the giving of evidence before a Royal Commission. The section in the Royal Commissions Act to which I have referred may be appropriate in legislation such as this, and there is no reference in that section to the Attorney-General's giving immunity to witnesses before a Royal Commission.

The Hon. PETER DUNCAN (Attorney-General): The immunity under the Royal Commissions Act is given only so far as that particular evidence is concerned. It does not give the person giving evidence immunity against prosecution for an offence to which that evidence points. In a situation where a Select Committee is looking into a matter such as prostitution, which actively draws to itself illegal activities of sorts (because, although prostitution is not specifically a crime, certainly the keeping of brothels, the letting of premises and various associated activities are crimes), it was our view that it was appropriate in these circumstances that not only should the evidence given not be used in support of a charge but also that the person giving evidence should be protected against a charge

arising out of that evidence.

Clause passed.

Title passed.

Bill read a third time and passed.

**APPROPRIATION BILL (NO. 2)
AND
PUBLIC PURPOSES LOAN BILL**

Adjourned debate on second reading.

(Continued from 12 September. Page 820).

Mr. TONKIN (Leader of the Opposition): This Budget may be, in retrospect, the most significant document ever placed before the House in the history of this State. For reasons which I shall outline, it is a negative and a disappointing document. So many things that could have been done to help South Australia move on into the future were not done.

Each year, the formulation of a Budget to provide for the works and services of the year ahead requires that ways and means be found to overcome new problems and adapt to changing economic conditions. Every Budget represents a step forward in the continuing achievement of a Government's objectives and the implementation of its declared policies. Each year, a balance must be struck between the desired rate of progress of these aims and the ability of the taxpayers to finance them, given the economic and financial constraints operating at the time. The States must also be concerned to frame their Budgets within the context of the economic and financial constraints applying to the nation as a whole, and all of them have now done so, to a greater or lesser extent, and with varying degrees of success.

It has been of grave concern to many South Australians that their Government only recently has come to recognise and accept this fundamental requirement of State budgeting. There is concrete proof in the financial statements presented to us that the State's economy has suffered gravely because of this stubborn reluctance to face reality and the Government's continued obsession with what can only be described as the outdated policies of the Whitlam era.

While all other States, including those presently under a Labor Administration, took full account of the critical position of the nation's economy, and constructed their Budgets accordingly, the Treasurer of this State last year set out deliberately, on his own admission, to "offset as far as possible the contractionary forces bearing down on the State economy from Commonwealth policies".

When he goes on to say, "To a large extent that policy was successful", he has in mind only his commitment to his own philosophies. The Government's overall attitude can be summed up in his further statement, "The Government thought it sensible to tide over the South Australian economy until such time as the up-turn came in national business fortunes." In other words, the South Australian Government has not at any time been prepared, or indeed, even conscious of the need, to take its own measures to encourage an up-turn in our own business fortunes.

In trying to go against the national tide of economic reality, it has expended resources, carefully husbanded or otherwise, which we as a State cannot afford to lose and which were vital to enable positive measures to be taken to regenerate our own economy.

The present Government's approach and attitude have been disastrous for South Australia. Its Ministers have made great play of the financial restrictions necessary for

the Commonwealth Government's actions in slowing down the previously excessive rate of expenditure of taxpayers' funds, and we have heard them indulging in this again this afternoon. But they are noticeably silent when it comes to the alternative—even higher taxes, continued inflation and higher unemployment in the private sector. It is obvious they have learned nothing whatever from the disastrous, spendthrift policies of the Whitlam era. Do they really believe that the taxpayer has a bottomless purse, or that money can still be churned out of the printing presses to pay for lavish programmes, regardless of the long-term economic consequences? There is no way that they can credibly do so, if they have any real insight into their responsibilities as Ministers, and yet they go on, with nauseating regularity, as they have done today, frequently in answer to questions from their backbenchers, attempting to place the blame for every financial difficulty facing the State back on the Federal Government.

The other States have grappled with the problems confronting them as a result of the nation's economic and financial difficulties, and it is enlightening to examine the Financial Statements of the Treasurers of those other States. Like South Australia, the other States have all had reductions in the amounts made available to them from the Commonwealth for various programmes, and in spite of an increase in untied grants they make no secret of their dislike of the need for the present financial stringencies. They have made no secret of their dislike at all, but, without exception, the other States have shown a realistic acceptance of the situation and a determination to live responsibly, within the means available to them, by controlling their expenditure. Indeed, so successful have they been (and some have been most successful) that in some instances they have been able to reduce State taxation, and help stimulate their own State economies.

It is worth quoting from the Budget Speech for 1978-79, given in the New South Wales Parliament recently by the Treasurer of the Wran Labor Government, the Hon. J. B. Renshaw; honourable members opposite would do well to listen to this statement, as follows:

This Budget has been prepared in the context of the serious economic problems still confronting Australia and heavy financial restrictions imposed by the Federal Government. Nevertheless, the Government is confident that, by the most careful financial management, we have produced a responsible and constructive Budget which best meets the social and economic needs of the State.

There is very little other reference to the Federal Government. Similar responsible attitudes are shown in the Budget speeches of the other States.

The Premier of Victoria, Mr. Hamer, in introducing his Budget on 13 September, described the three major objectives as follows: first, to restrain departmental expenditure, and to insist on strict economy and efficiency in all Government departments and authorities; secondly, to reduce taxation, and limit increases in Government fees and charges as far as possible; and thirdly, to maintain a maximum works effort, and to stimulate economic activity and employment in the private sector. But the Government of South Australia has consistently adopted a negative approach to the situation.

While other Governments were responding positively last year, the South Australian Government was reacting negatively, as we have seen, trying to counter the Federal Government's activities. It is little wonder that the Premier now says in the Financial Statement:

It is not possible to offset these contractionary policies indefinitely.

And later, he says:

I am forced very largely into the position of being unable to use the South Australian Government's budgetary policies to resist further the Prime Minister's repressive theories.

This inevitably raises the question: why did he believe he could or should go against the national tide, when every other State had faced the reality of the situation, and adopted positive approaches in their Budgets to adapt to the national economic situation? The answer, of course, is that the Premier and his Government have been obsessively dedicated to the ideology and outdated policies of the disastrous Whitlam era for far longer than have been their colleagues in other States.

They have even been prepared to let South Australia's financial position deteriorate in the misguided belief that some political miracle might accrue from that advantage to the A.L.P. in the Federal sphere. The Federal election in December 1977 finally put paid to that possibility in a fashion which brooked no argument, and now the Government has been forced to look closely at the problems it has created in South Australia by its politicking.

No wonder Government Ministers continually blame the Federal Government, for that is the only way they can see whereby they can hope to draw the spotlight away from the growing evidence of the South Australian Government's own financial mismanagement and neglect. More and more people in the community now believe that Government Ministers are protesting too much.

The Financial Statement presented to us, in sharp contrast to those of other States, whether they be Liberal or Labor in their Administration, constantly blames the Federal Government for areas in which the State Government has reduced spending, and indulges in extravagant self-praise.

Mr. Wotton: And the people of this State can see through it.

Mr. TONKIN: They are beginning to see through it more and more. The State Government indulges in self-praise when it has accepted its proper function of determining its own priorities, for instance, in the increased spending on libraries, but as soon as anything has to be cut back, or a programme reduced, then, according to this Government, it is the fault of the Federal Government.

The people of South Australia are growing sick and tired of the Government's continual blaming of the Federal Government for almost everything. What they want now are straight answers to these questions: Is South Australia really the only State to have suffered financial restrictions from the Federal Government? The answer is, "No"; all States have had their funds curtailed, and we are not alone in these restrictions. Why is South Australia's financial position so much worse than that of other States? The answer must be because of the State Government's poor administration and lack of control of wasteful and extravagant expenditure compared with other State Governments. Why does the State Government continue to blame the Federal Government for all its troubles? The answer is that it hopes to draw attention away from its own mismanagement, by blaming someone else.

Finally, when will the State Government stop blaming someone else and whingeing about it, accept the situation that funds are short, and prepare positive plans to help South Australia? When will it stop whingeing and start doing something for South Australia? Hopefully that will be soon, but there is not much evidence in this Budget to suggest any real change of attitude, or any real plans to stimulate the South Australian economy.

All the Government has been able to do is to organise

rallies and protests against the Federal Budget that were planned and prepared several weeks before that Budget was actually brought down, but they have been totally negative and have done nothing whatever to help change the situation. I have had one solitary letter, saying that the writer welcomed the Labor Government's advertising campaign because it stimulated them to write to me telling me that they believed it was about time that the Labor Government in this State stopped complaining and started to do something positive. That is the one letter I received as a result of the expensive campaign.

Mr. Goldsworthy: I didn't get any.

Mr. TONKIN: I have not heard of many members who received them.

Mr. Dean Brown: I understand that they discontinued these advertisements because they were so bad.

Mr. TONKIN: It is interesting to note that the advertisements disappeared fairly rapidly. Having noted the very marked contrast between the positive and determined attitudes of the other States, and the negative and totally defeatist attitude of the State Government, and the outlook projected by the Budget, I point out that it is important that we examine the relative budgetary performances of the States, for this is the real measure of the results of their policies and initiatives. Unfortunately, the figures provided in the South Australian Budget, when compared with those of other States, reveal a very grim and unpalatable picture. The real measure of the effectiveness of a State's management lies in what each has been able to achieve with the funds that are available, and South Australia certainly proves to be well out of step with the other States.

At the end of the last financial year, all other States, with the exception of Tasmania, which budgeted for a small deficit of about \$2 000 000, had virtually balanced Budgets. But South Australia had an excess of expenditure over receipts of \$25 000 000, a record figure for this State. The forecast deficit on combined accounts was \$18 400 000 for the year, because the Government planned to use up this sum, which was the total of South Australia's remaining reserves, to cover the Budget deficit.

The Government may have been able to convert a deficit of \$25 000 000 to one of \$6 500 000 by using all of our reserve savings, but it has cost us all our savings, and we have no more reserves. The other States have been able largely to balance their Budgets, and still provide adequate programmes for their taxpayers. Where has South Australia gone wrong, if it is not as a result of grossly incompetent and irresponsible management? The answer cannot be found anywhere but at the door of the State Government itself.

In summary, the present situation amounts to this: the national economic and financial situation has resulted in a relative restriction of Commonwealth funds to all States. South Australia has not been singled out by the Commonwealth for especially harsh financial restrictions, compared to the position of other States. Other States have brought down responsible and largely balanced Budgets, despite the financial restrictions, and most have made further tax concessions (for example, in succession duties), while maintaining adequate services. By comparison, South Australia had the appalling distinction of being \$25 000 000 in the red for 1976-77 and of having used up all of our reserve savings of \$18 400 000 to help cover this.

Mr. Groom: What would you have done?

Mr. TONKIN: We would not have allowed such grossly extravagant spending in the first place. This record State deficit has occurred despite the money from the railways transfer (\$42 000 000 last year, together with relief from

the \$62 000 000 deficit now paid by the Commonwealth), which other States have not had. South Australia is already starting off this financial year in debt to the tune of \$6 500 000 and, even though a balanced Budget is forecast, we will still face this accumulated deficit at the end of the year. That is the summary of the situation. I know that Government members would like to draw attention away from the State scene back to the Commonwealth, but we are dealing with a State Budget and the affairs of South Australia. An examination of State Budgets shows that the South Australian Government has performed incredibly badly compared to other State Governments, and there is no way in which it can credibly blame the Federal Government for what has happened. The total responsibility must lie with the South Australian Government.

Mr. Mathwin: And the Treasurer himself.

Mr. TONKIN: Yes, and urgent remedial measures must be taken if our State is to recover. Our potential for economic recovery is finely balanced at present, and the continued commitment of more available funds to servicing ever-increasing deficits (and the State debt is remarkably high compared to the position in other States) will simply put that recovery further and further away from us. Unfortunately, the people of South Australia will suffer from this mismanagement of their funds.

Mr. Wotton: We are always being told South Australia is leading the other States.

Mr. TONKIN: We are leading the other States; South Australia has the dubious distinction of having the largest deficit of all States, the highest unemployment, the largest Frozen Food Factory (or biggest white elephant) and the highest cost of water. We are leading the other States so remarkably at present that I do not want to have any part of it; it is nothing to be proud of. It is scandalous, and a matter for great regret, that the financial position of South Australia should have reached this stage of crisis before the Government, even now reluctantly, admits that problems exist. This has been one of its biggest problems; it is not prepared to accept reality or the fact that problems exist. Because of that, it is unable to solve the problems. It cannot put its attention to those urgent problems and try to bring up measures to solve them.

There are not many positive measures worthy of congratulation in this Budget, but the presentation of the Appropriation Bill and the Public Purposes Loan Bill together certainly will help in the understanding of the Government's overall financial plans, and I welcome that procedure. I also welcome most of the comments made under the heading "Effective use of Resources", since they indicate that the Government is moving towards more adequate planning, budgeting, and accounting procedures in its departments, a move which is long overdue.

The Opposition has given a great deal of consideration to this fundamental question of budgeting and the adequate control of Government expenditure. I intend to outline proposals for programme and performance budgeting procedures, for budget and estimate committee examination of the Budget, and for the strengthening of the various other Parliamentary committees and procedures monitoring Government spending generally when we move to go into Committee on these Bills.

The control of wasteful and extravagant expenditure to ensure that the best possible value is obtained for the taxpayers' money is the fundamental key to the alternative Budget strategy, which I will detail later. The final "Effective use of Resources" could indicate that the Government has finally accepted that economies and savings can be made, and, if this is indeed so, and it is

prepared to take action, this would be a matter for congratulation, too. I do not know when I have congratulated the Government so consistently for such a long time.

However, fine sounding words such as those in the report have been heard from this Government before and have turned out to be hollow indeed. I totally agree that "the firm control of expenditures within the limits approved, the improvement of our financial planning and budgeting, the achievement of economies wherever practicable, and the flexibility to cope with changing circumstances" are essential elements in the proper management of the State and in the achievement of any Government's objectives. But the introduction of expensive proposals for the appointment of another Minister (the Bannon Benefit Bill) together with the necessary associated staff and establishment, coming hard on the heels of that recitation last week, makes me doubt the Government's sincerity in this matter.

The inclusion of responses by departments to the Report of the Auditor-General for 1976-77 (Attachment III in the Financial Statement) is a welcome innovation and seems to have been based on the practice of the Commonwealth Parliament Public Accounts Committee. At least it indicates that note has been taken of the Auditor-General's remarks, and that something is being done to consider them. Whether or not the answers provided give a satisfactory degree of reassurance is entirely another matter, as may be seen quite clearly from detailed examination of what is said. A list of prepared answers detailing the measures that are being taken to correct deficiencies is one thing, but an opportunity for Parliament or one of its committees to examine the merits and results of these actions would be far more significant.

It is unfortunate that the present Government seems to regard any criticism or exposure of any area of wasteful spending as direct reflection upon its own performance or criticism of itself. A responsible Government, I believe, would welcome such exposure, so that the situation could be corrected as quickly as possible. Procedures to engage in scrutiny of the Government's expenditure, such as those which I will suggest in a subsequent speech, should be welcomed both by Parliament and the Government of the day, since they can only lead to increased control and efficiency, and release more funds for other options.

As I will show in more detail then, if deficiencies in our system of budgeting and a lack of proper controls cause more money to be spent on a project than is really necessary, that money will not be available for another project, which may be needed in the present or in the future. This is perhaps the major concern at present, that our options for the future are being foreclosed either by the adoption of unnecessarily expensive programmes for political reasons or by a lack of proper control of expenditure allowing taxpayers' funds to be wasted.

Mr. McRae: Which examples are the unnecessary ones?

Mr. TONKIN: The South Australian Government is guilty of foreclosing South Australia's options in both ways (I welcome the interjection from the honourable member), in projects like Monarto and in general waste and extravagance. I wish now to deal briefly with certain specific areas mentioned in the Budget, and I will then outline an alternative Budget strategy and the reasons why a positive approach looking to the future of the State is essential for all South Australians.

The elaborate "lock-up" pantomime and all it entailed was not enough to hide the fact either from the journalists involved or from the public that this Budget had very little to offer. Indeed, the two words most often used to describe it have been "negative" and "disappointing",

negative because of the attitude I have already discussed, and disappointing because so much could and should have been done towards positive stimulation of our State's economy and was not done.

Of necessity, because of the lack of co-ordination in the papers presented, and the lack of explanation of the purpose of many of the spending programmes, examination must be in general terms and on a broad basis. One particular issue however, shines out as a glaring example of South Australia's present difficulties, and further emphasises our untenable position as the odd State out. I am referring to succession and gift duties. The Liberal Party advocated the abolition of succession and gift duties at the last State election, and has constantly repeated its call for the repeal of this unfortunate capital tax.

Mr. Groom: What do you replace it with?

Mr. TONKIN: The interjection shows quite clearly into what a negative frame of mind members opposite have been bludgeoned by their Leader and Treasurer. Instead of being on the defensive they should be able to come up with the necessary suggestions. That is exactly what we intend to do.

Other States were quick to follow Queensland's lead and, while most have allowed for a phasing out over a three-year period, all have now taken some action. The Commonwealth, too, has adopted a similar programme. It is totally incomprehensible to me that the South Australian Government is not prepared to face reality and fall into line with the other States and the Commonwealth. I warned before this Budget was introduced that South Australia could miss out on millions of dollars of capital investment unless that policy was changed. Not only will capital leave the State, but potential investment is likely to go elsewhere, and we simply cannot afford to let this happen at such a critical time in our economic history. All that we have heard from the Government on the issue has been a deafening silence until this afternoon. Then we heard a wishy-washy answer on that subject from the Premier.

The Premier referred very obliquely to the matter in the Financial Statement when he criticised the Opposition, because it "constantly demanded that I dissipate them [the reserve funds] by reducing revenue," but otherwise there has been no reaction, and no evidence of a more responsible attitude by the South Australian Government.

The Premier may say that we cannot afford even to consider the phasing out of succession and gift duties. I say that we cannot afford not to do so. The Premier may say that there is not the money to cover such a step. I say there will be even less money if that step is not taken soon and that we must find the necessary funds. We must also find the funds to introduce other positive incentives for investment and industrial and economic growth in South Australia if we are to generate more funds and move ahead again.

The Premier may say that it is not his Party's policy to remove succession and gift duties. If this is so, I say his Party must be removed from office. His Party also has other policies such as those on worker participation and compulsory unionism and the State would be the better for the removal of these braking influences on the economy and on the possible recovery of this State, too.

A number of other matters require comment and pay-roll tax and stamp duty are amongst them. It is commonly accepted in business circles that it is not often that an enterprise of any kind can remain at a standstill in its activities; either a business increases, or it will decline. There are signs now that South Australia has become locked into a declining situation. Stamp duties fell \$7 400 000 below estimate and pay-roll tax receipts were

\$6 500 000 below estimate last year. These were the major areas contributing to the total shortfall of \$17 800 000 and the significance will not be lost by those people concerned about the current economic situation of the State.

During the Address in Reply debate I emphasised this Government's ultimate and total commitment to State ownership and control and its total lack of concern for the long-term future of private enterprise. These figures show better than anything else can that industrial and commercial activity is declining steadily under this Government's policies. We do not have to prove that people are going out of business or are moving to Queensland or to other States; these figures say it all for us. More than ever before, positive measures are necessary to rescue and resuscitate the private sector. Those measures have not been forthcoming.

As with other items, the establishment payments scheme was announced before the Budget was introduced. It seemed that perhaps the Government had finally realised both the error of its ways and the need to help the private sector and that more was to come in the Budget. Hopes were further raised by the following statement:

I have included in this Budget several measures which help the private sector.

Those hopes were not raised for long and that statement was totally erroneous. Apart from the establishment payments scheme there was, in the Budget, absolutely nothing! A platitudinous, "We will seek to avoid imposing extra burdens on a private sector now ravaged by factors outside its control," and a glutinous, "I would like to do more to help," were hardly the positive and realistic measures needed so desperately by the business and manufacturing community to survive, let alone recover.

Mr. Dean Brown: The establishment loan is no help to existing companies.

Mr. TONKIN: That is the whole point: it's a damp squib! Having taken \$146 000 000 in pay-roll tax away from people trying to employ labour, the Government has now offered about \$2 000 000 to others to employ more. The grants or loans are to be made available to firms "wishing to set up operations in South Australia for the first time" (and why they would want to, I have no idea) or to firms "looking to expand or diversify their operations" (and how they could afford to consider that, I cannot imagine, either). No mention is made of firms already in South Australia that are fighting to stay alive.

This scheme is nothing more than a cosmetic replacement for the decentralisation incentive scheme, and is singularly inappropriate to the present situation of private enterprise. This, I believe, the Government knows quite well. It is letting its ideological commitment override economic common sense. Its attitude is irresponsibly shortsighted and totally negative. It seems to have been stunned by the situation it has allowed to develop, which is all its own work, and seems to be unable to take any positive or constructive action, just like the rabbit caught in the glare of advancing headlights as destruction thunders down on it.

I turn now to unemployment. South Australia now has the highest rate of unemployment in Australia—7.9 per cent compared with the Australian figure of 6.2 per cent. These figures come from the Australian Bureau of Statistics. What a miserable state of affairs! In June 1977, South Australia had the second lowest percentage unemployment of any State but, by June 1978, it had the second highest percentage unemployment and now has the highest.

This deterioration in employment has occurred despite South Australia's being the only State where large sums have been spent on State unemployment relief schemes.

With the present Budget allocation of \$4 700 000, the total amount spent by the State will be just over \$51 000 000 since 1975. Whilst the Opposition has criticised the Government's total emphasis and reliance on the unemployment relief scheme and its complete neglect of positive measures to help the private sector to create new job opportunities, it has always believed that help must be given in one form or another. We may have disagreed about the form in which the help was given, but we have never said that help should not be given.

In this Budget the Government is turning its back on the unemployed in 1978-79. It is cutting down funds for unemployment relief schemes by nearly \$20 000 000 whilst, at the same time, it is providing no funds at all to stimulate permanent job creation in the private sector. That is a disgraceful state of affairs! Blaming the Federal Government for this cutback will be of no comfort to the unemployed while State Government waste and extravagance continues and while particular projects, dear to the Government's heart, continue to be funded.

Mr. McRae: Which ones?

Mr. TONKIN: I have pulled out a few examples at random. The sum of \$312 000 has been spent on industrial democracy and research; \$100 000 on the Monarto Development Commission; and \$336 000 on the South Australian Royal Commission into drugs, which was set up, as we all know, following an A.L.P. convention and which is duplicating work being done in other States. The sum of \$16 000 has been spent in the Premier's Department on entertainment, the purchase of liquor and working lunches. Government information films have cost \$10 000, and the production of a prestige book on South Australia has cost \$9 000. The Jam Factory workshops have cost \$585 000, and rentals paid for unoccupied offices in 1976 and 1977 have amounted to \$454 000. More than \$2 000 000 has been spent on those rentals in the past seven years. We must not forget the cost of establishing the new Bannon Ministry which, it is estimated conservatively, will cost \$100 000.

How can the State Government retain any credibility when it puts projects like those ahead of measures to create employment and stimulate the private sector? It is a disgraceful state of affairs! There are many other examples that all add up. By allowing this form of spending to continue, the Government is continually foreclosing on other options open to it. It is not anyone else's choice or decision but its own, and it must be held responsible for its actions.

I now refer to the question of no tax increases, which we heard about in this Budget document. As has been the practice in the past, much play has been made by the Government of the fact that no increases in the rate of State taxation were contained in the Budget.

Mr. Mathwin: It's like a hardy annual.

Mr. TONKIN: Yes, and technically it is quite correct, but increases in State taxes have been announced before the Budget in previous years. Increases in State charges have been announced and made before this Budget, including increased harbor charges, which will ensure that the port of Melbourne still retains a definite advantage over South Australia; increased water charges, which will bear heavily on house owners; increased car registration fees, which will affect everyone in the community; and increased electricity tariffs, which will include a proportion paid to general revenue and a special levy that can be classed only as a tax.

The increases have all greatly outstripped the current inflation rate, and must be regarded as hidden increases in State taxation.

Stamp duties, which in many instances are the highest of

any State in Australia, have not been changed, and represent a definite disincentive to our housing and car industries. I am amazed that the State Government is not prepared to put action where its mouth is. It should back the benefit from the Federal Government's cut in sales tax on cars by making its own concession in stamp duty, thus helping further to stimulate this industry so vital to South Australia.

I refer now to off-Budget financing. As the Government reaches the limits of the funding available through taxation and from the Federal Government it is transferring a number of its programmes on to commissions and authorities which have their own borrowing powers and are thus not included in the State's Budget. Similarly, the Government is using a number of its financial institution to fund its programmes. Although the Government is operating within its authority by financing its programmes in this way, it is effectively circumventing the restraints normally imposed on it both by the voters' attitude to increase taxes and by the Federal Government through the Loan Council. It should be required to identify to Parliament the commissions and authorities which have borrowing powers, the extent to which they have been used and the rate of increase of these, compared to the rate of increase in the State's indebtedness. I repeat: the level of this State's indebtedness is far higher than that of any other State.

The use of the State Bank, Superannuation Investment Trust and S.G.I.C. funds to relieve the Government's obligations to fund various programmes is also growing. The S.G.I.C. has taken over the responsibility to supply bridging finance to the South Australian Housing Trust and the Superannuation Investment Trust is being used to finance a new Government building for lease-back to the Government. These are not, of themselves, undesirable projects or practices, but they must not be allowed to provide an excuse to defer or depart from the key requirement in any worthwhile Budget strategy for South Australia's recovery, efficient accounting and control of expenditure, simply because they do not appear in normal Budget documents.

Trust funds have, in the past, been a matter of considerable concern to the Liberal Party. Now that the State's reserve funds have been raided and exhausted, the State's Trust and deposit funds may well prove attractive to the Government for temporary use in funding certain programmes, as happened some 10 years ago. This is not a desirable practice, and the financial statements should clearly indicate if and when this course has been followed.

I refer now to health and education. There has been a marked upturn in activity in hospital and school building during recent years, and there is every indication that we have over-capitalised these facilities in many instances, compared with present and future needs measured in terms of occupied beds and student populations. The provision of extravagant or over-generous facilities in one area will foreclose or restrict a Government's options to provide facilities for other areas, and this factor must never be lost sight of in planning and deciding priorities. Resources must always be efficiently directed to provide the greatest amount of good to areas of greatest need.

I refer, finally, to the State Superannuation Fund. The State Superannuation Scheme is a most generous one, and there is no suggestion that it is not necessary. However, considerable concern has been expressed recently at the present projections of its likely effect on State revenue of the future if it continues in its present form. I understand that investigations are being undertaken by the Government, but it is certainly a matter which will require careful consideration and possible action by the Government.

I come now to the alternative Budget strategy available for South Australia. The need to control Government expenditure and obtain value for taxpayers' money is essential for the proper management of the State's economy. This is the key to South Australia's recovery. Obviously, this is well-recognised by the Governments of other States, and I quote again from the 1978 New South Wales State Labor Government's Budget speech:

The Government has balanced the Budget, avoided tax increases, and introduced a number of important tax concessions . . . This Budget result has been achieved by disciplined budgeting in all areas of Government spending, and by a strict ordering of its priorities.

That was in the New South Wales Labor Government Budget brought down a short time ago.

In concluding his recent Budget speech the Victorian Premier, Mr. Hamer, said:

The aim of the Budget has been to ensure that the many services provided by the Government should be efficiently maintained at minimum cost, and that the highest possible level of financial resources are left in the hands of the private sector. Accordingly, taxes have been reduced and the strictest economy has been applied on departmental spending.

There is no doubt in my mind that the South Australian Government's frighteningly negative attitude is in large measure due to the fact that it just is not getting value for the taxpayers' dollar, it knows it is not getting value for the taxpayers' dollar, and it is too frightened to do more than talk about taking the strong measures necessary to correct the situation. In allowing wasteful and extravagant spending to continue it is allowing the foreclosure of the most important and urgently necessary option of all, that of stimulating and reviving the State's economy. Without the necessary savings in Government Administration there will be no funds to implement these measures. Without these measures, the basis for our recovery will not be capable of achievement, and South Australia will continue to decline.

The first priority, then, must be adequate control of our spending, both on an internal departmental level and through improved scrutiny by Parliament. When we move to go into Committee on these two Bills, I will outline in detail the improved methods of budgeting and Parliamentary scrutiny which I believe are essential if the funds necessary to implement the remainder of the strategy are to be provided. How much money can be saved it is impossible to say with great certainty, but in the present circumstances, covering an average of the entire range of annual expenditure, the figure is likely to be at least 2 per cent of the total, and probably more if programme and performance budgeting is introduced.

Obviously, if these measures are taken, there need be no suggestion of either cuts in services or increased taxation to finance the positive incentives for recovery which are required. The next priority, then, which would become effective concurrently with the measures taken to control waste and extravagance would be to offer a programme of real incentives for a renewal of industrial development. This is essential if the State is to go ahead again. The Government's ability to finance these incentives will depend on the success of its measures to stop waste and extravagance. I think we would all agree that the last thing anyone wants is any increase in State taxation. But, by spending the money we save to help revive and stimulate industrial development, we will generate more jobs and additional income for the State, and make further increases in State taxation less likely.

If further funds are required to boost this programme, the Government should consider selling off some of its

vast assets in real estate, both at Monarto and in the metropolitan area, where, we are told, the Highways Department, one of the largest landowners in the metropolitan area, no longer has plans for freeway construction. The amount of capital tied up in this way is considerable, and it could be most valuable to the State right now rather than laying idle doing nothing. In fact, once we can snap the South Australian industrial scene out of the deep lethargy which has grasped it under the Labor Government, the whole exercise could become, to a large extent, self-regenerating.

The Liberal Party's plan for industrial development and economic recovery includes:

1. Immediate pay-roll tax incentives, including (a) a raising of the basic level of exemption from pay-roll tax; (b) an exemption for pay-roll tax in respect of additional employees for at least a twelve month period; (c) a rebate of pay-roll tax for all apprentices; (d) a review of further pay-roll tax-based incentives.

2. An immediate overhaul of workmen's compensation legislation to reduce the cost to industry while still protecting the worker.

3. An immediate review of unduly restrictive legislation which increases costs, and inhibits development without commensurate advantages, for example, building regulations and consumer legislation. Sunset legislation will be carefully considered for statutory bodies, as will be explained later.

4. The provision of transport subsidies to enable South Australian firms to compete more effectively on interstate markets.

5. The introduction of capital tax incentives to enable South Australia to fall into line with the Commonwealth and other States on succession, death and gift duties, so that investment will remain in and be attracted again to South Australia.

6. A campaign to retain, attract and develop industrial and mineral development, with establishment loans available at low rates of interest to approved industries.

Mr. McRae: Where will we get that money?

Mr. TONKIN: Sir, I am amazed at my honourable friend from Playford, because I may call him that. Obviously, he has not been listening. The plan continues:

7. The adoption of a policy of industrial democracy which involves voluntary participation and not worker control, and a positive programme to reassure private enterprise on this score.

8. The immediate investigation of schemes for the restructuring of industry and the retraining of workers.

Mr. Groom: Our policy involves—

Mr. TONKIN: There is nothing that is voluntary about the Labor Government's worker participation or its industrial democracy scheme. It is the same as the level of voluntary application to its compulsory unionism policy; in other words, a question largely—

Mr. Groom: What compulsory unionism policy?

Mr. TONKIN: You see, Sir—exactly! Basically, honourable members opposite believe in the old story of "preference" to unionists. I am reminded of the situation in the Premier's Department when it came to the appointment of a new Head, and when the staff and the committee all asked to be consulted on that matter. I should have thought that the Premier would be the first, in practising industrial democracy, his brand, to accept that the members of his advisory committee from the staff would be listened to, but when it came to the point he would not accept their recommendations; when things are different, they are not the same.

The Government's other priority is to face up to the effects that its policies are having on investment and

industrial development in South Australia and to take realistic steps to overcome these problems.

Some of these matters have been dealt with in the initiatives I have already outlined. Its failure actively to promote mineral and industrial development in South Australia is a major obstacle to the State's recovery and development, as is its adherence to a socialist form of industrial democracy which, I repeat, is rightly interpreted by industry as threatening worker control.

Practically no mineral development can take place because of the Labor Party's uranium policy of "Leave it in the ground". This means that huge deposits of uranium and copper at Roxby Downs cannot be mined. Its opposition to uranium could also mean the death knell for the proposed uranium enrichment plant at Redcliff, even though its own committee and the Mines Department are well prepared for the development.

Its worker participation and industrial policies could mean the loss of the petro-chemical plant at Redcliff. Even although Loan Council approval may be given for infrastructure borrowing, the final decision as to whether or not the project will go ahead will rest entirely with the Dow Chemical Company. Obviously, it will wish to be certain that not only will its future in South Australia be secure but also that its operation will be as smooth as possible industrially.

South Australia can have an exciting future from which everyone will benefit, but the Government has to remove the heavy restraints it has imposed upon the State if we are to move ahead into that new era of development and prosperity. Courageous and positive action must be taken if we are to take our place again with the other States, and be part of the general development which is now occurring in the rest of Australia.

There are major projects which are well known to the people of South Australia, and these and others must be vigorously pursued with every ounce of effort and strength that we have. In some cases the plans already exist; all that is needed is a total commitment by government to help in every possible way.

The Redcliff petro-chemical plant, when established, will mean a saving in balance of payments of \$218 000 000 a year, Commonwealth and State Government royalties of \$90 000 000 a year, employment for 4 470 for construction work, and 1 420 permanent employees on site.

The Redcliff uranium enrichment plant is also a potential source of great employment. The known ready-to-mine uranium deposits on South Australia could be developed quickly and provide immediate employment for a large work force. The establishment of a uranium enrichment plant would provide contract work of more than \$100 000 000 to Australian industries.

Using the Government's own figures, the build-up of new employment possibilities could conservatively amount to 20 000. Overall direct employment of 20 000 supports about 80 000 dependants, but the general impact on Australian industry, transportation and community services can well amount to employment benefits for up to 500 000 persons, having gainful income or independent stable living based on a fully-developed uranium production industry. South Australia's share of these benefits would be considerable, and we cannot afford to see them go.

Roxby Downs has been likened to Mount Isa and is the most significant decentralising project available anywhere in Australia today. Mount Isa supports a population on site of 30 000 people. Mount Isa mines provide direct work for 7 000, and it is estimated that up to 83 000 Queensland residents derive their livelihood from the operation. In 1977-78 royalties totalled \$15 600 000. There will

undoubtedly be other projects available, like coal at Lake Phillipson, and uranium at Lake Frome.

The two essential products of these and other projects are jobs and income generated for the State. With mineral royalties such as those presently being received by Queensland and Western Australia (about \$50 000 000 compared with our \$4 000 000), we can open up the options available to the Government again, without any question of increasing taxation on individuals. The entire business community will expand and lift, given the stimulus the Government will be able to provide, and we will all share in South Australia's prosperity.

But, at this particular time in our State's economic history, this Budget represents a potential watershed. The future of South Australia is entirely in the hands of the present Government, and we are rapidly running out of time. At present it is not too late; and the Opposition urges the Government in the strongest possible terms to face up to the challenge currently before us, to put aside Party-political attitudes, and to adopt policies which will lead to stimulus, recovery, jobs, and prosperity for all.

This is the time for brave, aggressive, and positive policies, not for negative and defeatist approaches to the future. There is still time for the Government to adopt this change in attitude, but time is running out. The people of South Australia will not forgive any Government that does not fight for their future. That positive future is there, if we want to work for it, and if the Government of this State is prepared to help make it possible. South Australia has come a long way since 1836, overcoming many trials and vicissitudes. It is up to everyone, it is indeed every citizen's responsibility, to make sure now that we continue on into a better and even more prosperous future.

Mr. McRAE (Playford): I support both Bills, and I begin by adducing evidence that the Treasurer's Financial Statement, in which he analyses Australia's economic position, is in fact now supported by the Commonwealth Government, as well as by large sectors of private industry and also by the academic writers. Members will have noted that the Treasurer indicated that, by the end of the last financial year, Australia's economic position could be categorised by a number of factors, and he set them out as static industrial production, very depressed new dwelling construction, a depressed heavy construction industry, slightly improving but still low new car sales, modest real increases occurring in retail sales, and the balance of payments under strain and requiring heavy overseas borrowing to maintain reserve levels.

That dealt with the situation as the Treasurer saw it throughout the nation, and of course it is quite right. I shall demonstrate by referring to people who are very much involved in Australia's capitalist enterprises to indicate that that is so. Dealing with the Commonwealth Budget itself, the Treasurer said:

It has been well said that the Commonwealth Budget is based on a series of gambles, the chief of which are—

- that extra-high unemployment will make a contribution to reducing inflation;
- that private consumption will rise strongly in real terms to offset non-growth in the Government sector and low growth in private investment and exports; and
- that revenues will hold up to the optimistic Budget forecasts better than they did last financial year, despite the similar prospect of higher unemployment which threatens consumer confidence.

It is interesting, in the light of those comments by the Treasurer and in the light of the comments made this afternoon by the Leader of the Opposition, to note that the Commonwealth Government late last week confirmed

the true extent of the unemployment crisis that faces Australia, only, by the way, after there had clearly been a rift in the Commonwealth inner Cabinet, with Mr. Street, as Minister for Employment and Industrial Relations, heavily falling out with his Prime Minister.

Mr. Wilson: Do you admire Mr. Street?

Mr. McRAE: Yes, I have considerable time for him. The point I am making is that, after the Prime Minister, Mr. Street, and other leading Ministers of the Commonwealth Government had met together to vet Mr. Street's speech, an agreed statement was made. It seems obvious to me that the Commonwealth Government has now admitted by this the inadequacy or even the total irrelevance of its own policies for economic recovery. Already, even though we are talking about a Commonwealth Budget enunciated only a month or so ago, the Budget remedies are already in tatters, because of the gambles to which the Premier and Treasurer of this State has pointed and which never could have come off and never have come off.

Whereas it is agreed by everyone, including this State's Treasurer, that inflation will come down some time next year to 5 per cent or less, Mr. Street said in his major speech last week, after consulting with his Prime Minister and colleagues, that unemployment would continue in the foreseeable future, and he did not see unemployment dropping below 5 per cent of the total labour force in the next five years. That is astonishing. The price of getting inflation down to 5 per cent, which is no magical figure and which will not of itself necessarily achieve the whole range of other options the Government was seeking, is to keep the unemployment figure up to a preposterous 5 per cent for the next five years.

Mr. Mathwin: Not really; it's occurring elsewhere in the world.

Mr. McRAE: My word! We are facing the same kinds of problem that have been faced in other parts of the world, but the criticism I am making is of the way in which the Federal Government is going about solving the problems. It is no good saying that the Whitlam Government did this or did that. This is the Fraser Government enunciating its own economic strategy to deal with the crisis in this country and finding within a month that the promises it made simply cannot come to fruition, with one leading Minister of the Commonwealth (Mr. Street) being honest enough to come out a month later and say so, obviously because he was embarrassed, his portfolio bringing him in contact all the time with economists and the unemployed, to be continually asserting what was a lie, and he wanted to get it off his conscience. At least, the Commonwealth Government seems to have admitted the depth of the problem—something it had not done before last week.

What does it intend to do about it? Will it go on adopting the same kind of pattern it has adopted since it has been in office since 1975? That pattern is well known to us: it is a continual propping up of previous misguided policies. If that is what it intends to do, all it will be doing is continuing a fraud on the whole Australian work force and business community.

Alternatively, will it look for other remedies? Other remedies are available, and these have been discussed by numerous academic writers, people connected with the I.A.C. federally, and also, interestingly enough, by several what might be termed industrial barons. Recently, comments were made by three such people—the first, John Uhrig, Managing Director of Simpson Pope, who said:

The way out of our dilemma is to convert manufacturing industry from being centred on import replacement to being oriented toward overseas markets. We have to begin to work

in this direction without any further delay, and we have to do it at the fastest rate we can handle without additional unemployment or other social disruption. There are "hundreds" of examples of companies which have already begun to take up this challenge. They are in a wide variety of industries, but they all have some things in common. They are highly focused, specialised organisations which have been successful because their product or process is different in some way from those of their overseas competitors.

Alan Coates, Chief Investment Manager of the A.M.P. Society, was another person to speak up. He said:

I see the primary role of my institution as a provider of Australian ownership in developments which will inevitably call for international partnerships. This will not be a new role, but I hope it will be a much expanded one as we move once again to a position of renewed belief in the future of this country after years of self-imposed neglect.

None other than Mr. Chuck Chapman, Managing Director of General Motors-Holden's, said:

The Australian manufacturing industry is capable of being competitive.

He saw ways and means for that to happen. I indicate those things to demonstrate, first, that the Treasurer's apprehension of the real nature of the crisis that faced Australia was correct; secondly, that his apprehension of the gamble wrongly taken by the Fraser Government last August was correct; and thirdly, that it is not just the Treasurer but also leading academic journals and business journals like the *Financial Review* and leading members of the private sector itself who also adopt those views.

In the light of that, I will turn to what the Treasurer indicated was the State Budget strategy, which has been criticised this afternoon by the Leader, and I will then deal with some of the Leader's points. The Treasurer said:

Last year I delivered a Budget designed to offset as far as possible the contractionary forces bearing down on the State economy from Commonwealth policies. To a large extent that policy was successful. For most of the past financial year unemployment in South Australia remained below the national average. Members will realise how much of an historical exception that situation has been in times of national recession. It was not until almost the very end of the financial year, in the figures for May, that the State's unemployment rate finally edged above the Statistician's national estimate. While the contractionary forces were very heavy indeed, the State's budgetary policy offset them for the greater part of the year. In the light of circumstances then in effect, the Government thought it sensible to tide over the South Australian economy until such time as the upturn came in national business fortunes.

Following the patent neglect of the counsels of the united Premiers by the Prime Minister, there is now no prospect of a recovery in national economic activity levels for some considerable period ahead. We have to plan accordingly. It is not possible, given our resources in relation to those of the Commonwealth Government, to offset these contractionary policies indefinitely. We would be simply out-gunned. In consequence, I am forced now very largely into the position of being unable to use the South Australian Government's budgetary policies to resist further the Prime Minister's repressive theories.

This afternoon the Leader indicated that the Financial Statement for this year was a most significant document. He thought it was possibly the most significant document ever introduced into the State Parliament. Later in his speech, the Leader said it marked a watershed in the State's history. I certainly agree with him that it is a significant document. It is not a happy document in the sense that it indicates the efforts of the Government trying to deal with a situation not of its own making but of the

making of an ill-advised, misguided and stubborn Commonwealth Government which has refused to accept the counsel not only of Labor people but also of Liberal and Country Party Premiers, of many of its leading financial advisers, and of academic writers. It has been simply bloody-minded in its determination to go hellbent on its stupid policy. I agree that within those constraints it is a significant document.

The Leader started his speech by saying that somehow contained in this significant document was concrete proof that the State's economy suffered greatly because of outmoded Whitlam policy attitudes. He then said that those so-called outmoded Whitlam policy attitudes related to a reckless extravagance with money. I was quite surprised when the Leader challenged the fact that the reason for the run-down in finances last year was the expenditure on the State Unemployment Relief Scheme. Surely the Opposition does not dispute that expenditure. I was puzzled when the Leader said that he would not be involved, if he was Treasurer, in spending money in that way but that he would spend the money in some other way, possibly financing directly the private sector, but surely the Opposition is not challenging the expenditure on SURS?

Mr. Goldsworthy: It could have been spent in better ways.

Mr. McRAE: It could, in the Deputy Leader's view, have been spent in better ways, but I would like to know what those ways are.

Mr. Goldsworthy: Creating long-term employment.

Mr. McRAE: Then the Government would certainly like to know exactly how the Deputy Leader would have achieved that when in the same Financial Statement we find that a number of things have again occurred because of this pigheaded, bloody-minded and misguided attitude of the Commonwealth Government. In this State in the past 12 months we have seen a tremendous impact on our employment because of stupid decisions on car manufacturing; the almost complete closure of the Whyalla shipbuilding industry; the decline in the domestic appliances manufacturing industry; the adverse effects that seasonal factors have had on our agricultural machinery industry; and a decline in the housing and associated industries. In none of those cases has the Commonwealth done anything positive to help. On the contrary, most of the things it has done, right up to the partial lifting of the tax on motor vehicle sales, in every one of those areas, have been misguided and have had a crushing effect on this State. This Government decided to adopt the humanitarian attitude that by the expenditure of that money at least some human misery would be saved. Now we are forced into the position of not being able, at least not to the same extent, to cushion those savage blows any longer.

I have already indicated that it is not just the Premier of this State who is making those remarks: Premiers of other States, including Liberal and Country Party Premiers, are saying the same thing. The Leader indicated that he had had enough of the Australian Labor Party Budget rallies. I am sure he has and I am even surer he has had more than enough of the highly successful A.L.P. television and radio advertising campaign because many people in the community have been impressed by that. At a sub-branch meeting in my district last evening, four new members attended, urged on by their wish to criticise the Commonwealth Government's financial attitudes.

The Leader then asked numerous questions, one of which was, "Was South Australia the only State to suffer financial restrictions?" Obviously it is not; I would agree with that. He also asked why South Australia's position

was so much worse than that of the other States. My answer to that is that it is not worse than the other States. The Leader found solace in quoting from the Budget handed down by Mr. Renshaw, the New South Wales Treasurer. Unfortunately, that solace is not well taken. The difficulty is that the Eastern States of Queensland, New South Wales and Victoria have a most deplorable method of financial budgeting and exposure of their figures.

I refer to Mr. P. P. McGuinness, who is the editor of the *Financial Review* and also the economics editor of the *National Times*. In the 16 September edition of the *National Times*, under the heading "Accounting Nonsense", Mr. McGuinness, in dealing with the accounting procedures of the various Australian Parliaments, wrote:

The Budget brought down last week by the New South Wales Treasurer, Mr. Renshaw, is a typical example of all that is wrong with the finances of State Governments in Australia, and of the low standard of government the States have suffered for many years.

He goes on specifically to say:

The net figure for State Government authorities, both inside and outside the State Budget, of \$1.9 billion, is the nearest thing obtainable to a concept of the deficit of all State Governments combined (they confuse the issue by treating Loan moneys derived from the Federal Government under the rubric "payments to and for the States" as if they were current receipts). In 1975-76, New South Wales ran a deficit on the ABS basis of \$0.6 billion—that is 32 per cent of the total State Government's deficit.

However, it is impossible to gain any inkling of such a figure from Mr. Renshaw's Budget Speech of the following year. For, apart from some totally meaningless abuse of what his immediate predecessors had done with the Budget figures, he informed the Parliament that the New South Wales Budget deficit for 1975-76 was a mere \$1 million, and in the 1976-75 financial year would be only \$29 951.

Such members as are still listening to me will probably know that there is a big difference between \$29 000 and \$600 000 000. The article continues:

The immediate question which springs to mind after such a rigmarole of conflicting numbers is, who is lying? The answer is, no-one. But it must also be said that the State Governments are telling very much less of the truth than the Federal Government (and it's pretty dodgy, too).

So when we come to find the New South Wales Treasurer once again, in his Budget Speech of September 5, asserting that the New South Wales Budget deficit for 1978-79 will be about \$2 000 000, the only sensible comment is that this is meaningless nonsense. And the failure of Mr. Wran's Government to achieve any revision in the deceptive accounting procedures used by the State Government Public Service, and public authorities, to disguise what they are actually up to from any examination by the Parliament and the public, must indicate that he is clearly in the tradition of the Askins, Lewises and Willisies.

That is to say, all that has happened to the State Government as a result of the last election has been a change in its public relations style. The real government of the public servants, the statutory authorities, and the Police Force has continued with barely a hic-cup in the orderly process of hoodwinking the public—a process so well established in New South Wales and the other Eastern States.

That is Mr. McGuinness's annihilation of the budgetary system of New South Wales. For the same meeting in my district last evening, I took that speech of Mr. McGuinness and went through the Financial Statements, the Estimates and so on, and tried to find whether, in each of the cases of criticism by Mr. McGuinness of lack of information, information was actually supplied in these Financial

Statements. In fact, it is. If it is not, then it certainly should be. I obviously do not have enough time to deal with that, but I have quoted in full the relevant part of Mr. McGuinness's article and also the paper from which it comes.

I should also mention that Mr. McGuinness is known to me and he does not particularly like the New South Wales police. Therefore, I must not be taken to agree with all the statements he has made. Some of the criticisms he has made are important. It is therefore quite impossible really, as the Leader later indicated in his speech, to compare one State in Australia with another with any great degree of confidence. It will be found that Western Australia and Queensland have a large income from mining royalties and that South Australia has such a small income.

The Leader then asked, "Why does the South Australian Government continue to blame the Federal Government?" The simple answer is that it has a duty to blame the Federal Government for its wrongdoings, and it should try to bring the Government to account. The next question was, "When will South Australia do something?" Of course, this very document, if it is read properly, can be seen to be doing something. The Leader referred to his agreement with the overall Government proposal within the structure available to it, but he suggested a number of things, such as an estimates committee. Personally, I tend to support such a move. As far as I know, it has never been discussed within our Caucus. I think it is an excellent idea.

The Leader referred to the abolition of succession duties. The difficulty there, of course, is the large sum of money involved. I am a supporter of the total abolition of succession duties, but let us be realistic. We have already cut out the State Unemployment Relief Scheme. If we are to use this revenue brought in by succession duties, what other service must be cut? I do not have time to deal with pay-roll tax. Suffice it to say that I challenge any member opposite to provide figures to show that South Australian pay-roll tax is higher than the New South Wales, Victorian or Western Australian rates.

The Leader then spoke about proposed economies. If they are valid, they still amount to no more than \$1 500 000, far less than 15 per cent of what was spent on State unemployment relief last year, and far, far less than would be required to put up a major Government building to get rid of the need to rent Government service space.

The Leader then referred to the increased charges in various areas. I cannot comment on all of them. Certainly, the ETSA charges are highly necessary because of the need this State has to give itself a secure industrial base. I can only fully support what the Leader had to say about the absolute necessity for getting alternative economic and mining bases in South Australia; that is a reason why we need the petro-chemical works. I only hope that members opposite and their Federal colleagues will have kept close scrutiny on what the Federal Government is doing about this project in order to ensure that the moneys that could become available from the Australian Loan Council will be made available to this State. I believe that it is the desire of members opposite that that occurs. I do not put it beyond the bounds of possibility, in view of other things that have happened inside the Federal Cabinet, that competitors of Dow may this very minute be putting pressure on Cabinet members, the Prime Minister or other Government authorities to try to thwart what we are trying to do.

Dr. Eastick: You know who put pressure on Dow in the first instance, don't you?

Mr. McRAE: Tell me.

Dr. Eastick: Connor.

Mr. McRAE: I can only ask members opposite to show their usual diligence in following up that matter. The Leader then said that he did not exactly deplore but that he was chary of the use of the State banking institutions, S.G.I.C., and so on as a means of financial control inside the State. I am pleased indeed that S.G.I.C. and the banking institutions have proved their real worth in this State in the money they have made available to young home buyers, pumping money into the housing industry through the action they have taken.

I also applaud the Superannuation Fund for its own good sense in hedging against inflation by investing in the real estate and building construction scene, and by providing employment in that area.

The Leader then put up a proposed alternative programme. I simply do not have time to deal with all of it, but there are one or two matters with which I agree, one or two matters on which I could be persuaded to agree, and one or two matters with which I strongly disagree. First, he spoke of legislation with regard to statutory authorities. In relation to some statutory authorities, that is not a bad idea. I do not know that the American experience has been everything that its proponents hold it out to be, but I am not averse to seeing some experiments in that way or at least some other means of tying down the effective use of taxpayers' dollars.

The Leader then referred rather ominously to workmen's compensation. The suggestion I have strongly in my mind is that, if the Liberal Party got into office in this State, one of the things it would do immediately (if it has not already promised it to its own supporters in the insurance industry and in industry generally) would be to slash workmen's compensation back to the levels that applied at the time of the Playford Government. I can readily believe that, instead of 100 per cent of average weekly earnings, the Liberal Party has already promised to cut compensation down to 80 per cent or 75 per cent or even worse, to some set money figure. I just hope that the Opposition never gets that opportunity. (It will not be for a long time anyway). What a disgrace it would be: what an example to pick out.

The Leader then referred to industrial democracy. If there is a problem with industrial democracy, it is one of communication. Again and again the Premier has stated that it is not the Government's intention to in any way impose industrial democracy.

Finally, the Leader dealt with the State's uranium policy. His difficulty there is that he, along with every other member of this House (if my memory is correct), voted for that policy. Being one who supported it, I still incline towards that point of view. As I said at the time, if I can be persuaded that adequate safeguards can now be provided or that other factors exist which I have not taken into account before but which I should take into account, I would be the first to review my views on a matter like that. It is sad, I agree, that a project such as Roxby Downs cannot proceed, as I understand, basically for those sorts of reason.

If the Leader's intention this afternoon was to score a devastating victory against the Premier, he failed dismally. If his intention was to show a glassy crystal-clear alternative, he failed even more dismally. Rather, as Paul said, it was looking through a very dark glass into a grimy future with the Leader. All in all, I strongly support both Bills.

Mr. GOLDSWORTHY (Kavel): I found it rather difficult to give my undivided attention to the member for Playford. He acknowledged at one stage that it seemed to him that not many members were listening to him. I will

take up one or two of the points he mentioned, particularly in the latter part of his speech. Let me make quite clear that we on this side of the House attribute to the Labor Party in South Australia the same economic theories as those espoused and demonstrated by its colleagues in Canberra under the Whitlam Administration.

The member for Playford took the Leader to task on this matter. The point we make is that the policy espoused by Labor in this State is the same as that espoused federally. It is the policy espoused by most branches of the Labor Party, with one or two recent notable exceptions, particularly the Wran Government in New South Wales, which seems, to some degree, to be following a slightly different course from the traditional Labor approach to Treasury matters.

Let us be quite clear about that. The Dunstan approach has been a bit less intrusive and spectacular than the approach during the Whitlam years, but nonetheless it is the same socialistic approach. We know there has been a fair bit of controversy in the Labor Party federally about the use of the word "socialism" because we know, and they know, it is not a popular word publicly. There have been all sorts of discussions about whether they ought to be talking about socialism or social democracy, and there have been arguments between the left and right wing whether "socialism" is a dirty word. Nevertheless, the Labor Party is intent on transferring resources from the private to the public sector.

That is what happened, to a demonstrable degree, under the Whitlam Administration. Crean and other Treasurers, until Hayden came on the scene, made no bones about that. They said that it was the time to transfer resources from the private to the public sector. It was not until Hayden came on the scene (the last of a long, notorious line of Treasurers) that any acknowledgement was given by the Labor Administration to the importance of the private sector to the economy of this country.

In South Australia we see a similar scene. The Premier pays lip service to the private sector here, but he does nothing whatsoever to stimulate it. In fact, it is the succeeding Dunstan Administrations since 1967 that have crippled the private sector in this State. If apologists opposite do not believe that fact, then they are severely blinkered and, in fact, have no communication with business or industrial leaders, or with the average small businessman in South Australia. The intent of the Labor Party here is to transfer resources from the private sector to the public sector, as is instanced by the record growth of the public sector, which does all sorts of things in South Australia that could be done, and were done, by the private sector. If members opposite are not aware of those facts, then they are indeed ignorant. That is the Labor Party's approach to Government.

The member for Playford also referred to the petro-chemical plant. The Liberal Party would like to see that petro-chemical industry developed in South Australia. As a real alternative, if that should fail (and heaven help us if that sort of industry does fail), that offers even better prospects for employment and the generation of wealth in this State, we have the possibility of a uranium enrichment plant. Let me make our position perfectly clear to members opposite, as we have done on numerous occasions.

The Hon. J. D. Wright: You've switched.

Mr. GOLDSWORTHY: I will say we have switched, if that satisfies the Minister. We certainly did not read into the motion supported by the House what the Labor Party read into it. The Premier did not make his stance clear until he appeared on television that night. Let me make

clear that the Liberal Party is in favour of the development of the Roxby Downs deposits, including the mining of uranium. If the Minister likes to say that we have switched, I point out that a fair bit of water has gone under the bridge and a fair bit of evidence adduced since this motion passed this House more than 12 months ago. If the Minister thinks the situation has been static since then he is even dopier than I think he is.

The Hon. D. W. Simmons interjecting:

Mr. GOLDSWORTHY: I suggest that the Labor Party takes more pains to inform itself as to the situation relating to uranium mining. I was at some pains and expense to myself to become a little better informed about these matters. In answer to the member for Playford, I can say that a uranium enrichment plant is a real possibility. Mr. Anthony, the Federal Minister, has been saying that it will be to our advantage to enrich uranium in Australia. He has spoken to the French about it. The Premier did not know about that when he was talking on this matter in the House; he did not know that negotiations were proceeding with the French. That is a real possibility and would be a bonanza if South Australia could develop that enrichment plant. The Premier admits that there is no danger from the enrichment and mining of uranium in this State. The fact is that nothing this State Government can do in relation to this matter, except the mining and enrichment of uranium, will affect the uranium scene nationally or internationally. The Labor Party is being particularly obtuse and obstructive in relation to this matter.

I turn now to other matters that arise as a result of the Premier's statement and the Budget. I quote, first, from the initial remarks made by the Premier about the Budget. He usually goes in for a bit of self-praise in these documents, but a rather more sombre and dismal note has been sounded in this Budget. He said:

The Government's Revenue and Loan Budget proposals for 1978-79 provide for a balance on the year's combined operations. The Budget has been framed against one of the most difficult financial and economic backgrounds this State has seen for many years. It is a background which has seen the favourable financial position of the Government's accounts, built up through our careful and sound management of the State's resources, eroded as a direct result of recent Commonwealth Government policies.

The reference to "our careful and sound management of the State's resources" is utter hypocrisy and nonsense. The fact is that the State's reserves have been dissipated. Compared with every other State in Australia, we are in a disastrous financial situation.

I will compare the present Budget situation with that of other States. Unfortunately, figures for Western Australia are not yet available, but I doubt whether it will be much out of line with the results achieved in other States. In New South Wales the Government budgeted for a deficit of \$415 600. It finished the year with a deficit of \$696 825—not a bad effort. In effect, it was budgeting (with the size of its Budget) to within a fraction of a per cent and it almost achieved it.

Mr. Groom: Certainly better than Canberra.

Mr. GOLDSWORTHY: I do not want to be diverted from this point, but we know perfectly well the source of the deficit built up in Canberra. I am drawing the valid point that, in relation to the other States, South Australia is in a dire financial situation.

Dr. Eastick: And Federal budgeting is different from State budgeting.

Mr. GOLDSWORTHY: Of course it is, and Labor is advocating an even bigger deficit. I will now proceed to indicate what happened in other States. Queensland budgeted for a surplus but had a deficit of \$910 000. That

Government had put reserves aside for use during this current financial year, so it could well afford to finance that deficit without great difficulty. It had a result that was quite easily contained.

Tasmania budgeted for a deficit of \$2 900 000, but had accumulated reserves to cover that deficit. It finished with a deficit of \$6 400 000. That was not a particularly glowing result, but it was foreseen and reserves were put aside for it. Victoria budgeted for an almost balanced Budget—a deficit of \$468 000. In fact, it finished with a surplus of \$364 000, an extremely good result.

As I said, the Western Australian figures are not available, but I would be surprised if the Government of Sir Charles Court did not come somewhere near its budgeted estimate in view of the result achieved in other States. South Australia budgeted for a deficit of \$18 400 000. By interstate standards that was a colossal deficit. The actual result was a deficit of \$24 870 000. In anyone's language, that is an extremely poor comparative performance; it is by far the worst performance of any State in the Commonwealth.

How does the Premier get around that? What is the scenario in which we have dissipated the State's reserves and incurred a revenue deficit of \$67 000 000? At the end of the expenditure of that sum, which has built up a record deficit, South Australia has by far the highest unemployment in the Commonwealth. According to the Bureau of Statistics figures, South Australia has 7.9 per cent of its people out of work, compared to the nearest State, 6.9 per cent of whose people are out of work. So, we have by far the highest unemployment figure in the country, and this has occurred in a situation in which we have used up the State's reserves to create jobs artificially under the State Unemployment Relief Scheme.

That Government scheme is much vaunted. The Government says that it cares about unemployment and that it has spent \$53 000 000 on unemployment relief here. But what is the philosophy behind that expenditure? Has any of that money gone towards creating long-term employment? The Premier says that, of the thousands who have been temporarily employed for a matter of months, only 1 600 have full-time work. I think that is the figure to which the Premier referred. However, that is not a very good record in relation to creating long-term employment, especially when one realises that \$53 000 000 has been spent.

The member for Playford challenged Opposition members, asking whether they agreed with that expenditure. Opposition members agree with the Government's spending money in areas that will create long-term employment. This could be done in the manner outlined by the Leader: by giving incentives to the private, flexible and competitive sector.

South Australia's record during the past 12 months has been appalling. It is even more disturbing when one views it in the light of what has transpired in other States. Referring to unemployment in his speech, the Premier indicates clearly the root cause of unemployment in Australia. On the second page of his second reading explanation, the Premier talks about the Australian recession having lasted for four years, and refers to the number of unemployment registrants rising by 167 000 between mid-1974 and mid-1975, during the term of the Whitlam Government. So, within one year of the Whitlam Government's assuming office, unemployment rose by 167 000 people!

The Premier went on to talk about the abolition of the Federal Regional Employment Development scheme, a scheme which was a short-term palliative to this Government's version thereof. The Premier went on to say:

In 1975-76, the climate was fairly static. Then it rose again during the next year to June 1977, and then it rose again to June 1978.

If we add the complete rises in unemployment, spread over the three years that the Fraser Government has been in office, the figure comes to 129 000. The Labor Party is trying to sheet home to the Fraser Government the blame for unemployment. However, the fact is that, as indicated in the Premier's speech, in one year of Labor Administration unemployment rose by the massive figure of 167 000. In the three years of Liberal Administration, unemployment does not even approach that figure. So, let us not get confused about the root cause of unemployment. It really got going and reached alarming proportions during the one year of the Whitlam Administration, a fact that is acknowledged by the Premier in his second reading explanation. Obviously, the Premier has not done his sums to ascertain what the position was during that time.

The Hon. G. R. Broomhill: Do you remember Fraser saying that he would put a stop to unemployment?

Mr. GOLDSWORTHY: The Prime Minister made the point that, unless inflation was controlled, there would be no long-term solution to unemployment. He also said that there would be a drop in unemployment this year. In fact, during the first few months of this year there was a drop. The member for Henley Beach had better look a little more closely at the Prime Minister's statements. Then, he will be a little better informed before he interjects with that sort of comment, from which one can see that he is obviously ill informed.

I want also to deal with the scenario in which we find this run-down of the State's reserves and this record deficit. One finds that South Australia is indeed a State that is highly taxed and charged. The Premier always includes mineral royalties in his arguments, although we virtually have none. When one comes to the question of household charges, one sees that we are way out in front. It costs South Australians more to put a car on the road. I also quote the figures regarding water. When the Government came to office, water cost 7.7c a kilolitre. That cost has increased threefold since, as it now costs 22c a kilolitre for rebate water and excess water.

The Hon. G. R. Broomhill: Where did you get that information from? That's not right.

Mr. GOLDSWORTHY: Of course it is right. I got this information in reply to a question. The honourable member, it seems, is even less informed than I thought. I do not mind the honourable member's interjecting, but cannot something be done to ensure a degree of accuracy on his part? If the honourable member wants to interrupt me, at least let him do so with accurate information.

The SPEAKER: Order! Honourable members on both sides interject with inaccurate information.

Mr. GOLDSWORTHY: I beg your pardon, Sir, but are you entering the debate?

The SPEAKER: No.

Mr. GOLDSWORTHY: I could have been excused for thinking that you were doing so. The fact is that, in reply to a Question on Notice, I was told that, when the Government assumed office in 1970, water cost 7.7c a kilolitre. I do not intend to be diverted from my point. South Australia has the dearest water in the Commonwealth, the cost thereof having increased 300 per cent since the Labor Government assumed office. Water in Adelaide now costs 22c a kilolitre. In Brisbane (although not all water is metered there) the maximum charge is 21.14c a kilolitre for rebate and excess water; in Sydney, water costs 17.15c a kilolitre for rebate and excess water; in Melbourne, water costs 14.25c a kilolitre for rebate and excess water; in Hobart, it costs only 12c a kilolitre for

both rebate and excess water; and in Perth (although the casual observer might think that some water was dearer), the rebate water allowance is only 150 kilolitres, a consumption that the average household would well exceed. Rebate water in Perth, the cost of which increased recently, costs 24c a kilolitre, although after the first 150 kilolitres the cost becomes 17c a kilolitre.

So, 95 per cent or more of the people in Perth would be using much more than 150 kilolitres a year. Therefore, for 95 per cent of water rate payers in Western Australia, water would be considerably cheaper, the cost being 17c a kilolitre for excess water, than it is in South Australia. I therefore have no hesitation in saying that water in South Australia is dearer than it is anywhere else in the Commonwealth and, indeed, that it is far dearer than the cost thereof in some States.

Regarding other State taxes, the Labor Party has not indicated what it intends to do about succession duties. Even its counterparts in Western Australia and Tasmania have made clear that they intend to abolish succession duties, because they realise that their competitive position in relation to other States would be eroded if they did not do something about succession duties. So, the South Australian Government's decision not to do something about succession duties (and this is the only State that has made such a decision) puts South Australia further behind in relation to its competitive position with other States. It must further exacerbate our problems in attracting capital investment here. This is a "high charge" and "high tax" State.

I had intended to quote from *The Taxpayer*, the publication of the Taxpayers Association, but time prevents my doing so. The Auditor-General's Report makes some disturbing references to the operations of the Engineering and Water Supply Department. I have said that water is dearer here than it is in any other State. The Auditor-General's Report states that we lost money on our metropolitan water supplies last year; it is the only loss I can recall. The deficit is a record \$25 300 000. Even more disturbing to private construction contractors and engineers in South Australia would be the fact that the Engineering and Water Supply Department cannot find work for its workshops. It has to go to other departments to find work, which would be work that would normally be let out to private contractors. I refer to construction work and bridge building.

The Premier states that there is a down turn in subdivisional activity, and another indication of the economic climate in South Australia that is even more disturbing is that the Ottoway foundry has no work. I do not know what the fellows down there do; perhaps they play cards. I have not seen what is happening there. The Government has had to give them \$450 000 just to keep those men on the pay-roll with no work. This indicates the serious state of affairs. The Minister for Planning said he would get a report. I guess that the Government will vet the report. I would like to know what is happening to the \$450 000. The Premier has said that he does not see any improvement coming in the next 12 months. He states that \$300 000 is to be voted for the Ottoway foundry to keep it going for another 12 months, to keep the fellows on the pay-roll. I would be surprised if that sum contains the situation. So, the financial situation of the Engineering and Water Supply Department and its workshops leaves much to be desired.

A sign of the times in South Australia is the amount of freight coming in and going out; that amount decreased in the past 12 months. The Government increased wharfage charges and harbor charges to such an extent that they are higher here than in any other State. To what end? Fewer

ships have come to South Australia, according to the Auditor-General's Report. The tonnage of imports and exports passing over the wharves in South Australia has declined in the last 12 months. In that period two ships used the Outer Harbor terminal. Members have visited the brand new container terminal at Outer Harbor costing \$8 600 000. Only 40 ships called there—not even one a week. We have heard the apologies of the Minister of Marine: we have to build these facilities, and we will send our Director overseas to drum up trade.

No-one would believe that Adelaide is anything like a busy port when an average of less than one ship a week uses the Outer Harbor terminal. The losses in a year on that installation were more than \$650 000. All these things indicate that South Australia is running down. What is more, they indicate that South Australia's situation is running down at a faster rate than is that of any other State. South Australia's outlook is bleak. The Government says that it does not like the Opposition knocking, but we are not knocking: we are pointing out the facts of life. Unless the Government faces up to those facts of life there will be long-term hardship here.

I asked the Premier a question about the superannuation scheme, and it is amazing that he knows so little about it. He talks about prudent long-term planning, and he uses glowing phrases about himself and his Government. The South Australian superannuation scheme is the most generous in the Commonwealth, and the Government claims that the Superannuation Act is pace-setting legislation, but the Government does not know what it will cost. Today the Premier could not indicate what it would cost. It is foolhardy enough to introduce legislation of this type without any idea of what it will cost, but to commit future generations to unknown tax burdens is the height of irresponsibility. This is a Government of short-term options. It is fond of criticising the Federal Government, which has exercised tough options—the only options left to the Australian Government.

Mr. Groom: Putting people out of work.

Mr. GOLDSWORTHY: What absolute nonsense! This State Government exercises the easy options. During the election campaign it said that we would be the pace-setting State; the Government provided that people could get workmen's compensation for deafness, irrespective of whether or not the deafness resulted from the job. The member for Playford has said that "the terrible Liberals" will do something about workmen's compensation. It is such pace-setting legislation that has put this State on the rocks. The sooner the Government wakes up to this fact the sooner we will get out of the mess in which we find ourselves. As a matter of tradition, I support the Budget, because I have no other option.

Mr. GROOM (Morphett): I support these two Bills, and I refer first to the speech of the Leader of the Opposition, because it sounded more like his farewell speech. I tend to think that the Leader will not be in his present position much longer: he will change places with the member for Light, who will occupy his rightful place as Leader of the Opposition. On 21 January 1976 it was reported that the Prime Minister, Mr. Fraser, told the South Australian Liberal Leader, Mr. Tonkin, that the days of special treatment for South Australia were over. Evidently the Leader of the Opposition initiated talks with the Prime Minister, and the Leader was told that South Australia was to be deprived of special Federal grants for sewerage, water filtration, urban public transport, and Land Commission purchases.

These were not matters of special treatment for South Australia: they were South Australia's just entitlement

after years of neglect by a conservative Government in Canberra and 32 consecutive years of conservative Government in South Australia until 1965. Rather than initiate and invite the sorts of response from the Prime Minister, why does the Leader not support his own State? Why does he continually in the House and outside downgrade and denigrate South Australia to South Australians and those who live in other States? The member for Rocky River might well laugh, but that has been the platform of his Party for some time. It was probably the Leader's farewell speech, because I noticed in the *Australian* of Monday 4 September (written by Mr. Peter Ward) a report under the heading "Can Tonkin topple Don Dunstan?" The answer is clearly "No". We do not need a report on that matter. It seems that the member for Rocky River is going to make way for a Mr. John Olsen.

Mr. Wilson: What has this to do with your speech?

Mr. GROOM: Unfortunately, the Leader obviously lives in an unreal world. His speech was more like one out of the nineteenth century, and not in keeping with a purported twentieth century leader in a Western democracy. Listening to the speech of the Deputy Leader, one might have thought that we lived in a country with six separate economies, and that there was no national economy. On hearing it one would believe that the Commonwealth Government was there merely to collect taxes; one would not think that there was a national economy or that Canberra had the real control over the Australian economy. One might get the impression that there were six separate State economies, not integrated, but separate and distinct. That is not the position. South Australian markets exist substantially in the Eastern States and, if those States have depressed markets, we in South Australia must suffer. There is a national economy and it affects South Australia, even if the Opposition does not appreciate that fact. Opposition members do not seem to understand that.

Rather than knock and downgrade South Australia, it is about time that the Opposition and its State Leader, who does not seem to know that he will not be there much longer, told the Federal Government what to do for South Australia in the same way as other Liberal and Country Party Leaders are doing. For short-term political purposes, they would rather knock and downgrade South Australia. It is no wonder that the Leader has a reputation for being known as "Ocker the knocker". The Leader said that the South Australian Government stubbornly refused to face reality. Evidently, "reality" to him and his colleagues means putting people out of work and reducing the standard of living of pensioners, wage-earners and small business people. If that is "reality", the Opposition ought to take another look at its policies and platforms and bring itself out of the nineteenth century.

The Leader and the Deputy Leader criticised South Australia's present budgetary position, but we all know what happened in Canberra. In the 1977-78 Budget speech, the Federal Treasurer said that the national deficit would be \$2 217 000 000, which was to be \$1 000 000 000 out, because it turned out to be \$3 332 000 000. That shows the kind of managers we have in Canberra. We now know that the present Treasurer failed mathematics at school, yet he is now in charge of the national economy. It is no wonder that the calculations were out by \$1 000 000 000. I can explain where all this money has gone and how this large Budget deficit was accumulated. In its first Budget, the Commonwealth Government gave \$60 000 000 to mining companies, despite the fact that the same mining companies made collective profits of \$500 000 000 in the previous year. Utah picked up an extra

\$40 000 000, which went back to its shareholders in the United States. The 40 per cent investment allowance cost \$480 000 000 in a full year, and it lasted for a couple of years. One does not have to be a genius to add up how the Commonwealth Government was \$1 000 000 000 out in its Budget deficit calculation.

Although the Commonwealth Government has reduced the standard of living of wage-earners, pensioners and small business people, it has enabled the oil companies to make millions of dollars in windfall profits by allowing them to sell their storage, without having to pay the new levies. The member for Rocky River is well acquainted with the superphosphate bounty that the Prime Minister was quick to reintroduce. It was estimated, on 10 February 1976, that the Prime Minister would pick up an extra \$5 000, for his holdings in Victoria, by reintroducing the bounty. What did the member for Rocky River pick up? It will be interesting, when the disclosure of interests Bill passes in the House, because the member for Rocky River's main problem will be whether there will be enough paper in Parliament House to enable him to compile his list of assets. How much did he pick up from the reintroduction of the bounty? Why did he not tip that back into the coffers in Canberra?

Members interjecting:

The SPEAKER: Order! I can hardly hear the honourable member for Morphet.

Mr. GROOM: That is how Canberra managed the economy and how it came to be \$1 000 000 000 out in its budgetary estimates. Unquestionably, the national economy is out of control in the hands of its present managers, whereas South Australia is fortunate to have the Dunstan Labor Government in office. We are fortunate to have a capable Government that can manage South Australia's affairs for the benefit of all South Australians, not just for a select few. We all know where the wealth of Australia is going: out of this country into the hands of public companies. I have quoted figures previously in the House to show that 60 per cent of the income tax collected in Australia comes from wage-earners and 19 per cent comes from small businesses. Yet the Prime Minister, his Cabinet colleagues, and his lackies in South Australia have introduced a Budget that allows the oil companies to make windfall profits, and to impose a levy on wage-earners of \$4 a week at a time when they are already carrying the bulk of income tax collected in Australia. The Commonwealth Government is squeezing small business people. That shows who the Opposition really supports.

The Hon. Hugh Hudson: It's shameful.

Mr. GROOM: It is, and it is high time that members opposite came out of the nineteenth century and adopted realistic twentieth century policies.

Members interjecting:

The SPEAKER: Order! The member for Glenelg and the member for Rocky River are out of order. They heard what I said during Question Time, and I mean to carry it out.

Mr. GROOM: The Premier said that the Australian economy has been in a depression for about four years. Who has been at the helm for three of those four years? None other than the Liberal and National Country Party Government in Canberra. What have we inherited since then? The Prime Minister promised an exciting future, but what have we got at the end of the 1977-78 financial year? We have static industrial production in this country, depressed new dwelling constructions, and a depressed heavy construction industry. Although there has been a slight improvement, new vehicle sales are still low. There has been a modest real increase in retail sales, and the

balance of payments has been under strain, thus requiring heavy overseas borrowing to maintain reserve levels. We have had devaluation of just under 20 per cent, and we have borrowed nearly \$2 000 000 000 from overseas.

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

PERSONAL EXPLANATION: FEDERAL MINISTER'S PROMISE

The Hon. G. T. VIRGO (Minister of Transport): I seek leave to make a personal explanation.

Leave granted.

The Hon. G. T. VIRGO: This afternoon, when replying to a question asked by the member for Stuart, I said that the promise that had been given to the Mayor of Alice Springs regarding the provision of additional funds for the Stuart Highway had been given by Mr. Anthony. I used that name incorrectly: it was Mr. Sinclair who made the promise. I have previously referred to the matter in the House and, if honourable members desired, I would be pleased to provide the telex from Mr. Sinclair to that effect.

APPROPRIATION BILL (No. 2) AND PUBLIC PURPOSES LOAN BILL

Resumed debate on second reading.

Mr. GROOM: I am pleased that the dynamic trio, the real leadership of the Liberal Opposition, is in the Chamber this evening. Before the dinner adjournment, I was referring to the superphosphate bounty and to how much its reintroduction had meant to the Prime Minister and the member for Rocky River. I do not propose to go into that matter further, but against that background of financial mismanagement in Canberra, I said that we in South Australia were lucky to have a capable Government that could manage the affairs of the State for the benefit of all South Australians.

In the 1976-77 Federal Budget, money for the States for expenditure on roads was cut by \$7 200 000 to \$496 000 000. Money for expenditure on urban and regional development was cut by \$152 000 000 to \$256 200 000. Money for expenditure on sewerage was down by \$63 600 000. Amounts for transport and commerce were cut by \$285 300 000 to \$1 043 400 000. There were massive cuts in money for urban and regional development, the environment, Aboriginal affairs, and transport and communication.

That was not the end of the matter. Health expenditure was reduced by \$126 000 000. No increase in funds to build hospitals was provided for in that year. Supplementary allowances to pensioners were reduced by 15 per cent. For aged and disabled persons' homes, there was a reduction of about 45 per cent. The 1976-77 Federal Budget had misplaced objectives and a mistaken strategy. It produced low economic activity in Australia, high inflation, and record unemployment.

The Premier, in a report in the *Advertiser* of 18 August 1976, warned that South Australia would be hard hit, but the Leader of the Opposition (Mr. Tonkin) said that the Budget was realistic and restrained, and that showed how much he understood economic matters. In the 1977-78 Federal Budget, in expenditure for South Australian schools, we were down by 4 per cent. We were down by 19 per cent for urban public transport. We received below the

national average allocation. In monetary terms, South Australia was down by \$9 000 000 on the 1976-77 Budget. On 17 August 1977 the Premier said that that Federal Budget was an admission of defeat. He said that it would bring about continuing inflation and higher unemployment, and how right he was. He also said:

I think the Federal Government has aimed to hit us harder than any other State because Mr. Fraser has been looking for ways to offset the railways deal and also because this State has been more successful than any other in continuing with its economic policies.

At the 1975 election, the Liberal Opposition opposed the railways agreement, despite the immense benefits that the signing of the transfer would bring to South Australia.

Dr. Eastick: Supposed benefits.

Mr. GROOM: It did bring benefits, and I will elaborate on that matter in due course, because it has been only by the accumulation of about \$18 000 000 saved since then by virtue of the railways agreement that we have been able to maintain economic activity in the State and keep people in employment to the extent we have been able. However, members opposite opposed the railways transfer agreement. They were led then by the member for Light and they went to an election on that issue and were duly defeated.

Mr. Wilson: By 500 votes!

Mr. GROOM: Whatever was the case, they were duly defeated at the election and they immediately changed their Leader. However, before long the former Leader will be back in the saddle, replacing the present Leader. Mr. Fraser wanted to be particularly severe on South Australia, because the Premier had been able to get such a good deal on the railways agreement. In 1977, apart from opposing the railways agreement, the Liberal Party's election promises for last year were estimated to cost the State an extra \$115 000 000. So what a situation we would now be facing if the election promises and economic strategy had been implemented in South Australia!

We would have lost all the benefits of the railways agreement. The Liberal Party's promises, made to try to get back into Government in South Australia, would have cost taxpayers \$115 000 000. When that Party opposed the State Unemployment Relief Scheme, its members said that the scheme was a waste of money. Yet the Federal Government got an extra \$6 000 000 in income tax revenue as a result of the \$50 000 000 that the State Government spent in South Australia. One would think that a special grant could be made to South Australia to compensate for the money that went back to the Canberra coffers, but there was no grant from Canberra, despite that the spending of money on the State Unemployment Relief Scheme saved the payment of unemployment benefits. The Commonwealth Government picked up money at both ends. It picked it up through income tax that it otherwise would never have got and picked it up on the non-payment of social security benefits. Members opposite opposed SURS, despite the fact that it had provided many jobs for many people over the years.

Mr. Olson: Plus the fact that it gave people dignity.

Mr. GROOM: I am obliged to the honourable member: it gave dignity and employment. Regarding the State Government's record since 1975, it has abolished the petrol tax, and it has abolished rural land tax estimated to cost \$6 200 000 in a full year. Perhaps members opposite, when they talk about pruning and the need for careful management of the State, mean that rural land tax should not have been abolished and this money should have been saved to offset Canberra policies. Perhaps they mean that the State Government should have withdrawn subsidies that it has provided for farmers. In the 1976-77 State

Budget, the Government provided \$1 500 000 for drought relief. Perhaps members opposite thought that that ought not to have been allocated by the State.

In addition, in the 1976-77 State Budget, a special allocation of \$15 000 000 was made from revenue to ensure that the State's construction programme could be financed from Loan funds so that continuation could be maintained. That money was used to build hospitals, schools, community welfare facilities, and other public works. Again, perhaps members opposite meant that that \$15 000 000 from revenue should not have been allocated and should have been held in reserve.

I can remember, even before I was a member in this House, that every time there was a Budget surplus members opposite said that we should spend it. They held a rally or demonstration along those lines. The State Government's record did not end there. Succession duties and metropolitan land tax were reduced. Perhaps members opposite, when they said that there should have been more careful management of the State's finances, meant that concessions in metropolitan land tax should not have been granted.

Since 1975 the State Government has absorbed cost increases, particularly in public transport, in order to counteract inflation and the measures that have been implemented from Canberra. The State Government also reduced stamp duty and increased pay-roll tax exemptions. The Government kept construction expenditure high on public buildings and housing.

The State Government Insurance Commission has been an outstanding success. Since its inception it has generated about \$130 000 000 in investment income in this State. A recent announcement stated that, as a result of S.G.I.C. activities, house buyers will now be able to borrow up to \$27 000 from the State Bank through the addition of a \$6 000 second mortgage loan repayable over 15 years. The \$6 000 will be available at 11 per cent interest, which is well below the current market rate of about 16 per cent. This increase will provide a \$25 000 000 boost through S.G.I.C. to the housing industry. This is the same organisation that members opposite opposed vigorously, but it is a great success and is a tribute to the ingenuity and planning of the present State Labor Government.

In June 1978 at an Australian Loan Council meeting the Commonwealth agreed to support a total programme of \$1 434 000 000 for State works and services. South Australia's share of that allocation is \$186 900 000. The programme is for the same sum that was allocated in 1977-78. With inflation around 6 per cent in 1978-79, it is estimated that this is an effective reduction of \$11 000 000 in South Australia's share. It now seems that South Australia is unlikely to receive any more of the income tax revenue than it received under the old formula. So much for federalism!

Regarding welfare housing, the Commonwealth has reduced its support for South Australia by more than \$11 000 000 below the 1977-78 figure and in money terms that is the lowest allocation since 1973-74. Brandy, about which the member for Chaffey is so vocal, has suffered an 83.6 per cent increase in excise. That increase is a severe blow to the grape-growing industry in this State.

Until recently South Australia had an unemployment level below the national average, which is in stark contrast to the unemployment levels that existed under previous Liberal Administrations in this State. It is a remarkable achievement for South Australia to have made so many concessions in so few years, when set against a background of financial mismanagement in Canberra. South Australia has been singled out by the Liberal Government in Canberra because of the good deal the

Premier has got for South Australia, particularly in 1975 with the railways agreement and particularly because of his good economic management in this State.

In the *News* of 16 August 1978 the Premier said, in relation to the 1978-79 Federal Budget:

"The Budget had hit South Australia harder than any other State", an angry Premier, Mr. Dunstan, said today. "South Australia's school grant allocations were well below the national trend, and the petrol price rise was a blow to industry," he said. "The increase in brandy excise would plunge South Australian grape growers deeper into trouble." Mr. Dunstan said the national grant for all schools had been increased by 2 per cent but South Australia's allocation had been reduced by 3 per cent. The allocation for Government schools had been cut by 3.7 per cent nationally compared with 5 per cent for South Australia. "South Australia's school dental scheme has been cut by almost \$2 000 000 compared with 1977-78," Mr. Dunstan said. "Again, the national cut is 20.3 per cent compared with 35.5 per cent for South Australia."

That shows what Liberal policies really mean to South Australia. Members opposite simply follow the dictates of their Party.

The Deputy Leader of the Opposition criticised industrial democracy proposals for South Australia. I refer to a report in the *Advertiser* of 23 August 1978 because the policies of members opposite are still policies out of the nineteenth century. They profess to be democrats, but it took them a long time to agree to electoral reforms in South Australia that provided for democratic elections for this House and the Legislative Council. In many ways they caught up with electoral reform only because they were dragged struggling into the twentieth century. When it comes to industrial democracy, they are still lagging far behind. The report headed, "Managerial policy caused almost half the industrial strikes in Australia, a seminar on 'risk management' was told in Adelaide yesterday," states:

In this year's March quarter 46.8 per cent of strikes had been caused by managerial decisions, Mr. K. Wang said . . . Mr. Wang said that Bureau of Statistics figures show 21.5 per cent of strikes were caused by physical working conditions and 16.7 per cent by wage demands. "From the figures it is fair to say that strikes are symptoms of a situation in which the needs of employees are not being met by the decisions taken by management," Mr. Wang said there was little doubt employees needed to be consulted and involved in decision-making.

If that is not an indication that industrial democracy is needed in Australia, as it is implemented in other overseas countries, I do not know what is.

Mr. Mathwin: It's worker control.

Mr. GROOM: It is not worker control, as the honourable member tries to deliberately misrepresent, as he has tried to on a variety of issues in the past. There needs to be a greater liaison at managerial level with employees. It is clear on the figures that, because employees are not properly consulted in the management of a business, managerial policies are not implemented properly and are a major strike cause.

These figures show that 46.8 per cent of all strikes were caused by managerial decisions. That indicates clearly that there needs to be a consultation between the two groups. Again, members opposite like to misrepresent these industrial democracy policies as being industrial control. They do not understand it, they are not really democrats; they profess to be democrats only on electoral reform because they were dragged into the twentieth century by the people of this State and the policies of the Australian Labor Party. In time they will catch up on industrial democracy.

Mr. ALLISON (Mount Gambier): It was interesting to hear the last speaker, first by way of interjection and subsequently in his address, say that Liberal Party policies at Federal level, and possibly at State level, were part of the nineteenth century. It is interesting to examine that statement for what it is worth, because what has the twentieth century especially produced for us that the Australian Labor Party took full advantage of to Australia's detriment during its term of office at Federal level? That, of course, was the Keynesian policy that came to prominence in 1928 and emphasised above all that spending the accumulation of deficits by governments was the one way to fund a country's spending.

There is no doubt that the Keynesian philosophy dominated world economic policies for some time. That is rather strange because, a couple of hundred years ago, Adam Smith, in his classical economic work *Wealth of Nations*, made it quite plain that deficit funding was one way of getting a country into trouble. Adam Smith may have been old hat and square: he was certainly critical of the ways of Government funding at the time, and the way that Kings and Queens, for example, would borrow in order to finance wars, and the ways that Governments would borrow from local merchants. This was the way that the Bank of England was founded. Extremely wealthy merchants who had made their money by investing across the world then used their money to fund Government projects. People who lend money almost invariably will do this for a profit motive.

Critical as Adam Smith may have been (and he certainly was not alone in his criticism of deficit funding), the situation probably was nowhere near as drastic 100 or 200 years ago. Interest rates were lower, amounts of money, and the numbers of people involved were certainly on a much smaller scale than they are now.

The Attorney-General has a wry grin on his face, almost as if he is learning something for the first time, or that he thinks this is something rather too archaic and square to be credible. The work of Adam Smith was subsequently enlarged on by several economists who seem to have been held in limbo for the past 50 to 60 years. Among them are people like Jaques Rueff, Jean Baptiste Say, W. H. Hutt, Ludwig Van Mises (an economist from this century), John Stuart Mill (from 100 years ago), Arthur Burns, Roepke, Garrett, and more recently, Hazlitt. These people are spread across two centuries, but somehow or other the work of Keynes seems to have dominated the world economic theories for far too long.

Governments have been encouraged to go into massive deficits in order to fund public and other projects. In the past two or three years in this House I have intermittently commented on what I consider to be the iniquities of deficit funding. The Federal Government has been criticised for not having reduced the massive Federal deficit that it inherited in 1975. It has, of course, been trying desperately to do so, and if there is any criticism to be levelled at the Federal Government, as indeed there has been this evening, I challenge any member on the Government benches to indicate which country with socialist policies (any country with deficit funding policies) has been able to work itself out of a massive economic problem by that method.

Keynes has been found wanting. If the honourable member wishes to fling in China, as the previous speaker just has, I suggest that the 800 000 000 people who reside in China can hardly be compared in their lifestyle to Australians. If he is suggesting that that is the way of solving Australia's problem, that Australia's present society becomes a complete total socialist society, as China

is, I am quite sure that there are many people, both Liberal and socialist in Australia, who would strongly disagree with him. I certainly would.

The Hon. Peter Duncan: I knew this was going to be bad: I didn't believe it was going to be this bad.

Mr. ALLISON: The Attorney-General will hear a bit more about it, bad as he may think it is.

The Hon. Peter Duncan: It is irrelevant, tiresomely so.

Mr. ALLISON: The point is not irrelevant. It may be alleged to be tiresomely irrelevant, but the Attorney-General has not been in the House to hear allegations made against the Federal Government for bringing South Australia into its present plight. One thing that emerges from the logic of this debate is that the South Australian Government on the surface in its present Budget is trying to assume the mantle of responsibility, rather belatedly I think. I say "responsibility", because we are aiming for a much smaller Budget deficit than was originally forecast several months ago by the Premier.

We are aiming to control the State's deficit. I wonder whether we are able to do it, or whether the Budget figures that are before us are, to a large extent, window dressing. I question it on the basis of education spending alone. Last year the budgeted amount was overspent by about \$14 000 000. This year we have a much greater Education Department allocation than last year, yet there is no indication that we will be able to peg the total amount of spending any more successfully than we did last year. There will be wage increases. The Institute of Teachers had a 20 per cent ambit claim recently before the courts. That was dismissed, but it will no doubt be re-presented in a different form. I assume that the Education Department is no different from other Government departments in that it will be considerably overspent by 30 June 1979.

Mr. Bannon: There will be matching savings by then. There often are. There is always give and take.

Mr. ALLISON: The honourable member is suggesting we have safeguards built into the Budget. This may have been true two years ago, because in Perth the Premier indicated to a journalists conference he was addressing that we had a \$50 000 000 surplus, which was considerably less when he talked to this House five or six weeks afterwards.

Mr. Bannon: It isn't really true.

Mr. ALLISON: There was a considerable discrepancy between figures presented outside and those presented inside the House. In South Australia, within the financial structure, the safeguards presented two years ago are no longer there. The Premier has said we have spent the money. We have blown it. Some of the money has gone on State unemployment relief that we maintain might well have been spent to better advantage. I am not saying the entire money might have been spent to better advantage: some of it might have been spent to encourage private enterprise that has been leaving the State. I will come to that later, but that interjection had to be acknowledged. We do not have that surplus money that we had two years ago.

The safeguard is not present. If we overspend considerably we will have a far greater deficit than is now predicted in the figures before us. This makes the Keynesian philosophy and its critics much more relevant to this debate than the Attorney-General would acknowledge, because I do not like to see any Government at present entering into massive deficits. The Federal Government has been unable to curb the massive deficit that it inherited. There are many reasons for that, but I will not discuss them. The Federal Government has far wider and different methods of raising finance than does the State Government.

We have a much more restricted field in which to work. In any case, we already have a considerable Loan Account, which is a form of deficit funding, because we borrow and, over a period of years, repay with interest. This is an accepted method of deficit funding, which is not going to be augmented by allowing the State to run into an even greater deficit involving high interest repayments. We already have an example of that with the deficit for Monarto, for example, which is rapidly accruing interest that has to be paid off by successive generations, unless something is done about it.

Who is going to pay the bill for these large deficits which States or countries accrue? When there is an expanding economy and an expanding population, one can assume (as probably did Keynes) that the up and coming generation, with its greater numbers, will be there with greater incomes to repay the principal and the interest on moneys which have been borrowed. What is happening in the Western World, and particularly in Australia, the area with which we are dealing? We have been planning for zero population growth. As a matter of world-wide population control, this has been strongly advocated by people such as Dr. Paul Ehrlich, from Stanford University in the United States, who is among those who made a great impression upon the Australian population. If zero population growth is achieved, the result is a rapidly aging population creating a mushroom effect at the top. There is a narrow column of young workers coming through. There is no longer the grossly expansionary economy which was evident in the post-war boom, and evident also in the post-war baby boom.

There now exists the converse of that cycle, and in not many more years (a decade or two) there will be far fewer people to support the aged proportion of the population. There will be far fewer people to pay off the massive debts into which Governments have tended to run following the Keynesian theory of deficit funding. That, really, is where we have to be looking. The policy of borrowing money for what we wish to do now and letting future generations pay it back does not look anywhere near so attractive if one thinks of one's youngsters and their youngsters in 20 or 30 years being faced with this debt.

If one is going to look at this matter in the short term one will close one's eyes to it. Looking at it in the long term, one wonders what we are going to place on the shoulders of our young people in 20 or 30 years time. I suggest it would behove government not to look at the immediate future but to look, at the State level, at the long-term future and to do less politicking and more financing in a manner this is considerate towards future generations, rather than looking at what we can do for political gain for the time being.

There are numerous comments supporting that point of view, however cynical the expressions on faces opposite may be. A comment was made, for example, by the Editor of a current economic work called "*Critics of Keynesian Economics*", which is edited by Henry Hazlitt and which states:

For a generation after it appeared in 1936, Mr Keynes' *General Theory of Unemployment, Interest and Money* was Holy Writ for most economists. Yet, it evoked major criticisms—many of them buried in learned journals.

The publication goes on to list any number of criticisms, which I can furnish to members of the Government who are sufficiently interested to read them. They make interesting reading. An article titled "The Consequences of Mr. Keynes", IEA Hobart Paper 78, states:

Professor J. M. Buchanan and R. E. Wagner of the United States of America and John Burton of the United Kingdom make the point that Mr. Keynes "turned the politicians

loose" by giving them "the excuse to overspend, overborrow and create money" with the result that "they have run amok". The authors insist that the grafting of Keynesian economics on to political democracy fundamentally weakened the British fiscal constitution by removing the linchpin: the balanced Budget rule.

This is the most important of all the points to which I have been referring. The linchpin is the balanced Budget rule, which has been overlooked by so many Governments, including this State Government, during the past year. The article continues:

The implicit assumption underlying the Keynesian fiscal revolution was that economic policies would be made by wise men, acting without regard to political pressures or opportunities, and guided by disinterested economic bureaucrats. The fundamental flaw of Keynesianism was the unrealistic assumption about political, bureaucratic, and electoral behaviour. It neglected the realistic political setting of Parties in search of electoral power.

I think there is no more classic case than that of the 1972-75 Federal period, which is now being whitewashed by members of the Government as one of the better periods of Australian economics but which in fact rapidly brought Australia to its knees. I quote from a *Daily Telegraph* article of 14 August 1974, written during the Whitlam era just after the first Whitlam Government had been re-elected to form the second Whitlam Government. Its comment, in assessing the performance of just a few weeks, was made by Denis Warner in Melbourne, as follows:

... Australia now faces the worst economic crisis since the thirties—and this has been self-induced.

This is the crisis from which we are still recovering, the crisis which is still affecting the Federal Government that members opposite criticise. That report continued:

The first Whitlam Government eroded business confidence and brought about a dangerous reduction in oil and mineral exploration. The second has seen the dissipation of life savings, collapse of the stock market and a grave threat to many industries. Bankruptcy and unemployment are waiting in the wings. The Lucky Country has not only run out of luck—it has run out of political leadership.

In that article he said that the Australian problem was related directly to greed as well as mismanagement.

The Hon. Peter Duncan: Denis Warner isn't an economist; he is a political correspondent.

Mr. ALLISON: There are few people who are not economists. I do not profess to be, but at least I am trying to do some sort of analysis which canvasses the points of view put forward a little while ago by two Government speakers. It seems that they are far more narrow and one-eyed in their criticism of the Federal Government than I am in criticism of the State Government. I am trying to go into the historic background of the weaknesses of deficit funding.

The Hon. Peter Duncan: We know you're into history. Your speech could have been delivered in the 1880's rather than the 1970's.

Mr. ALLISON: It could hardly have been delivered in the 1880's because all of these critiques have been published recently. I would love to get a copy from the Parliamentary Library for the honourable member.

The Hon. Peter Duncan: I thought Adam Smith was around then.

Mr. ALLISON: Adam Smith has not been ridiculed by anyone except the Attorney-General. If the Attorney has one-tenth of the I.Q. of Mr. Smith he would be in the genius class, and it ill-behoves him to criticise someone of that calibre. Because of the effect that the current Budget has had on educational spending, the public might be

expected to be increasingly critical of the way that that money is being spent in South Australia, and in Australia as a whole. The amount of money involved is vast, \$2 500 000 000 at Federal level, and \$382 000 000 in the Budget for South Australia that is currently before us.

There are, of course, many areas of educational spending. The universities, and colleges of advanced education are currently under pressure to revise their methods of teaching and their subject matter; their very standard, their reason for being, is being questioned. I suggest that the universities have always placed education first, with standards of excellence their main aim. Vocational training has come as a logical outcome of aspiring to standards of excellence. In fact, the universities maintain that they will produce a far more worthy, practically orientated person by striving after a theoretician with standards of excellence behind his training.

I will not argue with that philosophy. Every country should have standards of excellence to which it will aspire, and this applies to no better place than our universities, unless, of course, it applies to governments. Of course, university training has for a long time been no guarantee that people would gain employment. All too frequently, university-trained students have subsequently been retrained into industry at its expense, and this is a logical outcome of developing a theoretical bent at university.

However, the colleges of advanced education, in whose funding we are lightly interested but in whose end product we are critically interested, are faced with important decisions, and I wonder to what extent (this is not reflected in the Budget papers before us) the State Minister of Education has been either recommending to or demanding that colleges of advanced education have a complete revamp of their existing teaching methodology of the subjects that they are teaching to our students. Although there is a diminishing need for teachers, the colleges have for some time been relatively inflexible in that they were geared to produce teachers and little else. Will the money that we are devoting at State and Federal levels to colleges of advanced education be rechannelled into some form of technological training or at least towards a general degree, so that people can be equipped on a far wider scale than for teaching alone?

I suggest that there is some sort of transition zone, where the existing teaching courses are gradually phased through into a general degree. Even then, "gradually" is probably used incorrectly: this should be done quickly, as the crisis is already upon us. We should be reappraising the degree courses and have a general degree so that teachers college students, if unable to find work in the teaching profession, can be worthy competitors for jobs in industry.

Mr. Bannon: The Anderson Committee has examined all this. Have you read the report?

Mr. ALLISON: It tended to come out with a blueprint of what the Sandover Report gave us. I have already discussed this issue at a personal level with the people involved. The Anderson Report is remarkable in that it devotes so little time to the universities and colleges of advanced education transition zone. There are glaring gaps in university and D.F.E. education, for example, which should be a logical transition, from secondary, D.F.E., and colleges of advanced education to university education. They seem to be too pigeon-holed.

Mr. Bannon: Of course, the universities refused to accept themselves as part of the overall system.

Mr. ALLISON: I do not know that the universities will be in a position to refuse anything, because they obviously depend on Federal Government funding. However, I will not enter into a debate between TEASA and the Federal

body's overseas university spending. Universities have already recognised, by the submissions they have placed before the Minister, that there is certainly some need for a co-ordinating body. The only point of real resentment is that they do not wish their autonomy, particularly in relation to research, to be usurped. There is certainly plenty of room for dialogue, as long as we recognise the principle for a more rational approach to tertiary education, for a removal of duplication, and certainly for a diversification of courses to be considered not in future but immediately. The Anderson Report was certainly not as comprehensive as I had hoped for and as I imagined it would be.

The point that I was going to make before the member for Ross Smith interjected was that Australia has long been in a crisis situation. We have 9 people with technological training to each one person in Australia with a degree. To highlight the difference between Australia and the rest of the westernised world, I remind members that the United States, Great Britain, Europe and the Union of Soviet Socialist Republics have between six and nine persons with technological training to each person with a degree. That means that Australia has to train between five and eight persons in order to bring us up to parity with the rest of the westernised world. That is a massive gap to overhaul.

What does it mean? It means either that we have unskilled people currently doing semi-skilled technical jobs with inadequate training or that conversely we have university-trained people doing the jobs of Indians and probably getting a higher salary than that work would merit. In either case, it is not a desirable situation. We are not entering the technological field: we are slap bang in the middle of it. Technology has rapidly overhauled the industrial scene ever since we first managed to get the Sputnik into the air and ever since the Russian satellite in 1959, within 10 years of which we got a man on the moon. There has been a rapid change in the technological field. I refer to micro-technology, which has meant that parts components could be ever smaller and machines have rapidly become more attractive than men.

I had hoped to launch considerably at length on the matter of automation, another issue that I have been raising in this House, partly at the insistence of Government-oriented industrial bodies and partly at the insistence of private enterprise, over the past three years. It has, of course, become a considerable political football. This matter has been ignored for several years but, since the Telecom strike, it has come before the public notice and everyone is asking "Why do we not do something about it?"

I could quote references from *Hansard* over the past three years where I have put in a gentle plea for a more humanitarian approach to what we should do. There is no doubt that in my district, the South-East, automation has made great inroads into the work force. For example, we have three vast engines which will be switched on in Adelaide and will provide all our power, indeed, many times more power than the 56 men working at the Electricity Trust power station used to produce. Automation has removed their jobs.

In private enterprise, any number of industries have automated recently. The Premier has been along to open these extensions and expansions, and in no case has he been reported in the local and State press as being critical of automation. In each case, he has said that this was a rationalisation of the work force and that it would lead to greater productivity. However, the end product was a diminished labour force and, if the Premier was not critical at the time, and if Government institutions like the Woods

and Forests Department have been automating in order to remain competitive, we must all share some responsibility for the situation at which we have arrived. I am not criticising any single group for this but am suggesting that we should all be far more sensitive and involved in working co-operatively towards a solution.

I do not have time to launch into a new topic so I will defer doing so until we go through the lines and until the 10-minute debate on the motion to go into Committee. It ill behoves any Government member to be critical solely of the present Federal Government or, for that matter, of the past Federal Government. We all have our share in this, and to resolve things on purely political lines will be no resolution at all: it will only get us deeper into strife.

The SPEAKER: I call on the member for Ross Smith.

Mr. Gunn: Another Ministerial contest speech!

Mr. BANNON (Ross Smith): The honourable member might be the extra Minister who has to be dropped if his Party's policy of having only nine Ministers in the Lower House is sustained after the next election. I support the Bills and, in doing so, begin by commenting on the contribution which we just heard from the member for Mount Gambier and which I considered to be somewhat disappointing. It was a rather dry and academic historical dissertation on economics that went back into history and then forward again through Adam Smith to John Maynard Keynes, and tried to analyse where Keynesian economic theory seems to have broken down and been found at fault in modern Western society and economies. Some valid points were made by the honourable member in his contribution, provided he stuck fairly closely to his brief and to some expert economic commentary.

He betrayed the fact that he was out of his depth when he cited Denis Warner, the political journalist, making some profound commentary on the reason for the current economic plight in Australia. Denis Warner was an expert on Asian affairs until the fall of Ngo Dinh Diem of South Vietnam. Through his book *The Last Mandarin* Denis Warner had a fairly high standing and reputation. Unfortunately, as the years have passed he has become more eccentric and crabbed in his views, particularly when it was found he had completely misread the latest situation in Vietnam from the time of the fall of Diem. Since then, Denis Warner has not been taken seriously, even in his field of professed expert on South-East Asian affairs. It is quite extraordinary then to bring him back to Australia and use him as a prime authority on our current economic plight.

Mr. Warner claims, and the member for Mount Gambier supports this, that our current situation is self-induced. Admittedly, some local factors must have influenced the economic down-turn we have been experiencing, but it is irrefutable that, in the period of major economic down-turn in Australia from the middle of 1974 onwards, we were caught up in a massive wave of economic factors. We shared this situation with countries of similar economies and similar manufacturing bases throughout the world. Our fellow members in the O.E.C.D. shared the same plight to a greater or lesser degree during this period.

To say that our situation was self-induced, that our situation was unique because only factors from within Australia caused our problems while all the others were international, is quite ludicrous. We were caught up in a situation that we in Australia, for a time anyway, did not have much power of controlling. The tragedy is that as economic affairs have improved overseas in various O.E.C.D. countries, and as experiments have taken place with varying degrees of success in those countries (and, in

the case of a country like Japan, quite spectacularly successful), we have been left out. We have not come good and we are lagging behind the field. All the Fraser Administration's predictions of the past three years, stemming from Mr. Fraser's infamous first broken promise that there will be jobs for all who want them in 1975, have not come true. We have been left out whilst other countries have prospered.

It is unreasonable to say what the member for Mount Gambier says, that our troubles were initially self-induced, but it is true to say they are self-perpetuated by the wilful decisions and the wilful turning away from the economic facts and commonsense of the Federal Government, which believes that only by putting the most violent and strangulation-type constraints on Public Service growth and public expenditure can inflation be brought down and the economy turned around. The public sector has certainly been constricted, and its constriction has been matched job for job, industry for industry, by a down-turn in the private sector. Figures given to this House earlier, analysing the performance of the various States over this period of economic recession, have shown there is a correlation between public sector activity and private sector activity.

One needs only to talk to people involved in the housing or heavy construction industries and to the basic suppliers of materials for those industries to realise that their current plight has been exacerbated and made almost impossible because of the complete drying up of public finance to support public projects and public enterprise. While at a certain stage of a recession it could be argued that in an overheated economy it is not appropriate for public sector spending to go on uncontrolled, and that it would fuel inflation for a period, there comes a time when, with the continual tightening of public expenditure and a continual preoccupation with the size of the deficit (a preoccupation by the Federal Government which has meant, despite the greatest axe-slashing of its own activities, it has still come up with a deficit 50 per cent higher than it believed it was going to), there is a lack of capacity in the private sector. That capacity will not be stimulated unless public enterprise acts as a leader and a pacemaker. It will not be inflationary because there is so much under-capacity in our industries.

There is so much unemployment in Australia that, until we move from the present 60 per cent estimate of capacity up to about 80 per cent or 90 per cent of capacity, there is no way that inflationary pressures will start to manifest themselves. If they manifest themselves after that, our experience of recent years should be sufficient to forecast this and to take measures on a national level to control it. So, I was not educated by the dissertation of the honourable member for Mount Gambier. I was far more interested when the honourable member began discussing education, and I was even more tantalised when he said he had plenty of material on automation, which is certainly an important topic today. Such is his sense of priorities he left himself no time to talk about that. Instead, he gave us the historical dissertation on economics. Perhaps the honourable member should stick to things he claims to know something about.

The major contribution from the Opposition in this debate was that of the Leader of the Opposition in his role of leading the debate and laying down the broad policy guidelines of the Opposition in relation to the State Budget. I was interested to hear his predictions of gloom and doom and some of his alternatives. These alternatives were quite inconsistent when one analysed them, although as they were unveiled by the Leader he tried to endow them with some sort of credibility by the passion of his

delivery. In the context of his speech and the things he was saying about the dismal state of the South Australian economy, how we had come to the end of the road, and that the Budget was a disaster, I was reminded of something which the Leader of the Opposition said in the House about this time last year. He said:

One thing that an Australian will not stand is people running down his own economic situation.

It seems that the Leader of the Opposition forgot his characterising of the Australian character during his contribution here today. This inconsistency from year to year and those failed predictions are typical of the Leader. It is interesting to look at some of the things he said last year. The Leader of the Opposition cited, with some approval, the budgetary strategy of Premiers Court and Hamer, and even the budgetary strategy in New South Wales. In this context he conveniently ignored Premier Court's statement that the current Federal Budget was a prescription for recession. The Leader does not accept this; he says the the Federal Budget is a valid and fair Budget in our present economic recession. During his remarks on the Budget last year the Leader of the Opposition said Sir Charles Court had no reason to distort the facts or the situation facing him and the Federal Government. The Leader of the Opposition was prepared to accept as gospel whatever Sir Charles Court said last year, but he prefers conveniently to ignore it this year because it does not suit his purposes. Regarding his predictions on employment, in October 1977 the Leader of the Opposition said:

Professional economic advisers, both here and in other States, from the public and private sector have advised me that from the middle of next year a base will have been formed from which a non-inflationary return to full employment can proceed.

That was his prediction, and the prediction has proved, just as those predictions made at the Federal level on the same topic have proved, dismally wrong, at the great expense of personal suffering of the unemployed people in Australia. Far from a base being formed for a non-inflation return to full employment, the figures are getting worse and worse as the months go by, with nearly 400 000 unemployed on the register at the end of last month, 50 000 more than at this time last year, when the Leader was saying that full employment was about to proceed. It was an extraordinarily false prophecy and one that should be borne more in mind when we examine his predictions for this year. Mr. Street came out the other day, in the face of goading and conflict in the Federal Cabinet, to tell us the truth, namely, that unemployment would get much worse.

What has happened to this base from which full employment can proceed? It is a myth, a chimera, and it has come to nothing. I liked the other reference made by the Leader this time last year when he talked about the growth rate. He accepted the Premier's calculation that a growth rate of 7 per cent or 8 per cent would be needed to try to get some type of diminution in the unemployment level, and what was said in 1977 is equally true for 1978. The Leader's response to that was that there was no reason why we should not expect such growth rates to get under way from the middle of next year (that is, from last June) of the order of 7 per cent or 8 per cent. The growth rate last year was a dismal 1.4 per cent, which is well below the 4 per cent or 5 per cent average through the 1950's and 1960's, and certainly well below the current performance of countries with a similar standard of living. Federal Treasurer Howard is predicting a gross non-farm product growth of only 4 per cent in real terms in 1978-79. The Leader talked airily last year about 7 per cent or 8 per cent

by the middle of next year.

One cannot treat seriously his prognostications when he makes such false, misleading and inaccurate predictions. They do not stand up to the experience of the past 12 months or to the predictions for the next year, and they are in sharp contrast to the Premier's extremely realistic predictions which, with the exception of inflation, where the level dropped to a slightly lower level than that predicted by the Premier, have all been fulfilled, unlike the predictions of the Federal Government and its echoes here at the State level.

Other members were misled last year. When I looked through the debates, I felt sorry for the Deputy Leader, who spent a considerable part of his speech praising the tremendous, as he described it, taxation reform that has been instituted in Australia by the Fraser Government. We all know what happened to that reform. For a start, it was a reform which favoured very much those on the higher income levels and which did not do much to help those in the middle or lower incomes. More importantly, it is a tremendous taxation reform that was there one day and gone the next; a 1½ per cent surcharge imposed in the current Budget by the Federal Government has grabbed back the \$5 notes we were shown before the last Federal election. They have been whipped out of people's pockets. The votes were delivered all right, but the \$5 bills have had to be returned to their issuer, the Federal Government. So much for the taxation reform.

It is interesting, in this context, to notice the pettiness of an increase in taxation that is framed in such a way as to deny the States their share under the tax-sharing arrangements of any single dollar of that amount. By calling it a surcharge, by claiming that it is temporary, and by making it a percentage, it has been kept out of the tax-sharing formula, and it is typical of the approach taken by the Federal Government. The Leader, as is his characteristic with his new speech-writer this year, asked us a series of questions. He asked rhetorically whether the taxpayers had a bottomless purse. The South Australian Government does not think that the taxpayer has one, by any means. There are no tax increases in the Budget. The Budget has been carefully constructed, it is balanced, and it avoids tax increases. One would think that we would have been praised for that, whereas the Leader, who was obviously counting on there being some tax increases that he could jump up and down about, had to resort to his rhetorical question about a bottomless purse and try to make people believe that the Government had in some way imposed taxes on them.

He asked whether the Government believed that we should get money from the printing press. That is a ridiculous question to ask, because at the State level we do not have a mint or printing press. He ought to direct such a question to his colleagues in the Federal Government. This is rhetorical nonsense and has no relevance to the State Budget or to this debate. The Leader's comments about Australians not liking people who run down their economic situation, and his criticisms last year of the Labor Party preaching gloom and doom because it wanted it for its own short-term political ends, can be turned back on the Leader today. Most of his speech was of the negative, completely gloom and doom variety that we have come to expect from him. Clearly, he and his colleagues are disappointed in the Budget, which has been well received, which is moderate and responsible, and which has handled an extremely difficult financial situation at the State level equitably and fairly. By and large, most important State projects are retained and, where troubles exist, projects have been deferred rather than chopped, and the overall effect is one of hard times, but being

handled responsibly and carefully.

The Budget obviously is not terribly satisfactory to the Opposition, which would like to have the Government either incurring expenditure irresponsibly so that it could jump up and down about it, or imposing heavier taxes which it could criticise and also jump up and down about. The Leader's formula and alternative to the Budget strategy seems to be comprised of those two parts. The Government should be doing more, he says, and he weeps crocodile tears over the reduction in the State Unemployment Relief Scheme and says that the Government is turning its back on unemployment, that there are insufficient funds for job creation, and that we are not spending enough in that area. Then he expects us to go along with him in that, whereas earlier he has levelled strictures at the Government for being spendthrift, negative and defeatist, and for not cutting public expenditure enough.

The Leader outlined a series of areas he thought could be slashed, and some of those areas were ludicrous. He talked in thousands of dollars, whereas we are looking at major State expenditure in areas such as education, and health, etc., involving millions of dollars, and these are the only areas where major cuts could be made.

We can fiddle around with little expense accounts or \$9 000 for printing booklets, etc., but that is chicken feed and meaningless. Let us make those economies, by all means, where it is possible, and direct efficiency towards them but, in terms of the overall expenditure by the State Government and its Budget, those savings are just not major, and have no great effect. Therefore, it is pointless to talk about them in this context. When we come to the lines, those matters can be raised but, to unveil them as a major strategy of cost-cutting for waste and extravagance, is ludicrous.

The Leader's contribution had this schizophrenic quality throughout. On the one hand, he said that taxes should be reduced. He said that pay-roll tax should be abolished and that other measures should be taken in regard to succession and gift duties, and so on, all of which would result in a reduction of the revenue available to the State. When he was challenged over his proposal to immediately abolish succession and gift duties by being asked how we raised the revenue in an equitable way to cover that cost, he repeated rhetorically that we must find the funds. We would like him to tell us where to find them. At present they are coming from succession and gift duties and, if he has alternative ways, perhaps he can let us know. He wants positive measures from the Government. I should have thought that the expenditure programme announced by the Premier, despite the stringencies we have, was an extremely positive contribution to a difficult situation. An analysis of the Budget papers and the heads of expenditure will demonstrate that.

I have already dealt with the question of turning our back on unemployment. We are not spending on the State Unemployment Relief Scheme as much as we have spent previously. Much huffing and puffing went on about the \$26 000 000 deficit. We could have saved that in one stroke by not employing people under the scheme, which cost about \$26 000 000 last year. That would have meant that about 7 700 people were not employed that year under the scheme, and that about 1 500 who got their start under it, were kept on, and found employment may not have done so. It is nonsense to say that the scheme is not productive for the private sector, because the important thing about the scheme is that it provides for a proper wage to be paid to people for work and, in turn, those people spend that money.

They buy goods and services in the private sector, and in

country areas, as well as in a suburb, town or city, that can have a considerable impact on the local economy. That is clearly demonstrable, and the scheme is important in stimulating the private sector. Similarly, many of the projects that these people have worked on have improved the infrastructure of towns, cities and villages in the country, attracting tourists and providing a long-term facility for the community. This in turn can generate economic activity in that area. Therefore, that money is well spent not just in employing people but also in what it stimulates around that employment. It is tragic that the Government has had to find that money completely from its own resources. The 7 700 who got jobs last year got them only because we found them jobs from our own State resources.

We saved Malcolm Fraser many millions of dollars in unemployment benefits that he would have had to pay and we presented him with many more millions of dollars in the form of the payment of tax by these people. In return, we got nothing from Fraser, despite repeated pleas. He simply pocketed the savings, said he did not like unemployment relief schemes, and left us to go our own way. The Opposition cannot have it both ways. That scheme has some value, employed people, and provided basic and important projects. Many members opposite come from country areas and, if they talk to their councils or other bodies, they will find that they value highly the work done under the State unemployment relief grants. Either members opposite support that and say, "It's a pity we have to scale it down; perhaps there may be some way in which we can put pressure on the Federal Government to get back some of the money we virtually donated to Mr. Fraser last year," or they reject this scheme entirely. Opposition members cannot have it both ways, but they seem to want that.

The Leader, in trying to provide a meaningful alternative strategy and talk about savings, has gone into lurid and extraordinary examples. For instance, he said that a Liberal Government would generate more jobs and more revenue at the one time. He said that one way would be to sell assets in real estate held by the Highways Department and other Government departments, which assets, as he puts it, are lying around doing nothing. To whom will he sell them and for what? If our housing industry cannot get rid of all the houses it constructed a few years ago in a major boom, if we are moving slowly to a position where we will have sufficient office space, and if our manufacturing industry does not need new factories, who will buy these great real estate assets that are lying around, and what will any buyers do with them? It seems ludicrous to suggest that that would create more jobs and revenue in our current economic situation.

Then the Leader comes up with a beauty when he talks about sunset legislation. This proposal was peddled around by, I think, the Federation of Heavy Construction Contractors of Australia, which sent a circular to all Government people, pointing out that this legislation operated in Colorado, or one of the other States of the United States. What it does is ensure that any Government agency has a limited life and that agency, by Statute, automatically ceases to exist. The Statute expires (hence the term "sunset") unless it is reviewed and renewed by the Legislature in time for its term to be extended. It is interesting that the suggestion for this originated from a group such as the Federation of Heavy Construction Contractors, whose major work is done on Government contracts and who are absolutely dependent on the public sector, as their current plight shows, for their big contracts. One would have thought that, far from trying to make Federal agencies and State Government

instrumentalities expire, they would be promoting their continuance in existence.

However, I do not think that is the major complaint that one may have about sunset legislation. It has not been shown to be a success. Its effect probably would be to increase waste and certainly increase the time wasted by bureaucrats in attempting to justify the continued existence of the organisations in question in the face of an impending expiry date, and it would involve spending much time and energy on self-justifying memos, paper work, analyses and studies. In the end, all that will not change the fact of whether or not the agency continues (that will be decided on the needs of the time and on the politics of the particular Government) but we would consume so much energy before the Act expires under the sunset provisions as to render the agency immobile. It is really a wasteful and extraordinary way to attempt to review the performance of Government departments. Continuous audit and inquiries of the nature of the Corbett inquiry, or a body such as the Paypack Committee, which operates in the State Government now, are the ways to keep these things under review and ensure effective use of resources, as the Premier has pointed out, and to clutch on to some pseudo-slick American idea about sunset legislation simply shows the sterility of ideas that are coming from the other side of the House. I support this Budget and commend it to the House as an extremely responsible and adequate approach to our current development in South Australia.

Dr. EASTICK (Light): I sincerely hope that, if the member who has just resumed his seat is fortunate enough to be the next Minister, he will get the stardust out of his eyes quickly and get his feet back on the ground, because the needs of South Australia are far different from the poppycock that he has recited. To say that the document is excellent and that it gives a nicely balanced Budget is a lot of bloody rot.

The SPEAKER: Order!

Dr. EASTICK: I have no hesitation in giving it that caption. We have a situation that, in the public statement by the Premier in this House, he lauded the work of the Treasury officials, but the remainder of what he said was nothing but rot, because it did not get down to the basic nitty-gritty of so many important issues. I accept that the statistical information in the document is factual.

The Premier's attempts to make cheap political capital at the expense of the Federal Government did him no credit and certainly had no bearing on the information responsible Treasury officers would have included in the document had they been able to frame it themselves. Let me say to the honourable member who has just resumed his seat that, in the document that was presented to the House on 6 October 1977, the Premier, when referring to 1976-77, spoke of a \$200 000 deficit. What information did the Premier pass on to the member for Hanson only last week? In reply to a question about telephone costs, he indicated that, with the concurrence of the Under Treasurer, special arrangements were made for payments of \$490 000 to be carried over from 1976-77 to 1977-78, yet he had the gall to say last October, "We almost balanced the Budget to within \$200 000." On his own admission on Tuesday 12 September 1978, a debt of \$490 000 was conveniently allowed to slide off the plate so that the deficit did not look so bad.

Members would know that, whether it relates to people who provide services to the Public Buildings Department, to people who provide bus services for the Education Department, or to those providing services in many other areas, tens of thousands of dollars are not reflected in the

various balances at the end of the year. The Government has had outstanding debts for almost three years on certain major works that have been undertaken for it where a dispute relating to the end result is still proceeding. To suggest, as the honourable member has suggested, that the document presented to the House is so nicely rounded out and balanced is, as I indicated, so much rot. Whilst we have a system that fails to take into account the amounts owing and the build-up of materials on hand, there is no earthly way that this House or the people of South Australia will have a clear indication of this State's financial situation.

The Premier can so conveniently sidestep certain payments and outstanding amounts, and completely cook the books. I suggest that it is a Government decision that is reflected in the final accounts: it is not the action of public servants who are directed as to what they will pay and how they will draw up the books in accordance with actual Cabinet decisions. I laud, as did the Premier, the benefits this State gets from its highly commended and Commonwealth-wide respected Treasury officers. However, I decry the manner in which the Premier has in this place consistently lauded them on the one hand and, on the other hand, refused to acknowledge that the bitter measures contained in these documents are of his own making.

Regarding the value to this State of the Treasury officers, I draw members' attention to Parliamentary Paper No. 118, which relates to a report of the Parliamentary Standing Committee on Public Works on Whyalla Hospital Redevelopment (Phase II). Under the heading "Financial aspect" on pages 27 and 28, a summary of evidence given by Mr. Barnes of the Treasury Department is set out. In referring to the inquiries of the Public Works Committee, Mr. Barnes gave quite a clear indication of the manner in which Treasury documents and planning are undertaken, and on page 28 he states:

I cite as an example June or early July 1977 when the Premier and Treasurer came back from the Premiers' Conference and Loan Council the total funds available was about \$25 000 000 less than had been incorporated in the Treasury document for planning—

not in the Commonwealth's promise, but in the Treasury document for planning—

A difference of that kind meant a marked rearrangement of the programme. The details are not so important but the planning processes made it less difficult than it otherwise would have been to cope with a major factor of uncertainty with a total programme of \$25 000 000 less than was based on Treasury advice given four or five months earlier.

Other worthwhile information is set out in that report, to which I draw members' attention to get an overall picture of the type of work undertaken by Treasury on behalf of the State.

What is the situation in respect of funds made available to South Australia? We are led to believe by members opposite that South Australia (indeed, all the States of Australia have) has an inbuilt guarantee that their allocations will increase annually by a mathematical equation. That takes no heed of the facts of the matter. Page 1 of the appendices to the present document indicates Commonwealth general purpose grants for the period from 1942-43 to the estimated allocation for 1978-79. It indicates a marked variation in the annual grants from that source. Twice a lesser allocation has been received than in the previous year, although, with those two exceptions, there has always been an increase. The increase has been as little as 2.15 per cent and as massive as 39.36 per cent.

There is no clear progression and no guarantee by any

Federal Government of any political persuasion that the allocations to the States will be made on a definite basis. Obviously, a Federal Government will make funds available to the States according to the funds available to it. Any other course of action would lead to chaos, as we saw during the Whitlam regime when, with gay abandon, the many Whitlam Treasurers threw money around as though it grew on trees, and as though there was no end to its supply.

We have a situation that is quite clear for members to relate to, set out in a statistical document I prepared based on Appendix 1. I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

COMMONWEALTH GENERAL PURPOSE GRANTS

	Total \$	Difference \$	Per Cent Change
(a) 1942-43	7 875 196	—	—
1943-44	8 123 718	248 522	3.16
1944-45	9 830 062	1 706 344	21.00
1945-46	11 326 448	1 496 386	15.22
1946-47	12 323 632	997 194	8.80
1947-48	13 824 132	1 500 500	12.18
1948-49	16 367 794	2 543 662	18.40
1949-50	21 870 108	5 502 314	33.62
1950-51	26 609 566	4 739 458	21.67
1951-52	30 923 632	4 314 066	16.21
1952-53	37 288 074	6 364 442	20.58
1953-54	38 089 146	801 072	2.15
1954-55	32 228 896	5 860 250	-15.72
1955-56	39 960 510	7 731 614	23.99
1956-57	44 441 054	4 480 544	11.21
1957-58	48 505 498	4 064 444	9.15
1958-59	49 877 088	1 371 590	2.83
1959-60	59 609 632	9 732 544	19.51
1960-61	62 861 456	3 251 824	5.46
1961-62	69 798 324	6 936 868	11.04
1962-63	74 965 302	5 166 978	7.40
1963-64	79 660 498	4 695 196	6.26
1964-65	79 562 876	97 622	-0.12
1965-66	87 874 967	8 312 091	10.45
1966-67	95 753 488	7 878 521	8.97
1967-68	105 872 315	10 118 827	10.57
1968-69	117 524 926	11 652 611	11.01
1969-70	128 803 161	11 278 235	9.60
1970-71	164 206 649	35 403 488	27.49
1971-72	175 865 777	11 659 128	7.10
1972-73	208 323 941	32 458 164	18.46
1973-74	234 854 578	26 530 637	12.74
1974-75	327 288 810	92 434 232	39.36
1975-76	366 998 910(g)	39 710 100	12.13
1976-77	434 607 632(g)	67 608 722	18.42
1977-78	509 168 826	74 561 194	17.16
1978-79 (Estimated)	558 808 000	49 639 174	9.75

(a) First year of uniform taxation.

(g) Excludes recoup from Australian National Railways Commission of Railways non-metropolitan deficit.

Dr. EASTICK: Looking at that document, members can calculate the Federal funds that have been available through the years. I was interested to read the *Public Service Review*, dated 30 August 1978, circulated in this place. The front page has a headline, "Budget '78" and, under the subhead "Tax Revolt?", the report states:

What is the tax revolt?

Where did the notion originate from?

These and other questions concerning this recent press campaign are examined on page 5. It goes on to make a realistic and interesting comment:

Although initially appealing to the taxpayer, it is clear that the tax revolt holds no logical solution to Australia's economic problems. What seems on the surface to be an attractive and simple recipe for economic recovery, is in fact a recipe for disaster.

I believe that the way in which that tax revolt, so called, has gone flat is a clear indication that the public of Australia sees it in precisely the same way as they have seen the feigned, superficial, hypocritical activity of the Dunstan Government, voiced through the Premier on television and on radio, decrying the Federal Budget. The people of South Australia see right through the action he sought to involve them in. It is clear from Federal and State members that the people of South Australia did not respond to the mischief that the Premier was about: they will not accept a trumped-up situation such as the one sought to be impinged upon the people of this State, be it by the Premier or anyone else. This has gone down like the proverbial lead balloon, and it deserved to, because it was based on false premise and did not do anything to give the positive lead necessary in this State at present. It was totally negative. The Premier stands condemned, as do his Cabinet colleagues for allowing him to be party to it.

What do the various representatives in the community say about the economy? I refer to the situation before the Federal Budget was introduced. I accept that we are talking about a State Budget, but so much of it, according to the Premier, is directed by the Federal Budget. The B.H.P. Directors' annual report, 1978, states:

The economic environment in which the company operated in the year under review was at least as challenging as in the previous year. Many countries, including Australia, have been giving a high priority to reducing inflation, and although the importance of Government achievements in this area is recognised, the low rate of growth in economic activity had a depressing effect on both the local and overseas demand for most of the group's products.

That is a factual statement. It does not laud the Federal Government but states that we cannot, as a country or a State, see ourselves in isolation. In the annual report of the Savings Bank of South Australia for the year ended 30 June 1978, the Chairman of Trustees, Mr. R. D. Bakewell, states:

While a slight improvement in the Australian economy has been signalled recently by some economic indicators, the majority of measures of economic performance make it clear that a general economic recovery did not get under way in the financial year 1977-78. Neither is it at all clear whether a significant recovery can be expected in the coming 1978-79 year.

That seems to be a statement of gloom, because it is in complete contrast to the statements by other authorities, to which I will refer. The report continues:

The reduction of the rate of inflation has been one of the Federal Government's top priorities throughout 1977-78. To this end reasonable success has been achieved with the consumer price index for the March quarter of 1978.

He refers to March 1978, and obliquely to the fact that June 1978 was even better. The Australian Finance Conference Chairman's annual report for 1977-78 at page 3 states:

During the past year the finance industry has experienced overall a modest level of real growth reflecting a low level of consumer demand, especially for motor vehicles and other durables, and a lower level of increase in real estate financing offset by fairly rapid growth in lease finance to businesses. In part, however, the apparent strength of lease finance was due to a shift by some businesses from using hire-purchase facilities to using lease facilities.

In the report of the Institute of Directors in Australia, presented at the annual general meeting held on 22 May 1978, the institute President under the heading "The Economic Climate" states:

We in the institute do not need to be reminded of the very difficult economic conditions which prevail both in Australia and overseas. The outlook, both locally and abroad, is clouded, and whilst the Government has a heavy responsibility in this area, members of the institute can play their part in recognising the undoubted long-term prospects for us all in Australia and help to carry out the necessary steps to bring about a recovery in our business conditions.

Here is a group of people who recognise the importance of getting together, working together as a total group to bring about recovery, not standing off on the sidelines as the Premier has done, casting stones, but to be positive about it, to get on with the job, and to recognise that it has to be a total country or a total approach by the people of the State and of the Commonwealth.

The situation is reflected in a recent comment by G. R. Webb, Senior Lecturer in Economics, Faculty of Military Studies, University of New South Wales, in an article entitled, "The High Cost of Australia's Internal Transport—Causes and Remedies." Under the subheading, "Cost of self-induced disabilities", he draws attention to some important issues that go far beyond the transport area, although this example is in relation to transport. He makes the point that the artificially high costs in Tasmanian ports are brought about by there being too many ports with major facilities. More broadly he states:

Coastal shipping has proved to be a costly and unreliable form of transport because of the high cost of crewing under Australian conditions, the heavy cost of moving goods across wharves—

We could say "Hear, hear!" to that with the experience of my former colleague for Frome, Mr. Claude Allen, who indicated that it cost \$3.56 to load a bale of hay from the wharf into the ship's hold, whereas it had been grown and delivered from the production point at Morgan for \$1.60. We have had a recent example where hay that was required to be withdrawn from the hold of a ship (10 tonnes of it) cost \$5 000 to move out of the ship. Work out the economics of that, Mr. Deputy Speaker, and you will see that the comments made in this article are spot on.

The DEPUTY SPEAKER: The honourable member will need to give me time.

Dr. EASTICK: I, without reflecting upon the Chair, would say, "Hear, hear!" to that too. The article continues:

and the impact of demarcation and other industrial disputes involving maritime and waterside unions over shipping schedules and freight movements.

Here is a clear indication in real money terms. The article continues:

The commission pointed out that the use of 100 000 dwt vessels, manned and with crew costs at Scandinavian levels and without industrial stoppages, could have resulted in savings in shipping raw materials around the Australian coast in excess of "\$16m in 1974-75 and . . . for the period to 1986 the extra costs calculated on this basis would approximate \$205m".

That is a clear indication of how we need to come face to face with the reality of our whole labour structure and where we need to discuss at all levels the importance of the recognition of productivity.

That is the other point made by so many banking institutions and business organisations: the obvious need

for an improvement in productivity. We have seen an excellent example in recent weeks with the agreement by members of Samcor to give greater productivity for the same wage. I take my hat off to members of Samcor staff for the lead they have shown to so many other areas. I take my hat off to the many groups of teachers who are seriously recommending that they do not deserve the 17½ per cent leave loading for 10 weeks a year, and that they, and education, would be better off if it were removed.

This is a view that needs to be fostered, because it is the obvious answer to the escalating costs, which cause the Premier to throw his hands up in horror and make assertions about the Federal Government that are not true. I indicated that I would point out what one or two financial organisations had to say following the introduction of the Federal Budget. The ANZ Bank in its *Business Indicators* of 9 September 1978, No. 117, states:

The Australian Government's Budget for 1978-79 represents a clear continuation of fiscal and monetary policies designed to curb inflation, restore stability to the balance of international payments, and to encourage private overseas and domestic capital investment. Initial indications are that there will be progress in achieving these aims during 1978-79, paving the way to improved economic well-being in the longer term.

Let me stress the need for longer-term thinking, not the short term, political expediency that the Premier has indulged in since the Federal Budget was brought down in the statements to this House. A leading article in the National Bank monthly summary of May 1978, under the heading, "Business investment in perspective", states:

Following a period of stagnation during the first half of the 1970's, there has been a strong upsurge in fixed capital expenditure by business during the current financial year. Preliminary estimates, based on surveys carried out by the Australian Bureau of Statistics (ABS) and other organisations, suggest that the real level of fixed capital expenditure will increase by approximately 10 per cent in 1977-78 compared with a rise of 1.2 per cent in 1976-77 and declines during each of the preceding two years. In fact, this area currently represents the principal source of growth within the economy and has helped to compensate for the subdued level of activity evident in some other sectors. Maintenance of a high level of business investment is central to the broad objective of bringing about a sustained recovery in economic activity. In these circumstances it is pertinent to examine the nature and reasons for the firmer trend in business investment which is now emerging.

I commend the balance of that statement to members because, quite clearly, the policy being followed by the Federal Government, as indicated in that particular area, is well borne out and of great importance.

On this occasion, and previously, the Premier made an oblique reference to drought and the effect it has had on the community. The drought, as I indicated the last time we addressed ourselves to this particular issue, has had a tremendous impact upon the down-turn in business activity in this State, and indeed in other parts of Australia. The Australian Bureau of Statistics, through its South Australian office in the 1977-78 first estimates of the value of agricultural commodities, produced a statistical document. It clearly points out the down-turn in agricultural income and, therefore, the impact that that has had across the whole of the South Australian community. As it is completely statistical I seek leave to have that document inserted in *Hansard* without my reading it.

Leave granted.

GROSS VALUE OF AGRICULTURAL COMMODITIES PRODUCED, South Australia

Particulars	1973-74	1974-75	1975-76	1976-77 ^p	1977-78 ^p	% Change 1977-78 on 1976-77
	\$'000					
Crops (including pastures):						
Barley for grain	68 276	119 305	105 865	93 807	50 000	-46.7
Oats for grain	8 184	7 832	6 485	5 698	3 500	-38.6
Wheat for grain	196 444	163 922	118 063	73 911	49 100	-33.6
Other grain cereals	187	155	315	600	500	-16.7
Fruit and nuts	30 791	40 218	39 201	49 029	55 000	12.2
Grapes	21 556	37 502	38 199	41 290	42 000	1.7
Vegetables	36 350	36 576	40 888	41 205	44 400	7.8
All other crops	31 830	29 198	25 735	27 055	27 500	1.6
Total	393 618	434 707	374 750	332 594	272 000	-18.2
Livestock slaughtering (a):						
Cattle and calves	82 153	43 415	63 539	99 363	116 500	17.2
Sheep and lambs	44 416	22 212	25 832	39 546	30 000	-24.1
Pigs	26 123	23 435	21 562	21 850	23 500	7.6
Poultry	12 305	13 723	15 158	18 089	23 200	28.3
Total	164 997	102 786	126 091	178 848	193 200	8.0
Livestock products:						
Wool	173 180	122 180	131 865	153 550	134 700	-12.3
Milk	27 541	31 498	30 170	30 436	32 400	6.5
Eggs	11 409	14 043	13 618	14 702	16 800	14.3
Total (b)	214 779	169 943	177 720	200 357	185 600	-7.4
Total Agriculture	773 394	707 436	678 561	711 799	650 800	-8.6
Forestry, fishing and hunting	31 720	31 262	41 383	48 260	38 400	-20.4
Total Primary	805 114	738 698	719 944	760 059	689 200	-9.3

(a) Includes net exports of livestock.

(b) Includes honey and beeswax.

p preliminary

Dr. EASTICK: From that document we find that the percentage change from 1976-77 to 1977-78 clearly indicates that there was a decrease of 9.3 per cent in total primary production, which includes forestry, fishing, and hunting, as well as all other agricultural production. If we take the figure for primary production without forestry, fishing and hunting, we find there is a decrease of 8.6 per cent. Such a decrease in the overall funding of this State is a sizeable one and one for which the repercussions have been and will continue to be felt for a considerable time.

I draw members' attention to the Booklet, *The Financial Relationships of the Commonwealth and the States*, which is a statement by the Premiers of all States made in 1970 and signed by them. This is a booklet which is available from the library. At page 27, Part 6, under the heading, "Proposed remedial measures and fiscal rearrangements", they proceed through sub-headings of "Transitional tax reimbursement grants"; "Restoration of State income taxation upon the general pattern in Canada"; "Necessity for continuing redistribution grants to States"; "Other financial rearrangements"; to "Summary and Conclusion", to point out a course of action that was required by the Premiers of the States of Australia and a direction to the Commonwealth to lead into a new federalism or a new tax-sharing concept. For the Premier to stand here and condemn what has taken place is to fly in the face of the recommendations made to the Commonwealth Government and determined in this booklet. I refer particularly to page 30 of this document, the summary and conclusion.

The DEPUTY SPEAKER: Order! The honourable member's time has expired. Before calling on the honourable member for Mawson to make his contribution

to this debate, I would like to comment on the use of the word "bloody" by the honourable member for Light in the early part of his speech. Whilst the word itself, in the view of the Chair, is not offensive in itself and in many instances is the appropriate word to use, I do not believe that, in the context that it was used it was appropriate. I seek the assistance of members to ensure that debates in this House do not degenerate to the extent that common slang becomes a normal part of debating language. The honourable member for Mawson.

Mr. DRURY (Mawson): I support the Bill and commend the Budget. It is a dashed good Budget, I might add, for the people of South Australia. In the circumstances, I think it is the best that can be done. In a mood of trepidation, because of the Deputy Speaker's ruling, I do not intend to use the colourful language in which the member for Light indulged: he got over-excited and let his emotions run riot.

Nevertheless, the Budget ought to be ruddy well commended to everyone, as much is to be said for it. The Budget is brought down in the context of a gloomy national economy, and I do not think one could describe it any better than that. We have less and less production and greater unemployment and, since this Budget speech was delivered, we have had the spectacle of the Federal Minister for Employment and Industrial Relations coming out and being honest, as he had to be, in spite of the restrictions placed on him by his Prime Minister, and telling the people that unemployment will not get any better.

Mr. Hemmings: But that's not what Fraser said, is it?

Mr. DRURY: Mr. Fraser and his Labour Minister are

often at variance, and this has only recently come out into the open. I do not know what catch cry they will use for, I presume, the December 1980 election. It certainly will not be "fewer tax cuts and jobs for all". Past experience has shown that it will probably be "fewer tax cuts and more unemployment".

Mr. Venning: They'll win the election.

Mr. DRURY: We will have to wait and see about that. I know one election that the Liberals will not win in South Australia.

Mr. Groom: Or in New South Wales.

Mr. DRURY: That is so, or in Victoria. The Werriwa by-election will soon show how true is the statement made by the member for Rocky River.

Mr. Wilson: Gough didn't get his man in there, they tell me.

Mr. DRURY: I would not know about that. I am interested only in the final figures at the end of the night.

Mr. Wotton: I'll tell you what. They were fairly worried when Whitlam was in before.

Mr. DRURY: I will now get back to the subject, from which Opposition members have a habit of wandering. Much has been said by members opposite about the horrors of deficit budgeting and how terrible it is to go into debt, because one is forever having to find money to meet that debt. I remind members opposite that millions of Australians go into debt to buy a house, car, or consumer durables for their families and, unfortunately, especially in the past year or two, unemployment has reached the stage that the debts that people have incurred to pay for things have caused untold misery for families not only in South Australia but throughout Australia.

I am more than ever convinced that the Australian people, having been seduced three times by the Fraser Liberal Government, will think carefully next time before making the same mistake again, because the truth is now out and it is left to the States to carry the can. After all, this is the principle of the new federalism: that the Commonwealth rapidly divest itself of this responsibility financially and thrust on to the willing States the responsibility for making up for those services that have been withdrawn.

I commend the State Labor Government for having tried to take on that mammoth task. Obviously, it was in Mr. Fraser's sights, because under the Whitlam Government, which was much maligned by the Liberals, we were in a favoured position. The truth of the matter is that we are no longer in that favoured position, and this Budget is the result of the falling from favour. As I said earlier, several members opposite spoke about the evils of deficit budgeting, and how the line of the Liberal Party at present under the influence of Milton Friedman and other imported economists is that deficit budgeting somehow contributes to high inflation, and therefore this is the root cause of all our evils. I now return to the much maligned Whitlam years. One sees that at the time of highest inflation Australia had the greatest surplus.

Members interjecting:

Mr. DRURY: Members opposite do not want to listen to the facts or hear the truths. They would rather gloss over the matter with stupid, half-comical remarks.

Members interjecting:

Mr. DRURY: I am trying to adopt a generous attitude. Being the Christian gentleman that I pride myself as being, I try to be generous. That is about the best I can be: half comical.

The Hon. D. J. Hopgood: You're too generous.

Mr. DRURY: I thank the Minister. His generosity is exceeded only by his common sense. During the time of highest inflation, we also had the highest surplus. This

seems completely to contradict what Mr. Fraser has been feeding Australians over the past two years: if we are to have a higher deficit, we will automatically have higher inflation, and because we have had this high inflation we are now in the dire straits that we are experiencing. As I pointed out in my maiden speech (and members opposite can check this in *Hansard*), the—

Mr. Venning: It wouldn't be worth while.

Mr. DRURY: If the honourable member does not like the truth, that is his prerogative. Three factors affected inflation in this country, the first of which was the failure by the Federal Liberal Country Party Government in 1972 to revalue the currency. This had to be done by the Whitlam Government when it assumed office: it revalued currency upwards by 7.2 per cent. That was all right for the wealthy people in the rural sector who benefit from the rest of Australia's malaise.

Mr. Wilson: Did they also make 25 per cent tariff cuts across the board?

Mr. DRURY: They did very well. Even when they had wheat quotas, few farm values fell at all. In fact, farm values held in the years of wheat quotas because they had artificial props to keep them up. The rest of Australia subsidised rural Australia for many years. That was one cause of our inflation.

Members interjecting:

The DEPUTY SPEAKER: Order! The honourable member is making an interesting contribution to the debate, but the Chair is unable to hear him over the noise of interjectors.

Mr. DRURY: I thank you, Sir, for your protection, but it is not really necessary. The second factor was the increase in oil prices, which hit the whole world and from which we have not escaped. Unfortunately, we are now paying for this, because the present Federal Government has decided that Australia's oil prices are to rise to world parity prices. At present, the South Australian motorist is paying \$1.08 a gallon for his petrol.

Mr. Wotton: Your Minister of Mines and Energy agrees with that.

Mr. DRURY: He may find that this is necessary. If we had other means of financing oil purchases, it might not be necessary to raise those prices. Indeed, as the honourable member knows, there were other means of financing oil purchases. The third factor was the increase in wages. Those three factors have inflicted on this country a high degree of inflation.

Mr. Allison: What about wage increases?

Mr. DRURY: What does the honourable member think I just said? I suggest that the honourable member stop reading the paper and try to educate himself. These much maligned years of the Whitlam Government saw the peak of inflation of 5.1 per cent in the September 1974 quarter, during which financial year we had a surplus of \$211 000 000. We now find, since the 11 November 1975 coup, albeit a bloodless coup, which I do not think will be forgotten (certainly it will not be forgotten by Government members), that—

The Hon. D. J. Hopgood: Would you say reprehensible circumstances have occurred now?

Mr. DRURY: There are about 97 reprehensible circumstances in the Federal House.

The Hon. D. J. Hopgood: How would a Federal election go now?

Mr. DRURY: It would go delightfully well for the Labor Party. The thrust of the Federal Government's financial policies has hit South Australia very hard and, because of the cut-backs, funds have had to be reallocated and diverted; this cannot be done overnight. The Premier, by a good bit of housekeeping and wise budgetary policy, has

been able to soften the blow so that we will be able to get through. This is a little better than what his Federal counterpart, the Prime Minister, was prepared to do. The Prime Minister was not prepared to soften the blow but to hit South Australia hard. This Government has initiated some wise moves which I am sure the Opposition would not have bothered with, had the Liberal Party been in power. The member for Mount Gambier said that the Australian lifestyle might be reduced to that of China. He then went on to criticise the so-called socialist Government.

Mr. Allison: That was in answer to an interjection from your side.

Mr. DRURY: Australia's lifestyle is turning downwards rapidly; average weekly earnings from June 1974 to June 1978, in real terms, increased by only 4.8 per cent, while our inflation rate increased in each of those years. It was only in the last financial year that it reached the single figure of 8 per cent.

Mr. Allison: This is compensation for 1974, when the figure was 20 per cent.

Mr. DRURY: I will turn to compensation later. The Federal Government has treated the young families of South Australia atrociously. Young families who buy a home through the State Bank now know what the term "market price of money" means. At the insistence of the Federal Government, under the Commonwealth-State Housing Agreement, interest on loan moneys will be increased by .5 per cent each year until it reaches .5 per cent below the bond rate, which is presently 9¼ per cent. Many young families will be faced with additional increases on an already strained budget. In a family where there is a single breadwinner, the money received will not have kept pace with inflation and will again be under attack and reduced further by the insistence of the Federal Government that interest on housing repayments be increased by .5 per cent per annum. The overall result will be that families will have less purchasing power and therefore less ability to contribute to the so-called economic revival, whenever that happens, and we have been waiting for nearly four years. It was supposed to have been a consumer-led recovery, then an investment-led recovery, and I do not know what the next form of recovery will be.

The State Government has continued its strong support in the Budget for the Cooper Basin development. Earlier this session the Minister of Mines and Energy answered a question on coal deposits found in the Far North. Those coal deposits cannot be mined economically but, when technology has devised a method of gasification, they can be used. Anybody with any common sense would not want to see those fuel reserves in the hands of private enterprise to be marketed for the maximum amount of money. In last year's Budget the Premier mentioned we had to step into the breach as a Government and buy the interests of the Commonwealth Government in the Cooper Basin. If this had not been done and if we had not outlaid \$12 500 000, in the future we would have had less fuel reserves to fall back on.

The member for Mount Gambier referred to the age pyramid in his speech. He said that towards the end of the century there will be more and more older people and fewer and fewer younger people who will be able to work and therefore be taxed; hence there will be less revenue to support these older people. If we did not have a Government prepared to look ahead and set aside fuel reserves to be available for the people of this State at a reasonable cost, we would be failing in our duty towards the future. In 1966 the then Labor Premier of this State, the late Mr. Frank Walsh, negotiated a loan with the

Federal Government for a gas pipeline at a much reduced rate of interest. If we had had to go to private sources, we would have had to pay about double the interest rate, and the gas which we now use would have been considerably dearer. Redcliff, which is also mentioned in the Budget speech, is a most necessary project, and I am sure all honourable members would agree with me.

Mr. Chapman: Do you know what they are going to produce at Redcliff?

Mr. DRURY: On the matter of public transport—

Mr. Chapman: Are you ignoring me?

The SPEAKER: Order! The honourable member should ignore interjections.

Mr. DRURY: It is good to see that the State Transport Authority has had a capital programme of \$31 600 000 allocated to it for 1978-79. This is of interest to me because I come from an outer suburban electorate which depends very heavily not only on motor vehicles, but also on the railways and buses. Of this amount \$7 900 000 has been set aside for the purchase of buses. About 12 or 18 months ago 377 buses were ordered, and 197 have been delivered. In addition to that number, the Minister has informed me that tenders have been called for 100 leased buses. When all buses are available this will make a total of 477 buses, and we will need every one of them. As the price of petrol increases there will be more and more people seeking to get to their place of work (those who are lucky enough to have it) by public transport. There will be more people seeking to go shopping (those who are lucky enough to have money). Therefore, it is obvious that such a programme is necessary and such funds are justified.

In all the harangues and tirades against this Government by honourable members opposite, I cannot recall one suggestion that money be spent. All this criticism of members opposite has been toward the reduction of Government spending. This is in line with the theory, and it is only a theory, that increased Government spending causes inflation. The funds which we received through the Commonwealth State-Housing Agreement this year have again been reduced in real terms to such an extent that only very recently, whilst making inquiries for a constituent, I found that only 160 low-deposit houses can be built this financial year.

These are all the funds that have been allocated by the Commonwealth, yet the waiting list grows even longer and longer. The number of houses remains the same, so obviously the waiting list will extend into the next financial year. Added to that will be those who apply in the intervening period, making the waiting list still longer, whilst the number of available houses will be the same. How can we, in a so-called affluent country, with all the minerals which the Premier of Queensland, the Prime Minister, and the Minister for the Interior (the Deputy Leader of the coalition) want to sell, watch families wait, not one year, but in some cases two or even three years for a low-deposit house?

Mr. Mathwin: You want to leave it in the ground.

Mr. DRURY: We want to sell what is useful and beneficial to the world. The Budget refers to unemployment. Over the past two years the State Government has spent about \$39 000 000, I believe, on unemployment relief. We have been shouldering the responsibility, vacated by the Federal Government and thrown on to us, of providing people with an income and with virtually something to do, rather than having them stand in dole queues and languish. Obviously, we could not keep up this spending forever, and we have now reduced this allocation to \$7 000 000 this year. That is unfortunate, and we all regret it, but it is a fact of life. The current unemployment situation in Australia that is affecting our Budget and the

Budgets in other States is not so much due to the dismantling of the Keynesian theories as the member for Mount Gambier would have people believe. It is partly due to that, but people will not spend money if they are scared of losing their job or are in doubt about whence their next pay will come. They will not go out and buy a house if they are not assured of being able to meet 25 years of monthly payments. A person who takes a mortgage for 30 years commits himself to 360 monthly payments and, in order to do that, he must be reasonably assured that he will have sufficient income for those 360 months.

Mr. Allison: He would have to pay rent.

Mr. DRURY: Yes, but, if he paid rent, it would be on a weekly or monthly tenancy. He would have no equity to lose in the event of a mortgagee sale. In outer areas of all capital cities one sees signs setting out mortgagee sales, together with houses with "for sale" signs on them. Indeed, on a recent *Monday Conference* programme, Mr. Russell Prowse, of the Bank of New South Wales, said that there were 400 000 empty houses in Australia. Those houses have not been empty since November 1975, when Mr. Whitlam's Government lost office. They have become empty since then because there are insufficient people with incomes to buy them; it is as simple as that.

The member for Light referred to the tax revolt, about which we got a good dose in the press some months ago. It was stated that it had spread from the United States of America, and it would change the face of the world, etc. The tax revolt originated in California, when the authorities there were foolish enough to allow assessments to creep up without adjusting the rate in the dollar. One would not expect any more from Americans, who are capable of doing all kinds of strange things. At least, local government and State Government authorities in this country have the sense to make a flexible rate in the dollar when property values are varied.

I turn now to the comments of the member for Mount Gambier on automation. It is a fact that automation and unemployment go hand in hand. It is interesting to note the figures from the Australian Bureau of Statistics relating to the unemployment of people under 18 years, between the ages of 18 and 20 years, and between the ages of 21 and 24 years, as at last December. These are the latest figures I have. The following percentage of females had been unemployed for six months or more: under 18 years of age, 28 per cent; between the ages of 18 and 20 years, the percentage increased to 36; between 21 and 24 years, the percentage dropped slightly to 34.3. We often talk about unemployment among the young. I have chosen female, rather than male, unemployment for a good reason.

Automation, which will be an ever-increasing factor in our lives, is something we must face. The member for Mount Gambier said that we ought to be more humane, mumbled something else, and then sat down. What are we to do about automation, or when a machine removes the right of a person to enjoy creative ability, or when a person aged 25 years, together with his wife, has bought a house, signed a mortgage for 30 years, and, after 15 years, when he is 40 years of age, a machine displaces him? It is all very well to say that, under the credit foncier system, by the time half his mortgage has expired, he has paid off most of his interest, but he has a substantial part of his principal to pay off.

Who will give him a lump sum of \$15 000 to pay off his debt? That is the crux of the question. The solution will be that those who benefit from the machine, and those who invest in machines to make even greater wealth, will have to supply such a lump sum. What other way could it be done? Otherwise, we will have social instability, the like of

which we have not seen hitherto. We are looking, in the mid-1980's, at an unemployment rate of 10 per cent, brought about by such factors as technological change, structural innovation in industry, mechanisation, etc., but it all boils down to the fact that a machine will take away a person's job. I was speaking to an Opposition member in the Upper House, who told me that the National Mutual had reduced its typing pool from 40 to six typists in a short time, because machines were taking over. Therefore, in this Parliament, as in all other Parliaments, we must work out what should be done regarding this ever-increasing problem, because it will not just disappear.

The Hon. PETER DUNCAN (Attorney-General) moved:

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

Motion carried.

Mr. WILSON (Torrens): I support the Bill, and I should like to mention some things about the speech made by the member for Mawson. We are always pleased to hear the member for Mawson, because he enlightens the House by his wit. However, this evening he mentioned deficit financing and accused the Opposition of having a fixation about it in relation to State Governments. I point out to him that there is a difference between State financing and Federal financing. The Federal Government has a responsibility to control the money supply, which does not apply to the State Governments. The Federal Government is responsible for central banking and, when the Federal Government has a deficit, it is finely attuned to the money supply and, if the States are going to go into deficit financing, that will upset the balance of the money supply.

That is one reason why all State Governments on the mainland except South Australia balanced their Budgets last year, and I am pleased to say that this year even the South Australian Government will balance its Budget, in that it has carried over a deficit of \$6 500 000 from last year. I also point out to the member for Mawson that, when he praises the Whitlam Government for its revaluation of the currency by 17½ per cent, he should realise that that revaluation did irretrievable damage to the export industry in this country and, when it was matched by the 25 per cent across-the-board tariff cuts, it did irretrievable damage to our domestic industry.

One would only have to realise the amount of unemployment that that created in the clothing industry at that time to realise the serious effects on the economy. It was one of the causes of massive unemployment and the start of the high inflation rate. The State Budget as presented by the Premier could hardly be called an inspiring document; in fact, it is anything but inspiring. The most that can be said for it is that it contains a faint glimmer of hope that the Government has at last realised that it has been necessary to redress the balance between the public and private sectors of the economy. Over the past few years, we have had much Government intervention in the business sector of this State. Because of these initiatives, we have had a massive increase in the number of public servants, with a resulting escalation of the State wages bill. Added to this, there has been a plethora of appointments of Ministerial advisers, public relations and media experts, and the like, all designed to maintain the Government in office. The Government is now in the clothing business at Whyalla. It is also about to come into competition with the private bus tour operators. The Frozen Food Factory, according to the Premier's recent announcement, is to enter the private business area to gain volume.

Mr. Mathwin: What about the glove factory?

Mr. WILSON: We have a glove factory, too. The Woods and Forest Department is selling hardware. The Land Commission is now the State's biggest developer. The Public Buildings Department has made gross inroads into the private building industry. The Government has a massive investment in the insurance and assurance business in this State. That this public involvement has been a contributing cause of the lack of business confidence now existing in this State is undoubted. I do not have to remind members of the number of statements that have been made by leaders of the business community on this matter over the past few months. It seems that the Government is slowly realising that expansion of the public sector has got out of hand in South Australia. The Premier said in his explanation of the Budget that, as a first measure, the Government was planning to hold the Public Service to a no-growth constraint in 1978-79. Obviously, that was the first action that had to be taken and one for which the Opposition had been calling for the past two years. The Deputy Premier has given notice of the establishment payment scheme, which is designed to provide long-term or short-term loans to new and expanding industry in this State. An amount of \$1 500 000 will be allocated. In his explanation, the Premier stated:

We are also impressed by the critical capital needs faced by viable firms early in their history. We have decided, therefore, to concentrate assistance to them at this stage. As the Leader said this afternoon, the \$1 500 000 will go nowhere, and it will do nothing to assist those businesses that are already operating. The Budget explanation states that the accumulated deficit from last year of \$6 500 000 is to be carried over into the current year. That means, in effect, that this year the Budget has been balanced, in marked contrast to last year. To do this expenditure in various departments is to be cut back. One expenditure to be cut back is that on the State Unemployment Relief Scheme, and I wish to deal with this matter in detail, especially as members such as the member for Ross Smith have criticised the Opposition's attitude to the scheme and accused us of saying that we would not spend money on unemployment relief at all.

I remind the member for Ross Smith that the Opposition's attitude to unemployment relief is that we stimulate the private sector and thus provide more permanent employment. The allocation this year to SURS will be \$7 000 000, compared to the \$24 500 000 spent last year. According to the Budget papers, 13 500 people have been employed under the scheme since its inception. During 1977-78, 7 700 people were employed, and 1 500 of those have found permanent employment with their sponsors or other employers.

It is obvious that, of these 1 500 who have received permanent employment, most would have been taken on not by their sponsors but by other employers. The further information given by the Premier is that about 600 of these people are currently employed. Although this unemployment relief scheme obviously has helped some people (and the Opposition acknowledges that), it suffers through the fact that Government instrumentalities and local councils were given grants and were told to find jobs for people. In other words, the jobs were unlikely to be permanent: they had to be found. Councils would say that a playground needed a new fence, a path needed surfacing, and so on. I am not criticising the intent of the scheme. However, I am saying that it is and was only a palliative measure.

I and some of my colleagues have gone to some pains to assess the reaction of people to this scheme and to other facets of unemployment. We have spoken to and conferred with the unemployed youth, including some youth service assistants working with the Community

Welfare Department. The general consensus seems to be that, although the scheme is better than nothing, it can be counter-productive with some. By this is meant that a young person, for instance, who has been unemployed for some time obtains a job under this scheme, and the average length of time, according to the Premier, is 14 weeks.

After that period they are again unemployed, with the resultant despair and lack of dignity that goes with it; in fact, it can cause heightened psychological problems. This type of scheme was used in this and many other countries during the Great Depression, I admit, with some success at that time. It is certainly very much a Keynesian remedy, but I believe does not work as well in the modern mixed economy. The State Government's unemployment relief scheme, in other words, is a public sector based initiative. Let us compare it with the Federal Government's Special Youth Employment Training Programme, (S.Y.E.T.P.) which, for some reason that is not obvious to me, has been given the name "sweet-pea" scheme. This programme in the main uses the private business sector of the economy. I hasten to assure members opposite that I realise that the S.Y.E.T.P. scheme deals only with youth, but all members will agree that this is the area of greatest concern.

Before the Federal Budget was brought down, if an employer was prepared to employ a young person who had had significant difficulty in obtaining a job, that employer would be eligible to receive 45 per cent of the male adult average award rate or the award rate for the job, whichever was less. Since the Budget was brought down, the training period has been reduced to four months and the payment has also been reduced, and this will have the effect of bringing more people under the umbrella of the scheme. Members will also realise the similarities between this and the NEAT scheme. At 30 June last year only 7 500 people were employed under the Special Youth Employment Training Programme but, by 30 June last, the figure had risen to 33 000 who were actually employed on that date. The prediction for the next 12 months is that 80 000 youths will be employed and will receive this benefit.

How many of these young people retain their jobs at the conclusion of their training? Mr. Street's office informed me this week that a survey was carried out at the end of May on those who had been so employed. Of those people, 70 per cent were still in employment with their sponsors six weeks after the completion of their training period. It would be better to see the survey results after 12 months, not six weeks; nevertheless it is a significant percentage. Contrast that 70 per cent with the 1 500 people out of 7 700 who obtained permanent employment under the State Unemployment Relief Scheme. That is a percentage of 19.4 per cent. Even if the number of those who remain employed under the Special Youth Employment Training Programme scheme dropped to 50 per cent after 12 months the result would still be far in excess of the success rate of the South Australian scheme.

Suppose the State Government had introduced a similar scheme in South Australia as a supplementary scheme, it would apply to all unemployed persons and not only to youth. Obviously it would have to be something wider than just a training programme but in any case it would be supplementary to the Commonwealth schemes. For instance, the Government could have introduced a plan to subsidise the employment of people within private industry at the rate of \$50 a week for 26 weeks. It need not be restricted entirely to private industry but could be used with Government instrumentalities as well if that were necessary.

I believe that \$50 would be attractive to industry in this

State and that there would be a ready acceptance of such a scheme. Using the sum of \$24 500 000 spent last year on the SURS scheme, it is possible that jobs could have been found for 18 846 people. Similarly, using the allocation of \$7 000 000 in the Budget this financial year for unemployment relief, 5 384 people would be eligible to be taken up by a scheme that involved private industry. I realise that such a programme would have its complications and that I may have oversimplified the proposal. For instance, there is a minority of employers in the community who would consider such a scheme to be a source of cheap labour. There would certainly be complications resulting from the overlap with the Commonwealth schemes. However, such a proposal, correctly worked out, would be of great benefit to the community. The unemployed would receive a guarantee of six months work at full pay. To take the member for Ross Smith's point, they would certainly be paying taxes, too, and thereby contributing to general revenue. Contrast that with the average of 14 weeks under the current SURS programme.

I also believe that the great majority of these people would retain their jobs with their sponsors for a considerable period after the six months or 26 weeks had elapsed and that a far greater percentage of them would gain permanent employment than the 19.6 per cent who now do so under the SURS scheme. Such a proposal does not increase the number of employees on the Government pay-roll. The Government would be spending no more on unemployment relief than it does now, except that it would bring a greater number of unemployed under the SURS umbrella.

Such a scheme would help to stimulate business, especially small businesses, which are the most affected by high wages. It would also contribute to consumer spending, albeit only in a small way. By doing these things the Government would be redressing to some extent the current imbalance in favour of the public sector in the South Australian economy, an imbalance that must be cured if this State is to go forward again.

The Premier has forecast reductions in expenditure by the South Australian Health Commission, particularly in regard to hospital operating costs. Further he has stated that the Education Department is to review its plans for increased non-contact time for primary teachers and for the provision of ancillary staff in all Government schools. Thirdly, he states that he is examining all existing programmes and activities with a view to making economies.

It is extremely depressing that these stringencies must apply, particularly in view of the Government's failure to husband its resources over the past few years. The Premier has announced the development of a new central Government accounting system. We have also been told (in attachment No. 3 of the Budget papers which the Premier asked us all to read) that private consultants have been conducting a financial management development programme for senior managers within the departments. It has taken several Auditor-General's Reports, containing repeated criticism of departmental procedures, to bring these remedial measures into play. The 1977 Auditor-General's Report states:

For several years I have expressed concern at the quality of financial management in many departments, without which one cannot be satisfied that the maximum value is being obtained for each dollar of public moneys spent.

The Auditor-General has again referred to the lack of progress being made in the institution of internal audit procedures in Government departments. The Government will no doubt correct this now but, again, it has been

tardy in its management procedures. In other words, if these actions had been taken when they were pointed out to the Government, not only by the Auditor-General but by the Opposition, the cutbacks in education and hospital spending would not now have to occur. The \$60 000 000 that we have received from the railways transfer agreement could have been set aside for the adequate reserves that the Premier wishes to use when the Redcliff scheme comes on stream.

Instead this money has been used to cover the inadequacies of the Government's financial management. The waste and bad planning that has gone into the Government Frozen Food Factory at Dudley Park has already been widely canvassed in this place. From an estimated cost of about \$4 300 000, the amount has escalated to nearly \$9 000 000. It is not only the cost of the factory that has to be considered but also the additional cost of receival facilities at the various institutions concerned. That has already cost for four facilities over \$2 000 000. Another 14 institutions are to receive these facilities, and at a conservative estimate the total cost of the Frozen Food Factory and its ancillary installations will be well over \$15 000 000. That is getting up towards the amount that has already been spent on that other monument to the Government, Monarto, on which we are still paying \$2 000 000 a year in interest.

Add the cost of those two projects together, and they come to more than half the money that we received with the railways agreement. In the urgency debate on the Frozen Food Factory, the Premier said that all large businesses have their teething troubles and establishment costs, and that they usually run at an initial loss. This may well be so, but other large businesses do not usually have their revenue statements qualified by statements such as the following (applying to the Frozen Food Factory):

The maintaining of stock control records was inadequate . . . Expenditure does not include all costs incurred . . . The financial control over operations was unsatisfactory.

They are the words of the Auditor-General commenting on the Dudley Park factory. What an indictment for any Government to have these words written by its own Auditor-General about one of its pet projects. But the sad tale continues in other areas. What does the Auditor-General say about the Education Department?

The following matters were reported to the department concerning the issue of air travel vouchers. Some vouchers were issued without appropriate authority. There was no internal check applied to books of vouchers. There was no established method of advising cancellations with the result that it could not be determined that all refunds were obtained. Checks were not made beforehand by officers flying intrastate as to the availability of departmental vehicles with the result that, in some cases, vehicles were hired unnecessarily.

Then we have the Further Education Department. The Auditor-General says on page 106 of his report:

Air Travel: An examination of the methods of issuing air travel vouchers was made and the lack of control and absence of internal check applied to air travel vouchers was reported to the department. The department reply stated that this matter could not be resolved satisfactorily until an internal auditor was appointed.

Internal Audit: The poor accounting standards of some colleges of further education were emphasised by the difficulties experienced and, in some cases, by the inability of certain colleges to prepare an annual reconciliation of fees received with roll books, etc. The department has acknowledged that a properly established internal audit function would assist the management both of the

department and of the colleges and would also help to improve the accounting standards of the colleges. A position of senior internal auditor has been created but to date has not been filled.

South Australian College of External Studies: An audit of the accounts of the South Australian College of External Studies revealed several unsatisfactory matters, including inadequate control over cash receipts, especially moneys received through the post, and the lack of adequate internal checking.

We are told by the Deputy Premier that when he took over the Environment Department it had no sense of direction. This was obviously so, because the Auditor-General says in relation to that department:

In previous reports attention was drawn to the unsatisfactory position relating to property records, plant and equipment records, and accounting procedures for the payment of salaries and wages.

At least I will say that the Minister has now achieved some action in this regard, because the report goes on to say:

The establishment of records and documentation of satisfactory procedures was completed in 1977-78.

That statement does not apply to many other departments. Part of the job of the Department of Services and Supply is to save costs by means of bulk purchasing for other Government departments. But this department recorded a loss in 1977-78 of \$170 000. Some other departments will show a greater loss than this, but when we see that the main loss is made up of a loss on storage of \$83 000 and a loss on supply of meat to Government institutions of \$72 000, all from the Light Square operations, then clearly a lack of control is evident. In fact, the Auditor-General says in relation to the whole department:

A recent review of the system revealed weaknesses in procedures and controls. These were acknowledged by the department, which advised that, despite difficulties associated with staff shortages, action has been or will be taken to overcome them.

The Auditor-General acknowledges the difficulties in the formation of the South Australian Health Commission. But, even so, he still had to report as follows:

Whilst appreciating the difficulties that have confronted the department in implementing those changes, improved methods are needed to effectively manage the greatly increased financial resources and associated responsibilities.

Previous reports have adversely commented upon deficiencies in procedures and controls, some of which are still unresolved. In many cases too much time is taken before positive corrective action is implemented, and some replies to queries are too generalised and require further follow up.

Trust funds: Established requirements for the management and use of trust funds have not been adhered to at psychiatric hospitals with particular reference to the treatment of interest on patients' trust fund moneys.

We are in the eighth year of the so-called "Dunstan decade", but it is only now that the Government has seen fit to take proper action to answer the continued criticisms of the Auditor-General and Opposition year after year. The Government attacked the Opposition before the last election when we called for a reduction in the Public Service and in Government spending and for an increase in efficiency. We on this side of the House have continually supported the Auditor-General in his comments. The position has now been reached where the words "unsatisfactory" and "inadequate" appear time and time again throughout the Auditor-General's Report, and very few departments escape this dubious honour. The Government has now taken belated corrective action with its new central Government accounting system and its financial management development programme.

If we had been in Government, these actions would have been taken long ago. The people of this State are now realising that they have not received value for their taxation dollar from this Government. They are realising that the Government has not been the good manager they were led to believe it was. I predict that by the time of the next election they will have realised it in full and that there will be a different set of managers on the Government benches.

Mrs. ADAMSON (Coles): This Budget reads like the last hurrah of a Government in its dying stages. That view is also held by Mr. Peter Ward, political commentator for the *Australian*, who last week in the issue of 12 September said under the headline "Dunstan fights to save a dream":

Things are tight. South Australians are feeling the pinch.

The State Government is trying to hold the line . . . the Premier, Mr. Dunstan, will not so much be concerned about the task of balancing the books as dealing with the prophets of economic doom that have gathered in his State and about his Government.

Mr. Ward is not referring to the Opposition; he is referring to the public servants, the people in the Government's employ, and to its own advisers. He goes on to say:

There are now so many of them that they give the 1978 Budget a special political edge. As unemployment rises and his State's narrow industrial base continues to experience what should now be called chronic sluggishness, the political pressures on the Premier to produce rabbits out of hats are intense. And this is because for at least six of his Government's eight years he went out of his way to promise his State a brave new industrial world. It never arrived.

The Budget relies strongly for its impact on criticism of the Federal Government's economic strategy. It almost entirely ignores the degree to which a State Government can influence the prosperity or otherwise of people living within its boundaries. It is a socialist Budget that longs wistfully for the days when Big Brother in Canberra exercised enormous economic control of the States through special purpose grants and when it was valid for the States to lay blame at Canberra's door for economic decisions beyond their control.

Very little in the way of criticism was heard from the Premier in those days, except when he turned on his Federal Parliamentary colleagues when he saw it was necessary to save his political skin. On page 5 of the Financial Statement the Premier comments on the Commonwealth Budget. He adopts the strategy of all Labor spokesmen: "Spend your way out of trouble." The only thing is that this time he wants the Federal Government to do the spending. The last time that advice was taken in a big way, Mr. Crean increased Commonwealth expenditure by more than 40 per cent in one financial year. What was the result? A rapid increase in unemployment, which is the very situation we are now trying to avoid.

Following the Federal Budget, the Premier gave an undertaking that State taxes would not be raised. Why does the Premier not call a spade a spade and a tax a tax and not a levy? State taxes have been raised, but the method used has been camouflaged to try to diminish the effect. I believe that the electorate will not be brainwashed by the Premier's semantics. The Government has increased electricity charges from which the State Government will reap an estimated increase of \$1 100 000 through its levy on the Electricity Trust. South Australians are not going to be fooled that that is not a State tax.

The State Government imposes a levy of 3 per cent of rate revenue on all councils for payment to specified hospitals. Rate revenues in almost all council areas have

increased or will increase this year. This will put the State Government in a considerably more profitable position in relation to funds for hospitals. Is this a tax, or is it not? Most ratepayers would say that it is. The Government has increased water and sewerage charges, which the estimates indicate will net more than \$94 700 000 compared to \$80 700 000 last year, an increase of \$14 000 000 or 20 per cent. Is this a tax, or is it not a tax? The Premier, no doubt, would call it a levy.

In addition, we have the prospect of increased transport charges, and some other charges will no doubt be levied in the coming year. Page 6 of the statement by the Premier refers to the meeting of the Australian Loan Council and states that South Australia's share of the Commonwealth Loan programme for the present year is \$186 900 000. He omits to mention that South Australia's per capita share of Commonwealth Loan money is greater than the national average and greater in most instances than that of other States.

It is worth reading into the record the payments to the State shown in Budget Paper No. 7 of August 1978 to see where South Australia does stand. The Premier is perpetually claiming that we are hard hit by the Federal Government. He ignores completely the relationship between South Australia's treatment and the treatment of other States, which demonstrates that, in fact, we have had generous treatment from the Federal Government.

Of payments to the States and State Loan Council Programmes General Revenue Funds, South Australia's per capita share is \$433.17: the national average is \$342.42 and Victoria receives \$283.54. Of General Purpose Capital Funds, South Australia receives \$143.87 per capita: the national average is \$102.31 and Victoria receives \$93.68. Of the Total General Purpose Funds, which are an aggregate of the previous two, South Australia receives \$577.03 per capita: the national average is \$444.73 and Victoria's share is \$377.22.

Of the Special Purpose Recurrent Grants, South Australia receives \$236.61 per capita: the national average is \$219.41 and Victoria receives \$219.79. Of the Special Purpose Capital payments, South Australia receives \$125.05 per capita: the national average is \$103.19 and Victoria's share is \$88.25. Of Total Specific Purpose Grants allotted, South Australia's per capita share is \$361.66: the national average is \$322.60 and Victoria's share is \$308.04.

The Total Payments aggregated to the States brings South Australia's share to \$842.78: by contrast the national average is \$699.13. That table, appearing on page 122 of Budget Paper No. 7 demonstrates more clearly than anything else that South Australia's treatment by the Commonwealth Government has been generous by national standards.

The Total Payments and Loan Council Borrowing Programmes allocate South Australia an average per capita share of \$938.69: by contrast the national average is \$767.33. Total payments to or for the States under the State Government's Loan Council Borrowing Programmes and payments made direct to local government authorities show the same generous treatment for South Australia, which receives \$939.66 per capita: by contrast, the national average is \$768.66. In the light of these facts, how can the Premier claim that South Australia has been badly treated. In addition, we must remember that all other States, except Tasmania, have to fund railway deficits out of State general revenue.

South Australia is not in that position. I now refer to page 159 of the House of Representatives Appropriation Bill papers, wherein it is stated that the Government has allocated \$60 000 000 to meet operating losses expected in

1978-79 and \$32 600 000 for the Australian National Railways capital works programme. About \$40 000 000 of that liability has been taken from South Australia. It is money that we have in kitty that we would not otherwise have had if it were not for the railways agreement. Yet that is what should put us in a better position! Clearly, it has not done so, and we can thank only the Premier's mismanagement for that.

Page 7 of the Financial Statement refers to welfare housing and complains about reduced support for South Australia. It says nothing about the fact that the Commonwealth has changed the terms of the agreement in order to provide people who are paying off houses under the Commonwealth-State Housing Agreement Home Builders Fund with the incentive to make payments off the principal. Thus, although access to new funds has been reduced by the Commonwealth Government, increased access to other sources of finance has been provided for South Australia by the Commonwealth Government.

The statement goes on to acknowledge increased support for technical and further education. However, it neglects to say that South Australia's share of Commonwealth funds has increased from \$4 800 000 to \$6 900 000 for special purpose payments for capital purposes. I now refer to page 179 of Budget Paper No. 7, wherein it is stated that South Australia's specific purpose payments for recurrent purposes for technical and further education have increased from \$2 600 000 in 1974-75 to \$3 700 000 in 1975-76, to \$4 500 000 in 1976-77, to \$4 700 000 in 1977-78, and a huge jump in the current year to \$6 200 000.

It is interesting to look back at the words of the member for Ross Smith that were quoted in the *News* on Tuesday 18 April in a report on the new backbenchers. He said:

The technical and further education area has been the Cinderella of post-secondary education funding.

The report continued:

This will not last if John Bannon has his way.

I suggest that, if the Commonwealth Government is having its way, it is recognising that increased support is needed in this area and, indeed, it is providing that support. However, it is getting no acknowledgement whatsoever from the mean-minded politicians in the South Australian Government for its effort. No acknowledgement seems to have been given by way of credit to the Commonwealth Government for re-ordering its priorities. Yet time and time again the Labor Party has called for increased funds for technical and further education. We get those funds, but what do we hear: a deafening silence from the Government benches.

I now refer to page 7 of the Financial Statement, in which the Premier says that he has included several measures that will help the private sector, one being the establishment payment scheme, which, he says, will help significantly to induce business to locate and expand in this State. The establishment payment scheme is a belated scheme that amounts to nothing more than a shallow promise. It fails completely to deal with the basic problem confronting South Australia. Our basic problem is not only in attracting new industry but also in sustaining those that we already have here. The cost of land, labour, and transport in South Australia is such that there is no longer any cost advantage to an industry setting up in South Australia.

What is more, this superficial measure is not likely to attract the serious-thinking corporate planners whom we need if we are to re-establish prosperity in South Australia. It is perhaps likely to attract short-term businesses the presence of which would serve as a palliative but which will not be likely to have any long-

lasting effect on South Australia's prosperity. Funds have been made available to the Riverland, Mount Gambier and the metropolitan area, but in terms of their size they will not go far. Emphasis has been put on decentralised industry outside the metropolitan area. The mere fact that the same amount that has been allocated to Adelaide has been allocated to the Riverland indicates that the weighting is against the metropolitan area.

The Government has completely failed to realise that Adelaide itself is a decentralised area in terms of its distance from Australia's markets. Who will set up industry in Berri, Barmera, or Port Lincoln when they cannot survive in Adelaide, close to the market and to the services and facilities needed by industry? It would be far better for the Government to stimulate industry in South Australia by increasing pay-roll tax rebates and providing a more pragmatic approach to workmen's compensation. We must have an effective recognition by the State Government that Adelaide itself is a decentralised area.

I acknowledge that the Federal Government has a role to play here. We need Federal as well as State subsidies on transport between South Australia and other States. Some of these alterations to policy lie in the State field; road tax and load tax are State determinations. Variations on axle loadings between States are State determinations that are driving industry mad, because there is no consistency between the States. It would seem that some of these variations are brought about by Ministers riding their various hobby horses. The packaging Acts are another example affecting industry, because there is a considerable difference in the regulations applying in the various States.

If there was greater co-operation between the responsible Ministers in all States, there would be fewer penalties applying to industries that suffer under specific and different regulations in South Australia. State taxes are the same or greater in South Australia than in other States, yet the Premier said that he was "trying to avoid imposing extra burdens on a private sector now ravaged by factors outside its control." One must agree with that statement. The blame for factors outside the control of business can be laid at the door of the State Government.

Government members have criticised the Federal Government for concentrating its efforts on reducing inflation. They seem to have no appreciation of what a reduction in inflation means in terms of benefits to the taxpayer. On page 9 of his statement the Premier states that the public debt is on the increase. If interest could be reduced by 1 per cent in the present year as a result of Federal Government policies, there would be a saving in a full year of \$1 240 000 on the \$124 500 000, which represents the repayable Loan Council borrowings. This is one of the benefits of reducing inflation and thereby reducing interest rates; this is an issue that honourable members opposite choose to ignore.

To deserve the title of Government, politicians in power have to exercise their constitutional responsibilities. The Commonwealth has submitted itself to its own discipline by indexing taxes and stopping the tax rip-off that is inherent in the Whitlam-induced inflation. If this has had the effect of reducing Commonwealth revenue, so much the better for individual taxpayers.

The Premier has said that he has no plans to involve South Australia in an operation to impose a surcharge on, or grant a rebate from, Commonwealth personal income tax. Why then does he expect the Commonwealth to do his dirty work for him? The Premier concluded by saying that long-term financial stability has been, and will continue to be, one of the major aspects of the Government's policy. It is too late for the Premier to make these claims. Prospects for long-term financial stability for South

Australia have been systematically wrecked by the Labor Government's policies over the past eight years. The article by Peter Ward states:

According to Government sources, unemployment in South Australia now is expected to be high and chronic for the rest of the century.

It will increase markedly in the motor industry over the next 10 years. The State needs a massive change of industrial heart if it is to remain moderately prosperous . . . Increasingly, problems that require of the Government close planning, good relations with industry, open and frank disclosure of Government economic planning information and a general professional attitude all round are seen as amenable only to political, and therefore secretive, solutions. This is because in many understandable respects a Labor Government's policies are either at variance or in conflict with the ideals of business.

The Hon. G. R. Broomhill: Did you read what he said about the State Liberal Party?

Mrs. ADAMSON: No, I did not.

The Hon. G. R. Broomhill: I'll give you a copy of it.

Mr. Allison: It was complimentary, wasn't it?

Mrs. ADAMSON: Yes. Perhaps I will enlighten the member for Henley Beach by quoting what Peter Ward states:

The Opposition is sounding confident about its ability to keep the issue on the boil.

He is referring to the issue of the State's declining economy and the poor management of the Labor Government, and states:

That is why the South Australian Liberal Opposition under the leadership of David Tonkin sees today's Budget as critical. It has already mounted a pre-Budget campaign outlining an eight point plan that involves immediate pay-roll tax incentives for industry, an overhaul of workers' compensation legislation, transport and cost incentives, capital tax incentives, and schemes for industrial restructuring and retraining.

That is the kind of recipe required if we are going to re-establish some kind of prosperity in South Australia. The whole issue rests very much on the quality of management. We see a belated recognition by the State Government on page 8 of the Financial Statement, where the Premier states:

Secondly, there will be a major thrust by the South Australian Health Commission to rationalise services and to reduce hospital operating costs, while being careful not to undermine standards of patient care.

One can only say that it is about time, too, when we bear in mind that the cost of the Frozen Food Factory escalated from about \$4 000 000 to about \$9 000 000, and when a computer installed in a medical centre at a cost of more than \$1 000 000 is not used, and is acknowledged as being unusable. One realises, when one adds up these sundry millions in the Budget, that the Liberal Party's promise to abolish capital taxation over the life of this present Parliament could well have been accomplished simply by sound management, and the avoidance of the kind of wastage in which this Government has indulged systematically since coming to power. There is example after example of waste, which has already been itemised by my colleagues. There is one bright spot toward the end of the statement and I commend the Government, particularly its officers, for it. The statement states:

On the matter of the review of the Government accounting systems to facilitate the development by Treasury and departments of budgets and financial management systems which place greater emphasis on individual responsibility and accountability, further progress has been made.

One can only amplify the need for this kind of

accountability, and hope that it may continue at a steady pace. It has been a long time getting started (eight years), and I predict that there is little time left for the Dunstan Government, and this is evidenced by the Financial Statement. It has been recognised by the people of South Australia and it has been commented on by the media, and I would say that next year's Budget will be the last Budget of this Government. I support the Bill.

Mr. CHAPMAN (Alexandra): I will not speak in detail about the Budget proposals. I am disappointed that the Government has calculated its time table so as to cause members to be here at this time of night to deal effectively with an important document. However, on this occasion I will deal with a matter with which I am very concerned and which is causing deep concern in the industrial section of our community. With deference to the many matters that have been canvassed during this debate, I say that the matter of industrial concern is paramount. We have had evidence of many businesses deliberately winding down their affairs in the current political climate in South Australia. Some industries have left the State altogether, and there is considerable evidence that the flow of industries to other States is pending and, indeed, proposed by many.

I refer now to the drift of confidence in the Government by the fishing industry. I touched on the matter at Question Time today and I propose to pursue this line with the Agriculture and Fisheries Department and the Government until they have some common sense and realise how important it is to arrive at a workable relationship with the industry, irrespective of the political colour of the Government of the day.

I have had a fairly direct interest in the fishing industry in the past few months. I went recently to Western Australia to discuss the management policies in that State and to observe what I understood to be a model management technique which has been established there and which they are now enjoying. It is a model management policy whereby the relationship between the Government and the industry is excellent. The Western Australian Government has a distinctly different attitude towards the fishing industry from the attitude taken in this State. For example, the Western Australian Government has adopted policies based on the initiatives of industry. It has adopted them with respect to zoning, licensing and administration of the fisheries of that State, after consultation with the industry in each respect.

The Government has adopted policies that seek to encourage good management at industry level and, indeed, to encourage high profits wherever possible. "Profit" is not a dirty word in that State as it seems to be here. In return for the co-operation and encouragement extended by the Government, the industry respects the Government. It also respects the severe but fair penal laws applied in the industry by the Director of Fisheries as and when a breach occurs.

When a breach of the Fisheries Act in Western Australia occurs, the terms of the Act are applied by the Director and any appeal is lodged with the Minister. The Director is the officer totally in charge of the management of the fisheries and, as and when breaches are identified and proved, a minimum penalty is applied. There is no situation there similar to that which occurred in the South-East recently when, although there was a serious breach of the law in regard to catching under-size lobster, the matter was heard before the court and virtually tipped out without a penalty of any significance.

There is no chance of that sort of thing happening in Western Australia, because that State has minimum

penalties of \$100 for the first offence, \$200 for the second offence and \$400 for the third offence, and the disqualification of the licence. Those provisions are not on the Statute Books for the sake of being there; they are to be applied when necessary and, indeed, they are applied with, I repeat, the respect and support of the industry at large. For example, there have been 51 licence disqualifications over the past 10 years, the most recent being for 18 months. They do not fool around in Western Australia: they apply the law harshly but fairly and, as a result, the relationship between Government and industry is excellent.

I hope that eventually the Government in this State will copy some of those model techniques that have been developed in Western Australia so as to develop a relationship here that is necessary for the benefit of promoting the industry in its proper perspective. Under the system we have in South Australia (and have had for some years, and certainly by the administration of the present Minister), that relationship has reduced the incentive and the confidence of the industry to an all-time low. I canvassed that matter earlier this afternoon.

That attitude has developed to a situation where fishermen who have been long established in the industry have now lost confidence in the Government and are not prepared to invest, expand and involve themselves in the sort of expenditure, research and risk that is required to develop their own businesses, because they are not sure of the tenure of their licences; they are not sure and confident about the Government under which they must work. The Government has the power to manage the fishery, power that was adopted as a result of a request from the industry to cover the research factor and the management of the resource.

Unfortunately, that situation has been exploited and the Government recently has tried to manipulate people in the industry. It is that type of manipulation that we have experienced in the past several years that has produced a violent reaction from those involved. It has become quite violent in the past few weeks, particularly as it relates to the prawn fishing industry. However, that is a matter on which I shall touch later.

In the meantime, there has been a considerable drift of investment from processor level, heavy outer waters fishing right down to scale fishermen, all of whom have left the State because they cannot get satisfaction from the Minister concerned.

I now cite a few examples of this dissatisfaction, the first of which is reported in today's *News* and which relates to a \$10 000 000 fishing deal signed by the Western Australian Government between the Minister of Fisheries, Mr. O'Connor, and the West Ocean Canning Company in conjunction with Heinz Australia. It is a joint marketing agreement worth \$10 000 000 and possibly twice as much, and it will begin in Western Australia on 1 October. During the period involved, Heinz has agreed to buy a minimum of \$10 000 000 worth of canned fish with an option to buy up to \$20 000 000 worth over the five-year period.

I understand that those behind that joint venture investigated the possibility of investing in South Australia and establishing a base here, but my information is that, after the management policies and the attractions available from each of the States were investigated, Western Australia was chosen. Indeed, it would appear that a similar situation exists between that Government and the Japanese Government, which recently entered into joint ventures within the Western Australian fishing industry. No international interests have involved themselves in South Australia, and I suggest that they are

not likely to do so, because of the present uncertainty of the existing management.

Southern Ocean Fish Processors is another company that recently obtained a \$2 000 000 loan from the Premier of Western Australia. That firm sought to obtain financial assistance in this State, but was not encouraged to proceed. Two fish factories in Port Lincoln have been proposing massive extensions to their factories, one project involving at least \$1 000 000. How do honourable members think they feel under the present climate in which their suppliers, the fishermen, are being backed into a corner in the manner in which prawn fishermen in South Australia are being backed into a corner at present?

It is beyond me to understand the attitude of the Government in relation to prawn fishermen. I cannot follow why the Minister is persisting, apparently with the backing of his Cabinet, in the manner that he has been doing in the past week or two. He is ultimately seeking from local fishermen licence fees thousands of dollars higher than any fees charged in Australian waters, including the richest prawn resource in Australia, which is at Shark Bay. There the fee is \$1 500 for the largest of the vessels. That fee is fixed, irrespective of the size or horsepower of the vessels, on a basic and acceptable formula which takes into account a percentage of the overall catch returns.

We all know that that principle cannot be publicly adopted by the State because it has no power to introduce a resource tax, but in Western Australia the figure of \$1 500 was calculated as about .75 per cent of the approximate average gross income of prawn fishermen in the respective areas. It cannot be applied as a straight .75 percentage of the total resource take, but that is used as a basis, which was discussed with the industry and was acceptable.

The \$1 500 figure will remain unless there is a dramatic increase in the income of the fishermen or a dramatic reduction in the event of that occurring. It is then proposed to discuss the matter with the fishermen rather than inform them through the media, which is apparently

the method adopted by the present Government in this State. We are talking about \$1 500 in Western Australia, and \$5 000 and \$9 000 as being ultimate fees to apply in South Australia, yet throughout the Commonwealth waters around Australia the Commonwealth licence fee is \$20. This State has the cheek and the gall to talk about figures amounting to thousands of dollars to apply to its own fishermen—not to someone else or some outside country. That is a disgrace.

In a letter dated June 1977, reported in the *Australian Fishing Industry Council Bulletin* of October 1977, the Minister of Agriculture and Fisheries in this State described that council as "the Parliament of the industry". I have the greatest respect for those who volunteer their services and participate in the Fishing Industry Council (South Australian Branch) and, indeed, for the executive officer who has been paid to guide that branch.

In the meantime, however, and even since that statement was made by the Minister, it has been obvious that he is using the council as a tool: using it for convenience, adopting its recommendation where it happens to suit the political decisions within the Cabinet of this Government, but ignoring the decisions, recommendations and offers to consult and discuss subjects that that council makes when it suits the Government. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ART GALLERY ACT AMENDMENT BILL

Returned from the Legislative Council with amendments.

ADJOURNMENT

At 11.1 p.m. the House adjourned until Wednesday 20 September at 2 p.m.