

## HOUSE OF ASSEMBLY

Wednesday 31 August 1983

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

## PARLIAMENTARY PRIVILEGE

The **SPEAKER**: Members will recall that on 18 August the member for Mount Gambier asked me to investigate whether or not the Commonwealth Royal Commissions Act, 1902, overrides the absolute privilege of members of this Parliament to make such statements in Parliament as they think fit about the conduct of commissions constituted under that Act. I undertook to do so and immediately wrote to the honourable Attorney-General requesting him to have the Solicitor-General or the Crown Solicitor report on the matter.

I have now been advised by the Attorney-General that the Crown Solicitor's conclusions can be summarised as follows:

1. As a matter of statutory interpretation, the Commonwealth Royal Commissions Act does not apply so as to abrogate or affect the privileges of the South Australian Parliament.

2. It is doubted whether the Commonwealth Parliament has the constitutional power to legislate so as to abrogate or affect the privileges of the South Australian Parliament. This limitation on the power of the Commonwealth Parliament may arise from sections 106 and 107 of the Commonwealth Constitution and from the special constitutional position of section 38 of the South Australian Constitution Act. This view is endorsed by the Attorney-General, and, if I may humbly say so, by me on behalf of the House.

The **Hon. E.R. Goldsworthy**: The Attorney-General has something right for a change.

The **SPEAKER**: Order! Honourable members may also be aware that the Federal Solicitor-General, Sir Maurice Byers, and the Federal Attorney-General, Senator Evans, have concluded that the statements made in the Parliament by the member for Elizabeth are not subject to the Commonwealth Royal Commissions Act.

I should like to add one other matter. Since in all of these things I acted as spokesman for the House in the traditional way, I have in my possession the various opinions. I indicate that in the first instance according to protocol the Premier and the Leader will have access to the whole of the documentation and, following that, any other honourable member who wishes to peruse the documentation. However, as the client and also as the upholder of the undoubted rights and privileges of this House (and I might add of freedom of speech in the Commonwealth, at least so far as this neck of the woods is concerned), there is one factor that I add to the formula.

In making those documents available to all honourable members, including the honourable Premier and the honourable Leader of the Opposition, I seek an undertaking that absolute privacy shall prevail. I do not intend to make the ancillary documentation available to anyone else except honourable members. I believe that that is in keeping with the Westminster tradition.

## PETITION: MEAT SALES

A petition signed by 126 residents of South Australia praying that the House reject any legislation to extend the

existing trading hours for the retail sale of meat was presented by Mr Blacker.

Petition received.

## PETITION: BRIGHTON HIGH SCHOOL

A petition signed by 767 residents of South Australia praying that the House urge the Government to reconsider reinstating Brighton High School to one deserving of an 'A' level Principal was presented by Mr Mathwin.

Petition received.

## MINISTERIAL STATEMENT: WATER SUPPLIES

The **Hon. J.W. SLATER (Minister of Water Resources)**: I seek leave to make a statement.

Leave granted.

The **Hon. J.W. SLATER**: I wish to make a statement on the status of South Australia's water supplies, with particular emphasis on the Murray River.

*Members interjecting:*

The **SPEAKER**: Order! Leave has been granted.

The **Hon. E.R. Goldsworthy**: Gil Langley always asked this question.

The **SPEAKER**: Order! I hope that the honourable Deputy Leader of the Opposition will refrain from conversation, be it polite or otherwise.

The **Hon. J.W. SLATER**: I am sure that members will be interested in this information, given that last summer many people, encouraged by the media, were asserting that it would not rain again, that the Murray River would run dry, and that South Australia would be in dire straits for water in 1983-84. Widespread heavy rains occurred in the Murray River catchments late last week and, in particular, heavy rain was received in the Hume and Dartmouth catchments. The consequent high runoff into these two dams has greatly improved the resource situation in the Murray system.

The combined holding of Hume and Dartmouth is now 2 670 000 megalitres, which represents 38 per cent of capacity. However, good inflows are still occurring and, since the catchments are now wet, further rains will result in good runoff. In addition, as a result of the present Darling River flows, the Lake Menindee and Lake Victoria storages are expected to be full and overflowing with good quality water by mid-September. The level of Lake Victoria was earlier drawn down in anticipation of the Darling flows in order that it could be filled with low-salinity water, thus improving its overall water quality. The heavy rain received late last week has also resulted in high flows in the Murray River tributaries below Hume Dam and high flows of 50 000 megalitres a day have occurred in the Murray River at Yarrowonga. It is expected that these flows will reach South Australia by early October. These flows in conjunction with flows from the Darling will be of further benefit to South Australia in assisting flushing of the river, including Lake Albert and the Murray mouth.

I am, therefore, pleased to report that as a result of these rains and the consequent good inflows into River Murray Commission storages, in conjunction with the flows now occurring in the Darling River, the overall River Murray Commission resource situation has now improved to the stage where South Australia will receive more than its full entitlement in 1983-84, while a good reserve will still be held in River Murray Commission storages at the end of the year. This reserve will now enable South Australia to look forward to the subsequent 1984-85 year with confidence.

I am also pleased to report that the considerable benefits of these good quality high flows in the Murray in South

Australia will not be offset by flooding. The peak flow in the river since Darling water entered South Australia was 46 000 ml/day, and this has now reduced to 43 000 ml/day. Our best predictions at this time is that the river will peak at 50 000 ml/day in early October.

Coming closer to home, the metropolitan reservoirs are now holding 145 000 ml which represents 72 per cent of total capacity compared to 50 per cent at this time last year. Over the past two days, inflows totalling 6 000 ml have been received and are continuing. As the catchments are now wet, further rain will result in good runoff, and there is a high probability that the Mount Bold and Myponga reservoirs will fill and possibly even overflow.

This good situation will enable pumping from the Murray River to be reduced, thus resulting in a saving in pumping costs and avoiding water quality problems associated with high turbidities. Country reservoirs are similarly holding significantly better storages than last year. The holdings amount to 24 000 ml, which represents 73 per cent of total capacity compared to 40 per cent at the same time last year.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.W. Slater:** If you don't take an interest you will all die of thirst!

**The SPEAKER:** Order!

## QUESTION TIME

### SOUTH AUSTRALIAN EMPLOYMENT

**Mr OLSEN:** Will the Premier ask the Victorian Premier to take action to ensure that funds provided by the Victorian Government to create jobs in that State are not used to attempt to destroy jobs in South Australia? In February of this year the Victorian Government allocated an amount of \$47 750 under its employment initiatives programme and job creation scheme to the Friends of the Earth to assist in the publication of the magazine *Chain Reaction*. The Victorian Government announced that the funds would be used to employ three people and for printing and administration costs associated with that magazine. The August issue of the magazine contained a two-page article encouraging participation in the Roxby Downs blockade.

The article contains much misleading information about the project, and advocates that the project should be stopped. It also encourages contact with organisations such as Campaign against Nuclear Energy. That organisation's spokesperson, Ms Nadine Williams, was quoted yesterday as saying that she could not guarantee that there would be no violence or damage as a result of the blockade. Yesterday in this House the Premier said that I had not adduced any information warranting his making a request to Mr Cain. Here I have that evidence, which is contained in the latest issue of *Chain Reaction*, a publication containing material which is clearly prejudicial to South Australia's interests and which has been printed with funds allocated by the Victorian Labor Government. Therefore, I ask the Premier to take up this matter with Mr Cain, to ensure that Victorian Government job creation funds are not used again to promote the interests of people who want to wreck jobs in South Australia through the closure of the Roxby Downs project.

**The Hon. J.C. BANNON:** This is another version of yesterday's question from the Leader. Not content yesterday with asking me to make certain representations on this matter to the Victorian Premier, today he wants me to examine the grant giving process of the Victorian Government in its job creation programme, and then to make representations on it. I have been aware of this allegation. Indeed, I first read it in the press in a paper called *News*

*Weekly*, a publication by a group connected with Mr B.A. Santamaria. I suggest that its particular political bias very much reflects the sort of politics that the Leader is expressing. I am glad to see that his reading is so widespread in this area, and that he and Mr Santamaria are at one.

It is not the job of the South Australian Government to instruct the Victorian Government about what it may or may not do. I am not concerned that Friends of the Earth will stop the Roxby Downs project or affect jobs in South Australia. I am very surprised that the honourable member gives them this enormous power. If the Victorian Government chooses, as part of its job creation programme, to make certain grants, that is its prerogative, and I would resent it heartily, and I imagine the Leader would also, if he got directives from perhaps anybody but Mr Bjelke-Petersen (whom he is attempting to emulate at the moment) on what he may or may not do with his funds. Friends of the Earth is a legitimate organisation in this country. It has some very worthy aims. We may not agree with everything it does or says, but I see nothing at all wrong with it receiving a grant. Certainly, I am not going to go across the border and wave my finger at Mr Cain and say, 'Tut tut, you shouldn't allow anyone in Victoria to say anything nasty about anything that is happening in South Australia.' I stress again that the action of the Friends of the Earth in Victoria will not affect the Roxby Downs project in South Australia.

### WINE TAX

**Mr GROOM:** Will the Premier advise the House on the progress that the Government is making in its representations to the Federal Government concerning the excise on fortified wines announced in the Federal Budget?

**The Hon. J.C. BANNON:** Yes, representations were made, as has been reported in the press, to the Federal Government by the South Australian Government, which did most of the detailed assessment work in conjunction with the industry on the impact of this tax. I find it a little irksome to hear these complaints that nothing was achieved in relation to a wine tax, and that some major mistakes were made in the assessment of this excise that was introduced. We did avoid having a general sales tax applied to table wine in this Federal Budget, and I hope we will continue to do so. It will need co-operative action by the community and, more importantly, facts rather than political rhetoric to ensure that it does not happen. People in the industry are becoming very uneasy about the way in which the political rhetoric is seeking to polarise this issue in political terms. Quite frankly, it puts our case at a considerable disadvantage. Secondly, not only the Government, in its immediate analysis of the impact of that tax, but industry spokesmen, on that night and the next morning, all did not appreciate the actual impact that the tax would have. Nor, I would suggest, did the Federal Treasurer. That is the message we are trying to get across at the moment. I gave a full submission to Mr Willis to pass on to Treasurer Keating last week and, in conjunction with the industry, our case is being made.

My colleague in another place, the Minister of Agriculture (Hon. Frank Blevins), has had discussions with his Federal counterpart, Mr Kerin. Mr Kerin has indicated that the Treasurer believes that, if the industry as a whole wishes to put a viewpoint on the method of collection of the excise (which is the chief problem in this instance), as distinct from the imposition of the excise, the Government certainly will be prepared to consider its views. If, as I believe, insufficient consideration was given to the way in which the excise was applied, we should get favourable consideration. I am advised by my colleague that the Federal Minister for Primary Industry will be discussing the collection of the

excise with the wine industry at a meeting in Melbourne on 19 September and a submission will be taken forward from that meeting. The industry has been notified of these arrangements. The State Government and the industry in South Australia and New South Wales are working together on a submission on the matter.

### ROXBY DOWNS BLOCKADE

**The Hon. E.R. GOLDSWORTHY:** Will the Premier dissociate the Australian Labor Party from the involvement of Australian Young Labor in the Roxby Downs blockade, and if members of Young Labor are still participating in the blockade, will the Premier ask them to end their involvement? Australian Young Labor is an organisation officially affiliated with the Australian Labor Party. Young Labor is represented by delegates at the Party's annual conventions—the supreme policy making body of the A.L.P.—and its influence was indicated this year when it was responsible for submitting the motion which led to a change of policy on possession of marihuana.

Members of Australian Young Labor have been participating in the Roxby Downs blockade. A member of the organisation explained on A.B.C. radio on Sunday that their involvement was as representatives of Young Labor, not as individuals. I emphasise this point to the Premier, because Young Labor has associated the A.L.P. with this blockade, despite the fact that the aim of the blockade is directly contrary (so we are told) to Party policy that this project should proceed.

**The SPEAKER:** Order! The Deputy Leader's remarks are definitely out of order.

**The Hon. E.R. GOLDSWORTHY:** I will continue then to give factual information. The Opposition does not question the right of people to demonstrate as individuals, provided they act peacefully and legally. However, members of Young Labor have involved themselves in this demonstration not as individuals, but as members associated with the A.L.P. I therefore ask the Premier whether he will make a statement completely dissociating his Party from the involvement of Young Labor in this blockade, and if it is continuing, will he also ask members of Young Labor to end their involvement?

**The SPEAKER:** Before calling on the Premier, the situation gives me another opportunity to highlight to all honourable members the difference between, in an explanation, reciting the facts which give light to the question as distinct from debating the matter. Numerous opportunities exist to debate the matter. In Question Time, the explanation is meant to be, and must be under Standing orders, a factual delineation which throws light on the question. The honourable Premier.

**The Hon. J.C. BANNON:** The views that the Deputy Leader has cited as being the official views of Australian Young Labor do not represent the policy of the Australian Labor Party: that has been made quite clear.

**The Hon. E.R. Goldsworthy:** You've got no control over them.

**The SPEAKER:** Order!

### FIRESAFE

**Mr MAYES:** Will the Chief Secretary urgently investigate the fire protective qualities and ingredients of a product known as 'Firesafe', currently being marketed through commercial television? It has been brought to my attention that a company has been running a series of advertisements on local commercial television which demonstrate and advocate

the purchase of the product called 'Firesafe'. The advertisement demonstrates the item on television and a person demonstrates the spraying of clothing and children's toys (for example, dolls) with the product, and goes on to state that it dramatically reduces the flammability of the items so impregnated by the product and offers those people watching the programme the opportunity to purchase the product by contacting a telephone number—008 230 2000. Will the Minister investigate the matter?

**The Hon. G.F. KENEALLY:** I have not seen the advertisement referred to by the honourable member, nor have I had it brought to my attention previously, and I thank him for doing that. I will certainly have the Metropolitan Fire Service investigate the properties of this product, because it occurs to me that, unless it does achieve the purposes that the advertisement claims, there could be a very serious problem indeed. I am not saying that the product does not meet the standards that the manufacturers claim of it. What I am saying is that, unless it does, then it could present some difficulties for families in South Australia which have young children with dolls. Therefore, I will be quite happy to have this matter investigated and bring down a report for the honourable member. I thank him for the question, because this is certainly a matter of great public concern.

### SCHOOL BUILDING REDEVELOPMENT

**The Hon. MICHAEL WILSON:** Will the Premier say why the Government has cut funds for school building redevelopment in this year's Budget when, in its policy statement before the last election, the Labor Party promised to increase funds for capital works? Before the last election, the Premier said in the Labor Party's education policy that Labor would explore all possible options for increasing the finance available for capital works in the area of education. In his press statement yesterday on the Government's proposed programme for capital works in the 1983-84 financial year, the Premier said that \$24 000 000 would be allocated for school building and redevelopment programmes. This compares with \$26 700 000 allocated by the previous Liberal Government in 1982-83, a cut in money terms of \$2 700 000 and, when inflation is taken into account, the cut in funds is of the order of 18 per cent.

**The Hon. J.C. BANNON:** That question should be put in context and will be fully answered, I think the member will find, in the Budget documents that are brought down tomorrow.

### YOUTH CRIME

**Mr HAMILTON:** Can the Chief Secretary offer advice to people in the western suburbs of Adelaide who might have been alarmed by—

*Members interjecting:*

**The SPEAKER:** Order! Private conversations are definitely out of order. I invite the honourable member for Albert Park to commence his question again. Because of the rudeness down here, I did not get to hear it.

**Mr HAMILTON:** Can the Chief Secretary offer advice to people in the western suburbs of Adelaide who might have been alarmed by articles appearing in the suburban press in recent weeks about a possible night-time curfew for youths and the possible value of vigilante groups? I have been aware for some time of unease amongst sections of my electorate about the apparent growth, particularly among youth, of vandalism and, worse, anti-social behaviour. Much of this concern centres around the many reserves in West Lakes and, clearly, some come within the province of the

Woodville council, and thus are outside the area of responsibility of the Minister. The articles in local papers may have heightened the alarm, as the response from spokespersons for district organisations suggests. Without commenting on the subject matter myself, I can say that it is on public record that I have been involved in public debate over the past four years and called a public meeting in 1981. The Minister is probably aware of this and also of my feelings towards the recent press reports.

**The Hon. G.F. KENEALLY:** I am certainly very much aware of the honourable member's continuing interest in this subject from the time he first became a member of this House. This is not a problem that applies necessarily to Albert Park, Adelaide, or South Australia; it is a problem that all the Western world is facing. It is a perplexing one and it is a worrying one. We might deplore this, but nevertheless we cannot ignore it. I assure the honourable member that I will get a report from the Commissioner of Police indicating the extent of crime in the honourable member's district. Whilst statistics are not kept for each district, nevertheless we can get some indication of whether citizens of Albert Park are more threatened than are people in other areas of South Australia. My suspicion is that they are not, but nevertheless unless the figures are available one can never be too sure. I will certainly get the information for the honourable member.

The debate takes many forms but one obvious response is to press down more heavily on restive or alienated sections of society with more restrictive laws, with curfews and with (as apparently has been suggested in the suburban papers to which the honourable member refers) vigilante groups. I do not think we have come to that, and I hope we never will, given the size of the present problem. What we do not need is to be carried away by hysteria.

Reference was made in the press articles to the Kelvin case, and this gives a clue to the real cause of the renewed alarm. There is no doubt that the Kelvin murder and several similar incidents that can only be described as atrocities have unsettled Adelaide people in general. They feel convinced (and the press has helped convince them) that we have a unique problem. That is what thousands of people believe and it is a plain fact of life. Even if hard crime statistics show otherwise, I would not dare try to criticise those people for their beliefs, and the statistics do show otherwise. Gruesome crimes happen just as often in other States and far more often in many overseas countries. This I know is readily acknowledged, but it is absolutely no comfort to the parents of the recent series of victims.

I am not telling the House that people here have nothing to fear, as clearly the world is a much different place from what it was when we were children. What I am saying is that Adelaide has not been singled out. Leaving here for other parts will not solve the problem. I believe also that we have not reached the stage where vigilantes are called for or curfews required. The headline in the suburban paper that the honourable member showed me last week referring to 'siege mentality' is, although understandable, in view of what I have said, an overreaction.

Years of increasing unemployment have contributed to the tensions now being felt, and changes in community attitudes have been considerable. There is certainly room for constructive debate about how best to ensure the safety of the individual on the streets at night (or any other time) and how to accommodate new values widely accepted by today's youth. It does not help to respond by turning homes into fortresses and putting policemen on every corner and sending everyone indoors at 11 o'clock.

The South Australian Police Force is well aware of the delicate nature of this problem and, by and large, is handling it as well as is humanly possible. I would urge any local

group, worried about safety in their areas, to go along to the nearest police station and talk about their fears with the officer responsible for that area. If the matter cannot be resolved at that most immediate level, no doubt it will pass along the chain of command until ultimately it reaches the desk of the Chief Secretary and possibly even Cabinet.

## SHACK DEVELOPMENT

**The Hon. D.C. WOTTON:** Can the Minister for Environment and Planning say whether the Government has made a decision concerning various options open to it concerning shack development in the flood zone of the Murray River; if so, what is that decision, and did the Government in making that decision take into account the attitude of the district councils that have sections of the flood zone within their boundaries?

**The Hon. D.J. HOPGOOD:** Following extensive consultation (I am not in a position at this stage to give the exact details of that to the honourable member or to the House but I could certainly get that information), the Government has decided to reiterate the policy that shacks—

**The Hon. D.C. Wotton:** Whom did you consult with?

**The Hon. D.J. HOPGOOD:** I was saying that I will get those details, but certainly with local government authorities in the area. I cannot say that every local government authority was consulted or the extent of that consultation but I will try to get that information.

**The Hon. B.C. Eastick:** Consulted or told?

**The Hon. D.J. HOPGOOD:** Consulted. Discussions were held between my officers and local government.

*Members interjecting:*

**The Hon. D.J. HOPGOOD:** If Opposition members think they know more about this than I, I simply reiterate the policy that shacks in the flood zone are on unacceptable sites and that they will be treated as are shacks generally on unacceptable sites. At present, in the absence of any Government policy to the contrary, that is in line with the policy of the Government of which the honourable member was part.

## PARLIAMENTARY PROCEDURE

**Mr KLUNDER:** Can you, Mr Speaker, say why members of this House refer to each other as 'honourable' so and so's? Like many other members, I enjoy taking schoolchildren on introductory visits to this Parliament and I am always pleased when, either off their own bats or as a result of prompting by their teacher, they write me courteous 'thank you' notes. I have received the following note from a young lady at the Modbury West Primary School:

Dear Mr Klunder,

Thank you for letting room 12 be shown around Parliament House. I enjoyed it very much. I have a few queries to ask of you. Was the Mace originally made for the Parliament House? Also why does everyone in Parliament call each other 'honourable' so and so? I hope you don't mind me asking you. Parliament House is a very nice old place—

I think that she is referring to the building and not to members—

There was a lot of difference than I expected. What were the days people could come and watch the Lower House? I must thank you again for showing me and my classmates around Parliament House.

The student then signs her name, which I cannot divulge in this House without her permission. Her question is valid. It is a case where fresh young eyes have spotted something—

**The SPEAKER:** Order! Much as I appreciate that the honourable member would like to continue, that is strictly

out of order. I thank the honourable member and his young constituent for the question. I can answer the first part easily, but the second part has proved to be a very difficult, almost impossible, research job. The Mace in use in the House of Assembly was the gift of the Government to commemorate the centenary, in 1957, of responsible government in South Australia. It was made by a famous London firm of goldsmiths, Garrad and Co. Ltd; fashioned in sterling silver gilt, it has an overall length of 1.2 metres and weighs approximately 6 kilograms. Recently, Mr Ted Connelly, now Chairman of the Outback Areas Development Trust and a former Speaker of this House, drew to my attention the unique configuration of the opals at the head of the Mace and also the uniqueness of the matching set.

Turning to the question of the 'honourable so and so's', I take it that the young lady is not putting the emphasis on the 'So and so's', as honourable members do here from time to time, but on the use of the word 'honourable'. This has indeed caused the Parliamentary officers some difficulty of research. The best information we can obtain is that the use of the appellation 'honourable' within the Chamber originated in the House of Commons, but the origin of such appellation there seems to have been lost or shrouded in the mists of centuries gone by. Bearing this in mind, one may be fairly safe in surmising that the appellation 'honourable' was in use amongst members of the early 'gentry', to distinguish or give recognition to those members who had attained an eminent position in the community. As the early Parliaments were constituted by a large number of these early 'gentry', the appellation 'honourable' was used as a matter of course.

The reason why a member is not referred to by name in the Chamber relates back to a decision made by Speaker William Lenthall when, in 1642, King Charles I, having surrounded the House with soldiers, burst into the Chamber to demand the surrender of five members who were plotting against the Crown. Having read out the names from a list, Charles I ordered the Speaker to hand over the five for justice. Speaker Lenthall's reply, under circumstance of great personal danger, was: 'Sir, I have ears to hear and lips to speak only that the House shall command me!' Confused and furious, Charles I retired from the Chamber empty-handed. Hence, from that day until now no member is ever addressed by name in the Chamber, nor should a member be so addressed.

#### STAMP DUTY

**Mr MATHWIN:** Will the Premier say whether stamp duty on property conveyancing will be increased from 1 October? I have been approached by concerned constituents who have said that any increase will affect new home buyers and builders, and that, certainly, a 3 per cent increase would cause hardship.

**The Hon. J.C. BANNON:** The only action taken by the Government so far regarding stamp duty on property has been in relation to raising the level at which exemptions apply. I am not aware of any other plans or changes in legislation to which the honourable member might be referring. If the honourable member could convey further details of his query to me, I will furnish him with a considered reply.

#### MEN'S SHELTER

**Mr MAX BROWN:** Will the Minister of Community Welfare ask his department to examine the need to provide a men's shelter complex at Whyalla, with special attention

to be given to the finance required and the availability of suitable accommodation? The Minister would be aware that a women's shelter is in existence in Whyalla at present which is managed by the Y.W.C.A. Whyalla's high level of unemployment and high ratio of welfare problems have resulted in an unfortunate increase in broken marriages. I point out that not in all cases is it only the female partner of the relationship who suffers. The Salvation Army in Whyalla is particularly interested in such a proposal. I would suggest that an investigation be undertaken by the Department for Community Welfare and the Salvation Army in regard to the possibility of obtaining such a shelter.

**The Hon. G.J. CRAFT:** I thank the honourable member for his question which concerns a problem that does not exist solely in Whyalla, as it exists in the many parts of the State. Unfortunately, more and more people in the community are becoming homeless, and this pertains to young people as well as to adults. I will certainly request that officers of the department have discussions with the organisation to which the honourable member refers. The honourable member would be aware that substantial funding is available from the Commonwealth Government through the Homeless Persons Act to provide accommodation for people in the circumstances that he has described to the House. I will also ask my officers to have discussions with the Commonwealth concerning possible funding from that Government.

#### FUEL TAX

**The Hon. D.C. BROWN:** Will the Premier ask the State Development Council for its views on the effects on the primary, secondary and service industries of South Australia of the increased fuel tax imposed by the Federal and State Labor Governments, and will he report those views back to Parliament? I understand from a radio report that the price of petrol in South Australia is due to rise tomorrow by 1 cent a litre as a result of the recently announced increase in State fuel tax.

**Mr Becker:** Not again.

**The Hon. D.C. BROWN:** Yes, again. I checked with the oil industry about this matter and obtained the following information from it concerning the State and Federal Government taxes imposed on each litre of petrol sold: at present it works out as a combined tax of 28 cents for every litre sold as from tomorrow.

The State Government imposes a tax of 2.5c a litre (as the business franchise tax) and the Federal Government imposes the following taxes: an excise duty of 7.03c a litre; the Australian Bicentennial Road Development Programme, 2c a litre; the import parity levy, 16.38c a litre. That brings the total Federal and State Government taxes (after the two recently announced increases) to 27.9c a litre. That means that 60 per cent of what is now paid for petrol goes to Government. In working out with the industry how much is paid to the Federal and State Governments, I find that to fill up a Holden Commodore \$17 of what is paid for petrol goes to the Federal and State Governments.

**The Hon. J.C. BANNON:** This is just a rehash of a statement from the member that has already been published in the press. I do not know why he wastes the time of the House. Most of that particular impost comes from the petrol parity pricing policy introduced by the Fraser Government with which I understand the honourable member had some sort of affinity. The State Development Council discuss and advise me on a whole range of matters that affect cost structures in this State: I doubt that this would be an exception. However, they are a body that gives of their time to advise me as Premier, and their advice and information

(unless there is some special reason) is between them and me.

### TOURIST ROADS

**Mr PLUNKETT:** Can the Minister of Transport say what action is being taken by his department in providing better roads in key tourist areas of the State? I understand that part of the road funding has been set aside for work on roads in tourists areas, and that many councils have put forward proposals to have projects included under this funding arrangement. Has the Minister any information regarding this tourist road project, and what has been approved?

**The Hon. R.K. ABBOTT:** Under the Road Grants Act there is a provision whereby 6 per cent of the total amount available to local roads is set aside and allocated for tourist roads, national park roads and forest roads. I am awaiting information on national park roads and forest roads, and the allocation for those two categories will be announced in due course. However, \$307 000 has been granted for tourist roads, and the following district councils will benefit: Kingscote, Robe, Mount Gambier, Streaky Bay, Port Lincoln, Barossa and Light, Port Elliot and Goolwa, Waikerie, Le Hunte, Elliston, Crystal Brook, Meadows, and Murray Bridge.

I seek leave to have inserted in *Hansard* without my reading it a list of the specific projects in each of those council areas, and the amount of the grant that has been allocated.

**The SPEAKER:** Is it a purely statistical table?

**The Hon. R.K. ABBOTT:** Yes.

Leave granted.

TOURIST ROAD GRANTS, 1983-84—ALLOCATION IN 'SCHEDULE OF PROPOSED WORKS', FOLIO 9-2

Council	Project	Grant \$
D.C. Kingscote	Seal Bay Road	40 000
D.C. Robe	Beacon Hill Road and lookout	28 500
D.C. Mount Gambier	John Watson Drive— 2 year Programme (Year No. 1)	10 000
D.C. Streaky Bay	Point Labatt Road	15 000
D.C. Lincoln	Tulka/Fisheries Bay Road	20 000
D.C. Barossa and Light	Chateau Yaldara—Provision of culverts over North Para River	14 000
D.C. Port Elliot and Goolwa	Murray Mouth lookout access road and car park	23 100
D.C. Waikerie	Leonard Norman Drive	17 500
D.C. Le Hunte	Mount Wudinna Rock Road	7 400
D.C. Elliston	Venus Bay access road	77 000
D.C. Crystal Brook	Bowman Park back access road	5 000
D.C. Meadows	Windebanks Bridge	41 500
D.C. Murray Bridge	Schubert Farm access road	8 000
Total		307 000

**The SPEAKER:** Has the honourable Minister finished his reply?

**The Hon. R.K. ABBOTT:** Yes.

### FINANCIAL INSTITUTIONS DUTY

**Mr BAKER:** Can the Premier say why he has not made available for public comment a draft of the Bill for the financial institutions duty as he undertook to do a fortnight ago? In the *Advertiser* of Thursday 18 August, the Premier was quoted as saying that a draft of that Bill would be made public within days.

The Premier was also quoted as saying that the Bill would be circulated through the community to enable it to be fully

discussed before being introduced into Parliament. However, that has still not occurred, and tomorrow the key clause in the Bill—the rate at which the new duty will apply—will be revealed in this House in the Budget. I have been reliably informed that the Premier now intends to hold a meeting next Tuesday with representatives of those financial institutions affected by the new legislation and that the Bill may not be circulated before that meeting. Therefore, I ask the Premier to explain why he has not honoured the undertaking of 13 days ago to make public a draft of the Bill within days.

**The Hon. J.C. BANNON:** I thought that the member answered his own question in his explanation. As he explained, next week I will meet with representatives of financial institutions to discuss the draft Bill. There will be full consultation, as I promised. In relation to the rate of the duty to be levied, no final determination has been made. As I already explained (and I should not have to go through this again for the honourable member's benefit, as I understood from his rather tedious lecture to us in the early hours of this morning that he was an expert in these matters), three major elements are involved in determining the yield from the financial institutions duty. One, and only one, is the rate. Another is the exemptions—to what extent they are granted and in what form? The third element is what taxes are forgone or subsumed into the new financial institutions duty. None of those points has been determined as yet, and they will be a matter of discussion in terms of the Bill next week.

### SPORTS INSTITUTE SCHOLARSHIPS

**Mr GREGORY:** Can the Minister of Recreation and Sport provide details of South Australian Sports Institute scholarships that he has recently approved, and advise what groups or individuals will benefit by the additional scholarships?

**The Hon. Michael Wilson:** He didn't have to approve them.

**The Hon. J.W. SLATER:** I am pleased to advise the House that—

*The Hon. Michael Wilson interjecting:*

**The Hon. J.W. SLATER:** I ask members to give me the opportunity to answer the question.

**The SPEAKER:** Order! Honourable members will most certainly give the Minister the opportunity to answer the question.

**The Hon. J.W. SLATER:** It has been fairly obvious to me from the time we came to Government that the Opposition is not particularly interested in recreation and sport, and that attitude was apparent during its three years in office. The member for Torrens, who was the Minister for Recreation and Sport did not show a great deal of enthusiasm for that portfolio, and this view is shared by sporting groups generally. Difficulties exist in relation to recreation and sport on the other side of the Chamber. I do not know who the *de facto* spokesman is on recreation and sport, although I understand it is the Leader. However, I am confused. I often wonder why the previous Minister for Recreation and Sport, the member for Torrens, was demoted to Education.

*Members interjecting:*

**The SPEAKER:** Order! Not a Standing Order, but one of the Westminster principles, is that I must prevent quarrels. I ask the Minister not to proceed on that note.

**The Hon. J.W. SLATER:** I am pleased to advise all members that I have approved a further list of scholarships to be provided by the South Australian Sports Institute in the coming months. As the member for Torrens said, I do not have to approve them, but arrangements have been set

in train, and the Minister should have some say and control over the affairs of the Sports Institute. That is the position that prevails at present. The additional scholarships involve nine different sports and 60 individuals, and two sports in the list have not been assisted in previous scholarships. One concerns equestrian riders who have been awarded scholarships to assist in the preparation for selection for the Los Angeles Olympic Games.

Other sports to benefit by the scholarships include the South Australian Amateur Swimming Association with a total of \$12 500 to support a talent squad of seven swimmers. There will be further assistance to world ranked speed roller skating champion Mike Stone, who will be assisted by the new circuit that I opened last week at the Parks Community Centre.

I refer to the success of the Kings Cup rowing crew. The world championship is being held in Europe, and our crew is doing well, and the Sports Institute has been part of that process. Of the eight crew members representing Australia, four are from South Australia. The crew is in the world championship final, having defeated the team from East Germany who were the fancied contenders, and next Saturday it will be one of the finalists against Czechoslovakia in the world championship. Further assistance of \$13 520 will be provided to prepare a squad for next year's Kings Cup.

Further assistance will be provided to the world ranked women's team of smallbore rifle shooters of Hill, Muehlberg, and Gowland, totalling \$6 000. The South Australian Netball Association will receive support for an under-20 netball team in the summer night competition and several interstate club competitions, totalling \$11 980. Tennis will also benefit by two individual scholarships, and the South Australian Amateur Fencing Association by three additional scholarships at a total cost of \$8 800.

Therefore, the additional scholarships have been awarded to provide further opportunities for South Australian sportsmen and women to reach international and world standard performance. I do not think that the Opposition can carp at that, and I believe that it is important to give top level sports people as many opportunities as possible to have that sort of training in order to improve their level of performance so that they can compete favourably not only in national but also in international competitions.

In its first year of operation the South Australian Sports Institute has already assisted many athletes, and we are increasing that number in a variety of sports. Some sports people have already enjoyed outstanding success and marked improvements in performance as a result of the scholarships provided. I am always a fair and reasonable man, and am prepared to give credit where credit is due, and I give credit to the previous Administration for setting up the South Australian Sports Institute. Indeed, I think that the then Minister was responsible: I suppose that it was his idea. However, it has proven very successful and, as a consequence, I am prepared to give credit where credit is due. Unfortunately, funds made available by the previous Administration were not sufficient, and we have doubled those funds for this year. I hope that we can increase the funding for that operation in future. Additional scholarships are being provided, as I have already set out.

#### SOUTH AUSTRALIAN GRANTS COMMISSION

**The Hon. B.C. EASTICK:** Has the Premier or Cabinet countermanded the acceptance by the Minister of Local Government of Dr McPhail's resignation from the South Australian Grants Commission and the position of chairman of that body? Examination of the appointments and resig-

nation notices in the *Government Gazette* of 25 August (like that of 18 August) provides no public identification of that acceptance. The Opposition and Local Government are as one in their opinion that Dr McPhail's undoubted expertise in this area of great importance to local government should not be lost.

**The Hon. J.C. BANNON:** The answer to that is 'No'. I reject utterly the implications in the honourable member's question. The question of Dr McPhail's resignation, the reason for his tendering it, and the reasons for the quite proper acceptance of it, were properly canvassed in this House last week. Dr McPhail behaved quite properly in this matter and quite appropriately and I would have thought that if, as indeed I would hope, all members value the service that Dr McPhail has given to local government and his deep knowledge, they would cease to embarrass him by raising this matter in this way.

#### TOURISM

**Mr FERGUSON:** Will the Minister of Tourism say whether the Government is concentrating its tourist marketing efforts on attracting international visitors to the possible detriment of what is known as domestic tourism? My question is based on a provocative but thoughtful article in the influential trade journal *Travel Week*, by a regular columnist using the name *Criticus*, which states:

Because the Adelaide Hilton International has been opened and because the city now boasts an international airport, the main thrust and thinking has been on the international market and so once more we have a small area of Australia, mostly unknown to the outside world, wasting its money on trying to make a global impact while at the same time competing with other Australian States engaged in a similarly fruitless exercise.

**The Hon. G.F. KENEALLY:** I have read the article to which the honourable member referred. I think it is fair to say that *Criticus*, as a columnist, has earned his place by being deliberately provocative and by perhaps occasionally pushing his theories a little too far. I guess he does that to see what sort of reaction he gets from the industry generally. That is understandable and excusable; I have often found his comments refreshing because they come from a different perspective, and that is always very good.

I think in that article he was trying to make the valid point, based on a comment made by the General Manager of the Adelaide Hilton, that there should be no real difference between an international and a domestic tourist because they spend the same sort of money here in South Australia. In that article *Criticus* also said—

**The Hon. Jennifer Adamson:** It's not the same per day.

**The Hon. G.F. KENEALLY:** The dollar spent in South Australia is a dollar spent in South Australia from wherever it is generated.

**The Hon. Jennifer Adamson:** I don't want to be pedantic, but—

**The Hon. G.F. KENEALLY:** I think the honourable shadow Minister says that she is being pedantic, and I am not prepared to argue with that. *Criticus* said:

A tourist is anyone who leaves their own environment for the purpose of spending time and money in another environment.

**The Hon. Jennifer Adamson:** That's true.

**The Hon. G.F. KENEALLY:** That is true, and we are on the same wave length at last. The honourable member asked whether or not South Australia directed its marketing drive towards the international tourist rather than towards the domestic tourist. In this aspect *Criticus* has strayed somewhat. It is not a fact that the South Australian Tourism Department is making its main thrust into the international market. In the last financial year (and I expect very little change in the coming 12 months) only 11 per cent of the

total budget went overseas on marketing and promotion. Most of that 11 per cent was spent in New Zealand which, although it is strictly international, is now only 4½ hours away from Adelaide, so to some extent it is regarded as being more as a part of the Australiana group than an international destination, which quite properly it is.

Clearly our major international tourism into South Australia comes from New Zealand, and that is why we direct our major international drive to that country. We have announced that we are going to increase our effort in Japan, but we will do this through the Australian Tourism Commission. We are also going to maintain our efforts in our traditional overseas markets, the V.F.R. market in the United Kingdom and Europe, but we are mainly concentrating our marketing effort in Australia where the market exists. The major tourism market for South Australia is the domestic market, the interstate market. At present, we are participating in an awareness programme for South Australia in an attempt to convince our own people that South Australia has a good tourist product and that they ought to take the time to appreciate what we have in South Australia before they seek to go interstate or overseas. Our main drive is in South Australia, where our main market is. Our second largest market is in Victoria, in Melbourne particularly, and that is where our greatest marketing has taken place outside of South Australia and it has been very successful indeed. We have recently announced that we will spend almost \$400 000 on marketing South Australia in New South Wales and Sydney, which is the next largest market for South Australia.

We are following the advice I think that one can get only by looking at the successful tourism countries, that is, the marketing drive should be directed towards the greatest market. We are doing that in South Australia. We believe that it is proving successful and will become increasingly successful. However, we are not going to neglect our increasing overseas potential market. We will tap into that but we will leave that main drive to the Federal Government, through the Australian Tourism Commission. Mr Brown has recently announced a 75 per cent increase, a dramatic increase indeed, in some of the overseas countries, particularly in the United States, Japan and Europe. We will wait until those tourists come to Australia and then we will fight very hard to get our share of them once they are here. We want to participate very strongly in the tourist market that is coming to Australia, and I am sure that we will achieve that. In response, I think I should sum up by saying that our major effort is still directed towards our traditional market, but we are not neglecting the overseas potential. I believe that what we are doing is correct and it will be shown increasingly to be correct.

---

#### ADDRESS IN REPLY

**The SPEAKER:** I have to inform the House that His Excellency the Governor will be prepared to receive the House for the purpose of presenting the Address in Reply at 3.15 p.m. this day. I ask the mover and seconder of the Address and such other members as may care to accompany me to proceed to Government House for the purpose of presenting the Address.

*[Sitting suspended from 3.7 to 3.30 p.m.]*

**The SPEAKER:** I have to inform the House that, accompanied by the mover and seconder of the Address in Reply to the Governor's Opening Speech and by other honourable members, I proceeded to Government House and there

presented to His Excellency the Address adopted by the House yesterday, to which His Excellency was pleased to make the following reply:

I thank you for your Address in Reply to the Speech with which I opened the second session of the Forty-Fifth Parliament. I am confident that you will give your best attention to all matters placed before you. I pray for God's blessing upon your deliberations.

**Mr BECKER:** On a point of order, Mr Speaker. Before members left this Chamber to go to Government House, the clock showed that seven minutes of Question Time remained, but I notice that the clock is not now showing that length of time. I had hoped to have the opportunity to participate by asking a question during those additional seven minutes, because I, as well as some other members, had not had the chance to ask a question today.

**The SPEAKER:** Standing Orders provide that Question Time shall cease at 3.15 p.m. Further, it is a rather unique day in the Parliamentary year and one connected with the relationship between this place and Government House.

---

**The SPEAKER:** Call on the business of the day.

#### URANIUM POLICY

**The Hon. E.R. GOLDSWORTHY (Kavel):** I move:

That this House urge the Government to do all in its power to change the Labor Party's uranium policy which allows some uranium mines to proceed and not others and which has led to increased unemployment in South Australia in the mining and supporting industries and has jeopardised the establishment of a multi-million dollar uranium enrichment and conversion industry in the State, with the consequent loss of many permanent new jobs.

The motion is doubly pertinent at present because of the cavortings, shenanigans and disgraceful happenings currently in vogue at Roxby Downs. In order to set the scene for debate on the motion, I point out the absolute hypocrisy of the Labor Government in this State in relation to its stance on uranium and the stance of the Labor Party. The Premier has now become a champion of Roxby Downs. Indeed, yesterday he had the gall in this House to accuse the Leader of the Opposition and me in particular of trying to stop this project.

In order to set the record straight, let me recall for the benefit of members, and especially for the benefit of the Premier, if he is within earshot, his sentiments and those of his Party when the Tonkin Liberal Government was doing its level best to get the project up and running and the indenture Bill through Parliament. Before this strange doctoring of Labor Party policy, the Premier said:

In the 2½ years since coming to office, this Government—that is, the Tonkin Liberal Government—has chosen to create completely unrealistic expectations about the extent and timing of possible benefits from the resources project at Roxby Downs. We have seen a barrage of grossly inflated claims, and a crazy auction of predictions, particularly about employment and possible royalty income.

Later in the debate he said:

There is now world-wide expert disagreement over the suitability of the vitrification process. Mr Justice Fox, formerly Australia's ambassador at large on nuclear matters, told a Select Committee of the South Australian Legislative Council, 'As far as I am aware, no-one has yet tried to dispose permanently of 1 mg of high-level waste.'

That statement is false, but nonetheless the point is, what has changed since that statement was made? Nothing has changed, of course except that the Labor Party has now adopted a completely different and hypocritical stance. In the same debate the former Leader of the Opposition stated:



Our uranium policy is firm. If the Government will not accept that a decision about uranium mining cannot and must not be made in 1982, that the State cannot and must not be locked into the terms and conditions of this project, whether or not it includes uranium mining, in 1982, we will vote against the Bill at the third reading. The exact details of our amendments will be made on the deliberations of the select committee and the information that it brings forward. Let me suggest a seven-part plan.

And so it goes on. As early as June last year the present Premier indicated unequivocally that uranium mining cannot and should not proceed in South Australia. What has changed? Nothing has changed on the world uranium scene except that the market prospects are far more optimistic. I will deal with that matter later. During the second reading debate on 2 June last year, as Leader of the Opposition at that time the present Premier (who is now accusing the Leader of the Opposition and me, in particular, of trying to stop this project) said:

Let me put that in perspective. It is certainly true that members from this side sat on that committee (the Select Committee) with a back-ground of very strong reservations about the indenture and the project itself. Those reservations had been spelt out very clearly in the second reading debate, and prior to that at times had surfaced in debate in the public press. They had clear reservations, and it was canvassed in the second reading speech that it may well be that amendments to the indenture would be required. Obviously, those members went into the committee with a view to testing some of the hypotheses about the project, to gather information, and to raise questions about it. On the other side of the matter, Government members, and particularly, of course, the Chairman of the committee [he is referring to me], the chief protagonist of the project, the man who had in fact been the leading light in negotiating the indenture itself, went into the committee in order to try to simply secure the passage of the indenture, because, after all, that is what one of the clauses of the indenture requests, namely, 'That the Government should attempt to secure the passage of this indenture by 30 June.' That is what the Minister and other members of his Party set out to try to do.

The former Leader was criticising me for trying to get the project up and running. The Labor Party Opposition was fighting tooth and nail in opposing the project, but the Labor Party is now suggesting that the Liberal Party is trying to stop it. How ridiculous and how stupid must such an allegation appear to the public! The Liberal Government fought tooth and nail to get the indenture through, and had it not been for the fact that one Labor Party member in another place had the courage of his convictions to cross the floor, the project would not have been up and running. What has now happened to the Labor Party's policy? The Labor Party is now lumbered with a policy that is completely immoral and completely lacking in any logic, and it cannot be understood. It is a cause of a major split in the Labor Party and a major division of opinion to the point where the Labor Party will not be a coherent and united group until it resolves this difficulty.

This week the Young Labor Movement, an official organ of the A.L.P., joined the protesters at Roxby Downs with one purpose in mind, that is, to stop the project because it involves uranium mining. The point I make is that a significant group within the Labor Party, a majority, are opposed to the mining of uranium, yet they had to overcome this problem. Last year the Labor Party fought the indenture tooth and nail. Why did members of the Labor Party change their minds? Why did they adopt this policy which has led to their present difficulties? It was because they knew there was an election looming and that if they did not do something about the matter they would be gone a million, because the project was one that had captured the imagination of the public of South Australia.

In fact, the public of South Australia realised that this was a major development, that it would put this State in world league in relation to resource development. Notwithstanding, the Labor Party was doing its best to stop it, making no bones about it. What did the Labor Party do

about it? Some of the heavies in the Party got together and determined that if something was not done about this policy the Labor Party in South Australia would lose the election. That was the only motivation which prompted them to come up with this absurd proposition. I use the word 'absurd' frequently here, I am told, but it is the only word that I can get my tongue to which indicates my contempt for the Labor Party and the way that it has behaved in relation to this issue and a number of others.

It is a completely incomprehensible policy. What do they say? They say that if other minerals occur with uranium we will take each case one at a time and decide whether we will allow it to proceed. I believe that Roxby Downs will become, if not the largest, one of the largest uranium mines in the world: probably the largest. It will produce enormous quantities of yellowcake. It will put South Australia on the map and, indeed, it has put South Australia on the map now. The Labor Party is quite happy for yellowcake to be refined, processed, trundled over the wharf and sold overseas. What has happened to all these moral arguments? We had this moral rectitude stance of the Premier at that stage. I quoted some of the instances a moment ago. What has happened to his reservations about the disposal of waste? There have been no major breakthroughs since the middle of last year in relation to waste: it was solved then.

From my first-hand inquiries around the world, nothing new has turned up. The Premier said then that the vitrification process did not work. Does it work now? It is the same process that was extant at that stage. What about his argument about proliferation of weapons? What about all that hoo-hah? That has not changed. Will the yellowcake from Roxby Downs be channelled into different markets from those involving yellowcake from Beverley and Honeymoon which the Government has shut down? There will be smaller quantities of yellowcake: does that make it different? What about this nonsense concerning other minerals? Does the fact that there is some copper there—

**The Hon. R.G. Payne:** Some copper!

**The Hon. E.R. GOLDSWORTHY:**—well, a large amount of copper, and the fact that there is some gold there destroy the moral argument? Does that make uranium safe in the case of Roxby and not safe in the case of the other mines? It is a completely immoral argument. That has been pointed out by one or two journalists of perspicacity, one whose article in the *Australian* I remember reading some months ago stating that the Labor Party will have to do something about its insane, immoral policy.

**The Hon. D.C. Wotton:** Do you think they know where they're going with their policy?

**The Hon. E.R. GOLDSWORTHY:** They know they have problems on their hands. We know that that is the reason why the Premier has his head way down; he cannot take a lead in any of these matters because he knows that he will offend major sections of his Party. Why did he not answer my question today when I asked whether he would use his influence to pull the Young Labor Movement out of the Roxby demonstration? He was heard over the intercom to say 'What do I answer to this?' so he stood up and said nothing. He did not answer the question. The Labor Party and the Premier will continually have to dodge the issue, keep their heads down and show a singular lack of leadership (as they have shown in a whole range of matters, but particularly this one), because every time they take a step to look after the interests of South Australia in this area they offend major sections of their Party.

Why could not the Premier answer the question today? At least members of the Young Labor Movement had the courage of their moral convictions: they know that if mining at Beverley or Honeymoon is dangerous it is equally dangerous at Roxby. Dealing with the safety aspect and leaving

aside all the moral arguments which have suddenly evaporated, I recall a publication going out to the Norwood electorate of the Minister who is now walking across the Chamber about this moral business of proliferation and safety. That was when the official policy was, 'We couldn't go ahead.' That was when Roxby had nothing to offer. But the Hon. Mr Crafter (then a back-bencher) lent his name to the splurge that went out to the Norwood electorate to scare the pants off his electors over this dangerous uranium. What has changed since then? Members opposite became scared that they would lose an election—that is what changed—but, of course, it has exacerbated their problems.

There are several hazards with uranium mining, the one attracting all the public attention from the anti-group being the radiological hazards. Before as much was known about radiological hazards as we know now, some mining practices were quite dangerous, particularly in Canada, where long shafts went great distances and ventilation was inadequate. However, a lot more is now known about that aspect, and proper ventilation is now one of the minor hazards of uranium mining. The Government must acknowledge that or it would not agree with Roxby, because that is an enormous underground mine. The Government is satisfied that that radiological hazard has been overcome. It was not satisfied at the time of the indenture, as late as June of last year. This was a major stumbling block to that mine proceeding, because it was dangerous and because of the radon and the radioactive emanations.

But that has dissipated under electoral pressure. Suddenly the member for Norwood does not need to send out bulletins to his electorate warning of these dangers. They have dissipated, because members opposite have doctored their policy. The mining methods at Honeymoon and Beverley are, by any standard, far safer than the mining at Roxby. The major hazard at Roxby is that which accompanies all underground mining, and that is that the roof may fall in. I have seen a publication (which I am sure the Minister has seen, as he no doubt gets the bulletins from the uranium information centre) but I have forgotten to bring it.

**Mr Ingerson:** I have it here.

**The Hon. E.R. GOLDSWORTHY:** Is that the latest? Yes, I am sure that that is the one that gives the safety record in recent days.

**The DEPUTY SPEAKER:** I hope that the Deputy Leader is not going walkabout.

**The Hon. E.R. GOLDSWORTHY:** No, Mr Deputy Speaker. I thank the honourable member for providing this bulletin with such alacrity. I read it earlier today and, referring to safety records in the power industry, it states:

Non-nuclear safety record: It is often said that the news media pay far more attention to the risks of fatalities from commercial nuclear power plants than they do to the actual deaths that periodically take place in the production and distribution of other energy sources.

A recent British publication has now listed 16 energy-related (non-nuclear) accidents that occurred during 1982 and resulted in 1662 deaths. The number of deaths per accident range from 5 to 1 100 and generally received little press coverage. Included in the list were:

Jan.	Coal mine explosion—Kentucky	17 killed
Jan.	Oil line explosion—Mexico	8 killed
Feb.	Oil rig sank of Newfoundland	84 killed
March	Coal pipe collapsed—Calcutta	18 killed
April	Coal mine explosion—Poland	15 killed
May	Coal mine explosion—Yugoslavia	39 killed
Oct.	Dam collapsed—Libya	200 killed
that involved a hydro scheme in Libya—		
Nov.	Tanker collision—Afghanistan	1 100 killed
Nov.	Coal mine explosion—Poland	18 killed
Dec.	Oil-fired power station explosion—Venezuela	145 killed

It is a verifiable fact that not one person has been killed as a result of an accident in a nuclear reactor since the start

of electricity generation using nuclear reactors. I am not saying that people have not been killed in uranium mines, or been injured on the roads, and so on, but not one person has been killed as the result of an accident in a nuclear power station. There is all this hoo-hah about the dangers of the nuclear cycle. What was the proposal to mine the uranium at Honeymoon? It was to put a bore into the ore body, send down a weak acidic solution (about the strength of lemon juice), dissolve out the uranium, pump it to the surface, treat it chemically, extract the yellowcake and put it in a drum, the same way as that involving any other uranium. No-one goes underground, there are none of the hazards of underground mining, and there is a minimum of contact by human hands to produce this yellowcake: the same yellowcake uranium oxide, the same chemically as will be produced at Roxby by an enormous underground mining operation.

How does the Government justify closing that down in the name of safety and allowing this other enormous mine to proceed? What about Beverley, a large open-cut mine in prospect? No underground mining is involved: as in any other quarrying operation you carve a face, take out the ore, put it on a truck, take it up and process it. There are none of the problems involved with underground mining. A problem is involved with ventilation in open-cut mining, and that would have to be addressed. The design of the pit would have to be such that prevailing winds and air movement could refresh the air. There are none of the hazards of underground mining that are major hazards. Yet the Government closed down that mine. How on earth does one justify that argument on any moral grounds? We can look at the high morality of the Premier and others only nine months ago.

No wonder Young Labor is in revolt! No wonder the member for Elizabeth said that members of the Party were spewing as a result of the change of policy! It is enough to make anyone with any moral fibre spew, as it is a completely immoral policy. Either the mining is dangerous or it is not dangerous. What has the present Government done in its thrashing around to justify closing the mines?

**The Hon. G.J. Crafter:** How can you say it is dangerous or not dangerous?

**The Hon. E.R. GOLDSWORTHY:** If it is dangerous to mine the uranium from Honeymoon, and if it is a dangerous product to handle and sell because of the nuclear fuel cycle and proliferation, it is then surely dangerous at Roxby. I am sure that that would be clear even to the Minister. The Premier, at the Hiroshima day rally, said that Australia's nuclear safeguards will ensure that uranium from Roxby is used for peaceful purposes. The safeguards were no good before the Government had a change of policy. I could quote from the speech wherein it states that Australia's safeguards policy had been watered down by the then Prime Minister Fraser, according to Premier Bannon. He stated that we cannot sell overseas because the safeguards do not prevent proliferation. The Labor Party people have not changed the safeguards policy, as it is one of the most stringent in the world. What has happened to the danger of proliferation? They say that it can occur at Honeymoon and Beverley but not at Roxby. What sort of stance is that? No wonder the member for Elizabeth said that lay people in the Party were spewing! Members of the Public Service Association moved a motion condemning uranium mining because it was not safe. What do they think about this? Some of the members of the Teachers Institute also took an anti-uranium stance. What do the constituents of Norwood think about the argument: it is safe at Roxby but not at Honeymoon and Beverley?

What arguments were adduced by the Minister of Mines and Energy? I have some respect for the Minister and his

attitude to those questions, and I know that he is one member of the Labor Party who must be completely embarrassed by the nonsense of this policy. Another person must surely be former Minister Hudson. I have talked privately to members of the Party, but am not at liberty to divulge those conversations here. I have talked to Prime Minister Hawke on one occasion and I know his views. I am able to mention them here as he has stated them publicly. I know the views of former Minister Hudson. If I know the present Minister at all, I know his private views and know that it must be acutely embarrassing to him to have to get up in this place and make the sort of statement he made in announcing that the Government is closing down Honeymoon and Beverley. What did he say?

**Mr Lewis:** I feel sorry for him.

**The Hon. E.R. GOLDSWORTHY:** So do I, because he is a decent fellow. He, like his Premier, is faced with this dilemma. What do they do with a completely immoral, illogical, uranium policy, which allows one thing to go ahead and something else not to go ahead? The safer operations are the ones they stop! What arguments were adduced by the Minister in this House in his Ministerial statement? I recall that statement well. First, he said that there was a division of opinion in the community. Does that justify closing down Honeymoon and Beverley? The Democrats do not like the policy. Does not that argument apply equally to Roxby? Does a division in the community justify letting some go ahead and not letting others go ahead? If it is an argument to stop Honeymoon and Beverley, it is an argument to stop Roxby. If a division exists in the community, the Government believes it should pander to that division by stopping some and letting others go. That is an absurd proposition.

What was the second argument adduced by the Minister? He said that it was only a small-time operation anyway. So what! What about all the Government hoo-hah on small businesses? Part of the hoo-hah in its election promises was that it was all for small business. Yet, it now says that Honeymoon and Beverley are only small operations. That is an argument for shutting down those mines, because they are small businesses. Therefore, we could shut down every delicatessen, corner shop, and small business in Australia if we follow that argument to its logical conclusion. That is equally stupid. It is patently transparent. The Minister had to stand up in this place and announce that decision. I feel sorry for him because he knows that it is bunkum and he knows that those arguments are entirely specious.

*The Hon. R.G. Payne interjecting:*

**The Hon. E.R. GOLDSWORTHY:** The Minister knows that I am stating the facts, and he is aware of the bind in which the Labor Party finds itself. The Government closed down Beverley because of a division of opinion in the community and, secondly, because the mines were small scale. What was the Minister's next point? It was in relation to markets. He is the god-father, the Government and the Minister judging that those companies are foolish to go ahead because he did not think that they would sell their product.

What would we do to General Motors-Holden's or other companies if they could not sell their cars? Would we close them down? That is the argument used by the Government when it says that it will not let the mining companies go ahead because, in the Government's view, they could not sell their product. What sort of proposition is that? There would be no new enterprises in South Australia, if that Government yardstick is to apply. It is not true, and it is a completely stupid argument.

I quote from the latest bulletin of August 1983 put out by the Olympic Dam joint venturers. I suggest that they are far more skilled in negotiating overseas contracts for mining

operations than is anybody in this House. Certainly the Government or its advisers has no such expertise in overseas marketing. I have far more faith in Western Mining or B.P. who know the world scene and who are successful. The information bulletin states:

**Economic Viability:** The quality of Australia's uranium resources in terms of grade, quantity, and physical accessibility is higher than most deposits in other countries. Consequently, and as has already been demonstrated by the existing mining operations, our resources are competitive on the world market. The competitiveness of Australian production has been recently demonstrated by the fact that the Ranger and Nabarlek projects have commenced successful and profitable operation in the Northern Territory while simultaneously a number of United States producers have ceased or curtailed production due to market conditions.

The point they are making is that we can produce, compete, and we can beat. It further states:

United States mine production in 1981 was 14 810 tonnes of contained uranium metal. In 1982 it had fallen 10 190 tonnes, and for 1983 the estimated production is around 7 300 tonnes or less than 50 per cent of the 1981 level.

The article continues:

Many other significant but as yet undeveloped uranium deposits of Australia are capable of producing on a basis competitive with overseas producers in the same way as Ranger and Nabarlek have demonstrated.

It further states:

The companies involved in the discovery, evaluation, and development of these projects have of necessity made a very close study of the world uranium market over more than 10 years. That all of them wish to proceed with development is a consequence of their judgment that the large investments required to develop these projects are worth while. The company managements include people with experience and commercial judgment, who are close to and have a detailed understanding of the uranium market.

Here are companies willing to spend their money in South Australia. In the case of the Beverley mine, they are willing to spend \$500 000 000 over the life of the project. Are these people fools? That is what the Government is saying. However, even if they are fools, let them spend their money, generate activity, and create the jobs now while we need them. If they go broke, they lose: not South Australia. This is the height of stupidity. The Government says, 'We think that the market is no good: you cannot go ahead.' These people have world expertise and are spending their money (in the case of Beverley, \$500 000 000).

Will they spend that money if they cannot sell that product or if they believe that they cannot? This is what leaders in the industry are saying: 'We have confidence: Australia is more than competitive. We will carve out a share of the market and spend our millions of dollars.' How often does someone offer to spend \$500 000 000 in South Australia? It did not happen during the life of the Dunstan Government. It might have happened when they sold our gas to Sydney to the everlasting shame of that Government and disadvantage to South Australia. How often does this happen? It is an opportunity to be grasped with two hands. It is a mining project which is safer than Roxby Downs and which offers jobs now.

That was another argument adduced, and I really felt for the Minister. He had to stand up and mouth this bunkum to the House to justify this totally immoral policy. He is a decent fellow. To mouth this tripe to justify this totally phoney policy would have been a real trial for him. That was the third reason.

The fourth and only other reason he gave (and I recall it well) was this: it involves new technology. Of course, if one does not involve new technology (and this was to justify their initial opposition to Honeymoon) nothing could happen in Australia. Nothing would have happened in Australia (a new country) if new technology did not develop everything that we have developed over the years. However, this tech-

nology is not new. This solution mining is new to Australia, but it has been used in America for many years.

It has been proved a suitable method for extracting uranium from the ground without having to send anyone down to dig it up. Because of four completely phoney reasons, the Government says that we cannot let this go ahead because it is new technology. It was new to Australia, but it has been tried overseas. If we carry that argument across to every other industrial and commercial enterprise in this country, we would not have done a thing in South Australia since 1836. It would have been a trial for the Minister to advance those four completely false arguments, but that is how the Government sought to justify the shutting off of this very significant investment and the loss of jobs in South Australia.

I mention this again, because it is pertinent to that point. The Minister may know that there is a mining wives' group that meets regularly. They are wives of people who work in the industry, for the Government, for Amdel and other parts of the mining industry. This is a point of contact for the wives to meet. My wife was invited when I was Minister, and she still goes because she is still invited. Some of those wives' husbands are now unemployed because of the Government's decision, and are worried stiff. Every month at these luncheons they say, 'We cannot wait.'

It is not because they are true card-carrying Liberals, but because their bread and butter has gone out the window as a result of this Government's decision. A woman whose husband worked on the mining projects at Honeymoon said, 'My husband (a university graduate) is now unemployed. We have youngsters at secondary school. We are on the dole, and we do not know what to do.' All that they can do is pray that the Liberal Government gets back in and that the project gets going again. These are the human problems, which have been created by this Government's decision. I am also in contact with people at Beverley, as the Minister would expect me to be. I telephoned them when the decision was impending and the switchboard operator was almost in tears.

**The Hon. G.J. Crafter:** What about the 4 000 people who lost their jobs in the public sector?

**The Hon. E.R. GOLDSWORTHY:** We did not sack anybody while we were in Government. Do not let the Minister go down that track.

*Mr Mayes interjecting:*

**The DEPUTY SPEAKER:** Order!

*Mr Mayes interjecting:*

**The Hon. E.R. GOLDSWORTHY:** One man was sacked in the Department of Mines while I was the Minister, but it was not because of any—

**The DEPUTY SPEAKER:** Order! I remind the member for Unley that he is in the House of Assembly, and there are certain procedures that are usually adopted. The carry-on that he is now employing certainly does not qualify in this House.

**The Hon. H. Allison:** They are union tactics.

**The DEPUTY SPEAKER:** That also applies to the member for Mount Gambier.

**The Hon. E.R. GOLDSWORTHY:** That argument is entirely false and specious. No administrative, governmental, or Ministerial decision of the former Government deliberately put people out of work. One man did lose his job. However, it was not at my recommendation, but because he would not ensure the safety of schoolchildren whom he was conducting on excursions. No executive or governmental action caused anyone to lose his job during the life of the Liberal Government.

Let us compare what Mr Wran has done in New South Wales. He dismissed main roads workers by the tens. We said that we would not sack anybody, and we did not. It

would do the Minister good if he were to duplicate some of the visits that I have been making in the past few months in this much hated private sector. I have been to many of our industrial concerns, particularly in the metals industry and seen the lengths to which those people go to try and maintain employment. I refer to the cost cutting, penny pinching and scraping. It would open their blind little eyes.

If they compared that with governmental operation, they would lift their game and take notice of what Rod Nettle of the Chamber of Commerce said when these great tax hikes were announced. He said that the Government ought to look to its own operations and the efficiency with which it deploys its Public Service forces. He was critical of this increase in public servants. The Government does not understand that, for every job created in the Public Service, it probably costs one and a half to two jobs in the private sector, where 75 per cent of employment lies. I do not want to go through yesterday's debate. However, the Government has legislated for unemployment.

**The DEPUTY SPEAKER:** Order! I ask the Leader to come back to the motion.

**The Hon. E.R. GOLDSWORTHY:** I would certainly very much like to do so, but I was deflected by a completely false interjection in relation to unemployment.

**The DEPUTY SPEAKER:** Interjections are out of order.

**The Hon. E.R. GOLDSWORTHY:** The executive action by this Government in closing down this mine threw people out of work. Here is a Government that claims to look after people and create employment. The completely immoral stance of the Labor Party has cost jobs. It is no wonder that people like the member for Elizabeth are spewing. It is no wonder that the Young Labor contingent is demonstrating, because at least they have a moral stance. Their stance is baloney: I thought so as a result of overseas studies on two or three occasions, but at least they take a moral stance, which is what this Government will not do, and what its policy denigrates. I have related the four excuses that the Minister gave to this House for closing down the mines. In relation to the question of markets, I quote again from the bulletin, which states:

The Australian minerals industry has accumulated a great deal of experience in selling mineral products on world markets. Those responsible for the commercial operations of the uranium industry have this background available to them. These professionals are convinced that markets are available to Australia for the sale of uranium. Such sales are of course subject to the Australian Government conditions including contractual conditions and safeguards requirements and are restricted to countries which have signed the non-proliferation treaty and with whom bilateral safeguard agreements have been completed or may be negotiated in the future. The Government has recently withdrawn the 'determinations' (approval to negotiate sales contracts) from those Australian companies who are seeking sales contract arrangements abroad, with the exception of the existing producers Ranger and Nabarlek. It is therefore not possible at present to conclude sales of Australian uranium from as yet undeveloped mines. As already mentioned, the Ranger and Nabarlek projects have secured long-term contracts for much of their total forward production and are operating efficiently and profitably under those contracts.

In fact, if members look at the financial papers, and I am sure the Minister would have seen them, they will see that the Ranger mine in the Northern Territory showed a handsome profit last year. That mine has been running for a relatively short time, and yet it is making a good profit. So much for the Labor Party's approach, its paternalistic approach that markets are not there. The companies are prepared to invest hundreds of millions of dollars but the Labor Party will not let them do so. The bulletin continues:

The main disadvantage under which intending Australian producers find themselves at present is the uncertain posture of the Federal Government as to its uranium policies.

I know perfectly well that Prime Minister Hawke knows how ludicrous is the uranium policy. He said so some years

ago in an address at Monash University, when he said that the argument goes something like this: the anti-uranium league is saying that we should not mine uranium because it may be turned into bombs; it is sensible to say that we should not mine iron because it can be turned into guns. He went on to say that we can lie back and luxuriate in this warm moral glow knowing that we have not provided uranium, and all we will do is increase the price of energy to the developing world. Later on, in more characteristic language, before they put the polisher over him to groom him for being Prime Minister, in language rather more colloquial and typically Hawke, he asked what is the sense of having a uranium policy to try to stop world development, when you know it is going to do bugger-all about it.

**Mr Lewis:** He accused them of wanking.

**The Hon. E.R. GOLDSWORTHY:** That is the sort of language with which his conversation was replete before they polished him up a bit to become Prime Minister. Hawke asked what is the sense of having a policy that will do bugger-all (I do not use that sort of language myself) about the world scene. We know Keating's stance is the same, and I know a former Minister in the New South Wales Government who takes the same stance. I know that the sensible elements within the Labor Party hold that view.

*Mr Mathwin interjecting:*

**The Hon. E.R. GOLDSWORTHY:** Yes, I know that. They are in this bind because of this policy. The thing that is most damaging is that here in South Australia we have the first mine of this type in the world to be closed down by a State Government. South Australia has made world history. The Provincial Government of Ontario in Canada has a policy not to allow uranium mining, but it will not mine it because there are no mines there. Mr Cain takes an anti-nuclear stance, and I will deal with that later. Mr Cain has brought in a Nuclear Materials Bill, the second reading speech of which is replete with falsehoods. He has introduced such legislation into a State that does not have any uranium mines.

What about Ontario's neighbouring socialist Province of Saskatchewan? It does very well out of uranium mining. I do not know of any other country in the world that has closed down a uranium mine. People overseas think we are lunatics. This is the only place in the world that has had part of an operating mine close down. We have created unemployment and stopped wealth. When I was in Canada, I saw the Premier of Saskatchewan: he told me that he was on the left of politics. He said that they have the enormous Big Lake Mine which is similar to Beverley, an open-cut mine, and they are doing very well out of it. South Australia is the only State of which I am aware that has closed down a uranium mine. We have certainly made history in the Australian context, and this Labor Government did it.

*An honourable member interjecting:*

**The Hon. E.R. GOLDSWORTHY:** Overseas, they think we are insane. If the Labor Party thinks that we are reflecting world opinion, let me draw its attention to what the communist countries and socialist Parties think about this. The thing that I find most unusual is the fact that the left wing of the Labor Party is opposed to uranium mining, those closest to the commos. It lends weight to my view that it is a subversive view in the case of a significant number of anti-nuclear people in this country. I refer to a publication of the South Australian branch of the Socialist Party of Australia. This is way off to the left: much of this paper is given over to examining points about disarmament, and it praises the Russians up to the sky for their part in trying to seek world peace. In relation to uranium this publication states:

A crucial factor in today's world is that leaving uranium in the ground is not effective in preventing the nuclear war danger. The

threat of a nuclear holocaust comes from aggressive imperialist policies, particularly those emanating from Washington, and not from uranium as such—

this is what the neo-commos are saying—

One argument, that uranium should not be mined because it is unsafe, ignores the highly developed modern techniques available for safe handling.

That is what the Socialist Party is saying. I cannot understand why the left wing of the Labor Party is so hooked on it. I refer now to what is happening in communist countries. I think all members receive a copy of the publication called *Soviet Export*. I do not think I am singled out for particular attention—

**Mr Mayes:** Ivanov dropped it off for you.

**The Hon. E.R. GOLDSWORTHY:** He may have done, but I do not think I am singled out for particular treatment by the Soviet bloc. I had to meet the Ambassador from Hungary while my Leader was away. I treated him with courtesy, and we got on just fine. I do not think I am a likely prospect for Ivanov and his ilk. The Soviet Foreign Trade bi-monthly—

**The Hon. Michael Wilson:** You are an important citizen, that is why they sent it to you.

**The Hon. E.R. GOLDSWORTHY:** It certainly comes direct to me. The thing that interests me is that the Soviets and their satellites will win the economic war if the West does not wake up. One of the important elements of that economic war is energy and its provision in quantity and at a price. What do the Soviets think about nuclear energy? The answer to that question, according to this publication, is as follows:

It is a well-known fact that the gross national product in per capita terms is proportional to the amount of energy consumed. Indeed, the latter is a sensitive indicator of the economic and social progress of any nation. Of primary importance in this connection is the choice and share of various energy-producing raw materials within a nation's fuel-and-power complex, and the efficient and intelligent usage, in a long-term sense, of energy sources. One of these is atomic, which acquired practical importance in 1954 when the world's first nuclear power station was put into service in the U.S.S.R. Atomic energy has since become increasingly important in the power industries of many countries. Today, nuclear power stations are in operation or under construction in more than 50. And we have every reason to expect the total capacity of such stations to reach 1 000 to 1 200 GW by the close of the century.

The extensive development of atomic energy facilities and the ever expanding geography of nuclear power stations open up promising prospects for deepening international co-operation in the peaceful uses of atomic energy pioneered by the Soviet Union.

As far back as 1955, the U.S.S.R. signed agreements with a number of countries on scientific and technical assistance in setting up nuclear research centres. In 1956—

nearly 30 years ago—

such agreements were signed with the G.D.R. and Czechoslovakia to help them build pilot nuclear power stations.

To facilitate the ever growing co-operation between the U.S.S.R. and other countries in the peaceful uses of atomic energy, a new specialised Soviet foreign trade organisation was established in 1973. For nearly 10 years now ATOMENERGOEXPORT, as the organisation is called, has been the sole Soviet exporter and importer of complete plant for nuclear research centres and nuclear power stations.

ATOMENERGOEXPORT helps to solve many diverse problems which its customers may face in developing nuclear research and power projects. This covers project survey and siting, design and engineering, supplies of complete plant, supervision of construction, erection and start-up by Soviet specialists, training of local personnel, and deliveries of spare parts and nuclear fuel.

In 1980, the trade turnover of ATOMENERGOEXPORT was 4.4 times up on the 1975 figure and is expected to double again by 1985.

Further:

ATOMENERGOEXPORT has assisted in the construction of 17 currently operating power-generating units based on VVER-440 reactors. Four of them are in operation at the Nord station in the G.D.R., four at Kozlodui in Bulgaria, two at Loviisa in Finland, four at Bognunice and one at Dukovani in Czechoslovakia,

and two at Paks in Hungary. Twenty more similar generating units are under construction in these and other countries today.

The nuclear power stations now in commercial operation display complete reliability and stability. All of them have shown the guaranteed performance, and in most cases even surpassed it. The operators trained at Soviet nuclear power stations are running the generating units competently.

The publication goes on to deal with the competitiveness of nuclear reactors, stating that they produce the safest and the cheapest fuel. I wish to refer to certain other aspects of this matter today.

In this House yesterday, the Premier said that much of what had happened on the Olympic Dam site on Monday could be laid fairly and squarely at the feet of the Opposition. I put these questions to the Premier: Why are the demonstrators at Roxby Downs at the moment? Why have some of them broken the law and resorted to violence? I refer the Premier to the handbook the organisers of this so-called non-violent protest issued to participants. It spells out their demands. The first demand is as follows:

State and Federal A.L.P. return to a strong anti-uranium policy, where there will be no uranium mining or other related nuclear activity.

These people are not demonstrating against the Liberal Party or because of anything the Liberal Party has done: they are demonstrating up there because of the divisions within the Labor Party. They believe that they might be able to influence the Premier because he is weak—because his Government has been completely hypocritical on this uranium question.

Members will recall that it was the Premier who, for three years, led the opposition in this House to the Roxby Downs project. Last year, he called it a mirage in the desert. In the *Advertiser*, on 9 December 1981, the following report appeared about the Premier's attitude to Roxby Downs:

As he sees it, Roxby Downs, far from being the saviour of the State's economy, could well be a total disaster.

Yet, less than a year later, the same newspaper, on 29 November 1982, quoted the Premier as follows:

It's a project which I believe in the interests of South Australia, should go ahead.

Those statements are completely incompatible. It is little wonder that the demonstrators at Roxby Downs today believe they may be able to change the Premier's mind yet again. The Premier's outburst yesterday about the activities of the Liberal Party will convince no-one. It was the Liberal Party that fought for this project when the Premier and the Labor Party were doing everything within their power for three years to wreck it.

**An honourable member:** What are you reading?

**The Hon. E.R. GOLDSWORTHY:** If the honourable member does not understand why I am reading it, I will tell him later. It is the Liberal Party that is still fighting for a viable and job creating resource development industry in South Australia which would include the opportunities available not only at Roxby Downs, but at Honeymoon and Beverley and in uranium conversion and enrichment as well.

The Labor Party is so concerned with pandering to every single-interest group that bobs up that the progress of this State and, with it, the creation of jobs for our young people is being seriously retarded. This House must be under no illusion that there are people at Roxby Downs today who do not give a damn about the future of South Australia. They do not even live here. They are members of a growing industry—professional protesting—attempting to wreck a growing industry—resource development. Fresh from their success in Tasmania, they have come to South Australia to continue their participation in the economic war—to stop progress everywhere.

I make clear that the Liberal Party does not dispute or deny the right of people to demonstrate, provided that they do so peacefully and legally, but some of the actions at Roxby Downs this week have completely exceeded the bounds of accepted behaviour. They are protesting with violence against what could become the world's largest uranium mine. I have no doubt, therefore, that their activities are receiving considerable publicity overseas.

Japan, which is looking to Australia as a secure, stable supplier for its expanding nuclear power programme, will increase its doubts about our reliability. Russia, for other reasons, will also be interested. That country already has access to considerable uranium reserves for its nuclear power programme. Anything that can be done to impede the Western world's access to energy supplies will favour the Eastern bloc. Energy supplies will be a crucial factor in this economic war. I am sure that some of the people participating in the Roxby Downs blockade have considered that fact. I am also sure that some of them are well aware of the consequences of preventing us from developing our resources. They want to see us slip behind in economic development so that we will lose the economic war.

I intend later to deal with other matters referred to in the motion. Recently, one of the principals in the Beverley mining project had something to say on this matter. I remind members that the Commonwealth Government guidelines ensure that overseas interests shall hold no more than 25 per cent of the equity in a uranium mine. One of the significant overseas interests in the Beverley mining project is tied up with the American concern of Phelps-Dodge, and I shall refer to that matter later.

I also want to deal later with the matters of uranium conversion and uranium enrichment, where South Australia was well to the fore. On that occasion I want to outline to the House how the Labor Party has turned its back on another billion dollar project concerning uranium enrichment. It has turned its back on that and it has turned its back on a uranium conversion plant which the people of Port Pirie, including the Mayor (who admits that he is a Labor Party member), wanted to grasp with two hands. That will mean a consequent loss of investment and jobs and opportunity for South Australia, having regard to the multiplier effect. Little South Australia had a chance of becoming a world force in this industry. I intend to develop those themes on a later occasion. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

#### POLICE OFFENCES ACT AMENDMENT BILL

**The Hon. D.C. WOTTON (Murray)** obtained leave and introduced a Bill for an Act to amend the Police Offences Act, 1953-1981. Read a first time.

**The Hon. D.C. WOTTON:** I move:

*That this Bill be now read a second time.*

The introduction of this Bill demonstrates the determination of the Liberal Party in its policy to preserve law and order in this State. The community generally is very concerned with the increase in violent crime and the effect of that crime on the victim and the families of the victim. This Bill provides a balance between reasonable powers for the police to apprehend criminals and bring them to justice, on the one hand, and the protection of the liberty of the citizen, on the other hand. It should be stressed and made quite clear that these increased powers of police will have little or no effect on the law-abiding citizen. They are given in the recognition that if police are to effectively discharge their onerous and increasing commitment to criminal inves-

tigation, they require positive and contemporary legislative powers.

This Bill contains several significant measures. The first is that the police are given extended powers to stop, search and detain without warrant, vehicles and persons reasonably suspected of conveying or carrying evidence as to the commission of a crime. The police powers under existing legislation are limited to stopping, searching and detaining vehicles and persons reasonably suspected of conveying or carrying stolen goods. This is quite restrictive as there are many occasions where police stop a person or vehicle suspected of being involved with the commission of a crime and the current limitations prevent them from obtaining evidence. This could apply in instances of rape, murder, kidnapping, child molestation and the carrying of bombs or weapons where examination of firearms, fibres, paint chips, earth samples and other articles could assist to prove innocence or guilt.

The Mitchell Committee in 1974 concluded that reform was necessary in this area of the law and recommended that a period of detention of up to two hours be granted to police to conduct inquiries concerning possession of the relevant articles or evidence by a person. The need for reform in this area was also noted by the Australian Law Reform Commission and the United Kingdom Royal Commission on Criminal Procedure.

The Bill allows police to detain a person, reasonably suspected, for longer than two hours, but (as a safeguard to the person) approval to do so must be granted by a justice of the peace. Also, 'reasonable suspicion' must be based on justifiable facts. Any abuses would be actionable. The second major provision of the Bill relates to extending powers of police to obtain the names and addresses of persons whose identity is unknown to a police officer, but whom the police officer believes may be able to assist in inquiries in relation to an offence. This need was once again the subject of comment by the Mitchell Committee and also the Australian Law Reform Commission. The need arises in at least three distinct contexts.

The first is where the police, knowing that a crime has been committed, and seeking to discover the author of it, wish to interview all those who may have been in the vicinity at the time. The taking of names and addresses for subsequent follow-up is a far more satisfactory way of coping with this than seeking to detain what may possibly be a large number of people for interviews on the spot.

The second context is where the police do not know that an offence has been committed but think it might have been, and wish to interview all those who may have been witnesses to it. The classic example of this is the traffic accident situation, where witnesses are often reluctant to co-operate with inquiries, not because of any potential culpability, but simply because of the inconvenience involved in attending court hearings.

The third context is the situation where the police think an offence may be about to be committed. For example, they may see someone standing in a shop or factory doorway late at night. Invariably, the police practice is to question the person to obtain name and address, even though formal power to do so may be totally lacking.

The third significant area of reform is the provision of a fixed post-arrest period of not less than four hours where a person may be held in police custody prior to being formally charged. The principal Act is very restrictive in that upon apprehension, there must be delivery forthwith (and I emphasise that) into the custody of the officer in charge of the nearest police station. This requirement has proven to be a serious impediment to the full and proper investigation of crimes. The impediment to police is the inability to detain and question a person or have an arrested person

accompany them on related inquiries. An example of this related to Colin Creed, a former Adelaide detective. The police, I am informed, had a certain amount of information about Creed but not enough to formally charge him. This enabled him to escape to another State. If this provision had been available to police, they would have been able to detain him longer, so obtaining further evidence.

Police are both entitled and bound to ask questions of any person from whom they think useful information can be obtained. However, section 78 of the law relating to arrest procedures precludes this from happening. Commissions and committees which have sat to consider criminal procedure and associated topics have recognised this problem facing police.

The difficulty has also been highlighted on a number of occasions and is the continuing subject of comment by the courts called to consider the existing restrictive nature of the current law. In fact, police investigators have become so sensitive to the stringent application by the courts of section 78 that arrests for suspects have on occasions been delayed. This occurred in the recent case of Miller (Truro murders) where suspicion about him had arisen and investigators desired to locate and question him. They refrained from circulating that information throughout the Force fearing that he would be stopped by a patrol crew on routine duties and arrested, thereby preventing further inquiry into the matter. Instead, Miller was sought by relatively few police, and when sighted, was kept under observation until investigators, sufficiently briefed with the facts, could attend. Obviously, such delays are undesirable. As it was, criticism was levelled by the court that the subsequent removal from the cells of Miller, with his permission, to show police the grave sites of two other victims was in effect not lawful. The court expressed considerable sympathy with the actions taken by the police and pointed out the inadequacy of the existing law which had prevented the police from carrying out necessary and logical inquiries.

In another court ruling, the inadequacy of section 78 was once again referred to by Her Honour Justice Mitchell in *R v Killick* (S.A. Supreme Court, delivered 4 April 1979). Her Honour stated:

... while this is no place to ruminate upon necessary reforms to the criminal law, it does seem to me that there is a case for giving the police power to do legally what nowadays they can do only illegally and what this case has illustrated they do in fact do illegally, although possibly with the best motives in the world.

A recent case of *R. v Mark Pickford* raises questions about the powers of police. In that case a suspected drug offender was invited by the police to accompany them to a police station to assist with inquiries. He agreed to do so. However, Mr. Justice Millhouse ruled at his trial that the point of that request by the police and the agreement of the accused was the point of arrest, not later when the police formally arrested him. The difficulty that this interpretation raises for police inquiries into criminal activity is that the record of interview taken between the event of accompanying the police to the police station and the formal arrest was excluded from the trial of the accused, and it should also be noted that this occurred notwithstanding that the judge did not believe the suspect's story of the events leading up to formal arrest. Because of these difficulties, provision has been made for a fixed post-arrest period of four hours where a person may be held in police custody prior to being formally charged. An extension on that time of up to eight hours can be made by a magistrate, but beyond that time approval must be sought from a judge.

The reason for the decision to adopt a post arrest power of detention in favour of a pre-arrest power, is that it provides greater individual safeguards. It prevents people from being detained for purposes of questioning unless the

police can legally arrest—that is, they reasonably suspect the person is committing, has committed, or is about to commit an offence. The only change will be that once the person is arrested there will be some statutorily allowed period for further inquiries (to help ascertain the guilt or innocence of the person) before the person is charged or released, as the case may be. There is also provision for a prisoner to be released from detention in the cells to the custody of police to make further inquiries. However, this can be done only upon the order of a special magistrate or judge. These new procedures will overcome many of the problems the police have had to deal with, such as those encountered in the Miller case.

The fourth area of major reform relates to the power of police to search, examine and take particulars from persons in custody. The main difficulty with section 81 of the principal Act is that it is too restrictive in its application, particularly in the acquiring of forensic material which provides the most conclusive and least subjective method of proving or disproving a fact in issue. It presently permits an 'officer in charge' of a police station or a police officer of or above the rank of sergeant to order fingerprinting, photographing and the taking of other particulars of persons in custody but only where that police officer deems it necessary for the identification of that person.

The Mitchell Committee believed that the police should have the power to fingerprint and photograph any person in custody upon a charge of committing an offence. Provision is made for this in this Bill. Provision is also made for an arrested person to give a sample of handwriting at the request of police. Where the charge against the person is withdrawn, or where they are not convicted, any photographs, fingerprints or sample of handwriting must be destroyed. A new provision is inserted dealing with the problem that arises where the driver of a motor vehicle is arrested and there is no-one at hand to take charge of the motor vehicle. The Bill provides that, in this situation, the police may remove the vehicle to a place of safe custody if the driver of the vehicle is unable to nominate another person to make arrangements for its removal. The vehicle may then be recovered by a person lawfully entitled to possession on payment of reasonable charges for removal and storage.

Clauses 1 and 2 are formal. Clause 3 amends section 68 of the principal Act. The amendments relate to the power of a member of the Police Force to stop, search and detain a vehicle or person. At present the provision relates only to stolen goods and the amendment expands its operation so that it covers not only stolen goods but evidence of commission of the offence or an object possession of which constitutes an offence. The amendments deal also with the duration of the detention that may be enforced under this section. Proposed subsection (3) provides that a detention authorised under section 68 shall not exceed two hours unless a justice authorises an extension of that period, in which case the detention shall not exceed the period fixed by the justice. Subsection (4) provides that where an object or thing is taken from a vehicle or person in the course of a search it must be returned at the conclusion of the search unless it constitutes evidence of the commission of, or is otherwise related to, an offence or its retention is authorised by a justice. Subsection (5) provides that where a justice authorises retention of an object or thing under subsection (4) he must fix conditions for its return.

Clause 4 enacts new section 75a of the principal Act. This new provision provides that where a member of the Police Force has reasonable cause to suspect that a person has committed, is committing or is about to commit an offence, or that a person may be able to assist in the investigation of a suspected offence, he may require that person to state his full name and address. The provision expands the existing

powers in section 75 which permit such a requirement only where the person to whom the requirement is directed is suspected of an offence. If a person refuses or fails to comply with a requirement under the new section or furnishes false information or produces false evidence he is to be guilty of an offence and liable to a penalty not exceeding \$1 000 or imprisonment for six months.

Clause 5 amends section 78 of the principal Act. This section deals with the requirement that a person upon arrest be taken forthwith to the nearest police station. New subsection (1a) provides that a member of the Police Force may defer bringing a person to the nearest police station for so long as may be necessary to enable him to complete his investigation of the suspected offence up to a maximum period of four hours from the time of apprehension. Subsection (1b) provides that during the intervening period the offender may be taken from place to place for purposes relevant to the investigation of the suspected offence. Subsection (1c) provides that a special magistrate or a judge may on application by a member of the Police Force extend the period of four hours referred to in subsection (1a) but that period is not to be extended beyond eight hours except by decision of a judge. Subsection (1d) provides that in calculating the time that has intervened between the time of apprehension, any delays occasioned by requests of the person apprehended that the investigation should be carried out in the presence of a solicitor or other person shall not be taken into account and the actual travelling time that it would take to convey the person apprehended from the place of apprehension to the nearest police station is to be subtracted from the time that has elapsed from the time of apprehension. Subsection (1e) provides that a person who has been delivered into custody at a police station, may on the authorisation of a special magistrate, District Court judge or Judge of the Supreme Court be temporarily removed from that custody to the custody of a member of the Police Force for purposes related to the investigation of an offence. Subsection (1f) provides for telephone applications to be made in relation to the extension of the period referred to in the previous subsections or for granting authority for a person to be removed from custody at a police station.

Clause 6 enacts new section 79a of the principal Act. This new clause empowers a police officer, upon arrest of the driver of a motor vehicle, to take the vehicle into safe custody if the driver fails to nominate another person to do so, or if the person nominated cannot be contacted or fails to remove the vehicle. The driver is to be informed of the place to which the vehicle has been removed and may recover it on payment of the reasonable costs of removal and storage.

Clause 7 amends section 81 of the principal Act. This section presently relates to power to search and examine and take particulars of persons in custody. Subsection (4) is amended to provide that where a person is in lawful custody on a charge of committing an offence a member of the police force may take or cause to be taken photographs and fingerprints of that person and may use or cause to be used such reasonable force as is necessary for the purpose. The present provision only allows such photographs or fingerprints to be taken when the identity of the person is in doubt. New subsection (4a) provides that the police may request an arrested person to provide a sample of handwriting. If he refuses to do so, he commits a summary offence. New subsection (4b) provides that where photographs, fingerprints or samples of handwriting are taken under the section, and the charge against the person is withdrawn or the person is not convicted upon that charge,



all such photographs, fingerprints and samples must be destroyed.

Mr GROOM secured the adjournment of the debate.

### NATURAL DEATH BILL

Ms LENEHAN (Mawson): I move:

That the Natural Death Bill, 1983, be restored to the Notice Paper as a lapsed Bill, pursuant to section 57 of the Constitution Act, 1934-1982.

Motion carried.

### SELECT COMMITTEE ON SOUTH AUSTRALIAN LOCAL GOVERNMENT GRANTS COMMISSION

The Hon. B.C. EASTICK (Light): I move:

That—

- (a) a Select Committee be established to inquire into and report upon all aspects of the guarantees given to the Mount Barker, Strathalbyn and Meadows councils in respect of South Australian Local Government Grants Commission funds, and alternative sources of funds, and all aspects of assistance given to councils involved in earlier amalgamation arrangements;
- (b) the Committee be so structured as to be chaired by the Premier or, alternatively, the most senior House of Assembly Minister available and comprising the Leader of the Opposition or his most senior shadow Minister available in the House of Assembly, and three other members in accordance with practice, but excluding any member who served on the Select Committee on the Local Government Boundaries of the District Council of Meadows;
- (c) the members of that Select Committee be required to attend as witnesses if so requested to by this committee; and
- (d) the Select Committee be required to report on the likely consequence of any future local government amalgamations or adjustments being able to succeed without there being a clear undertaking that the abnormal costs associated with the particular Parliamentary directions will be provided from Grants Commission or Department of Local Government funds.

In putting this motion to the House, I point out that it is not taken provocatively nor without a great deal of thought and concern for what is a serious business for local government (I refer to local government generally and not simply the three councils central to this issue). The issue has components in three main areas—the past, the present and the future. Before attempting to arrive at the latter, which is the most important for all concerned (particularly local government), it will be necessary to systematically consider the other two. On 8 December 1982—the very first day of this Government's Parliamentary sittings—this House established a Select Committee on Local Government Boundaries of the District Council of Meadows. The substantive motion is recorded in *Hansard* on pages 34 and 35, as follows:

That a Select Committee be appointed to inquire into the boundaries of the District Council of Meadows with particular reference to the urban and rural characteristics of the area and adjoining council boundaries.

On behalf of the Opposition I supported the motion and said:

... the Opposition is prepared to accept the motion without further debate at this juncture... because it is apparent that, when the committee reports back to the House, if there are any questions which are unresolved or any arguments which need to be put forward during the noting of that report, that action can be taken.

The House appointed to the committee the Hons W.E. Chapman, B.C. Eastick, and T.H. Hemmings and Messrs Ferguson and Mayes. It should not go unnoticed that four of the five nominees have had local government experience—

two of them as Mayors of their respective local government bodies.

The issues to be discussed and investigated by the Select Committee were not in unknown territory. The ability to understand and appreciate the points arising during the inquiry was enhanced by the individual and combined backgrounds of the committee members. In saying that, I in no way belittle the efforts or actions of the fifth member who played a vital part in the total role. The committee duly visited the areas involved and took evidence from a wide circle of interested parties, as appendix A of the Select Committee's report shows. Apart from these oral submissions, a considerable number of written submissions were received and considered by the committee. After receiving evidence and exhibits the committee had no difficulty in agreeing unanimously that some rural areas of the Meadows district council should be excised and amalgamated with the Mount Barker and Strathalbyn councils. However, this decision was not made without a considerable amount of attention being given to the future employment of all existing Meadows district council staff.

The extent to which the committee agonised over this issue is quite apparent from its recorded minutes on pages 183 to 234. I refer to the evidence of Messrs Marks and Saltmarsh of the Municipal Officers Association (at pages 183-205) and Messrs Cameron and Cambridge of the A.W.U. (at pages 206-234). These men appeared before the Select Committee and discussed quite openly and effectively the difficulties existing amongst staff because of the rumour-mongering generated within the Meadows council. I refer members to the debate when the committee's report was brought before the House for noting; the report clearly indicates the committee's concern relative to the actions of one council officer in particular. The Select Committee report and comments made during the debate acknowledge the important role of members of the Local Government Department in relation to this issue. The actions of the local government officers was appreciated and understood by members of the committee—that is on the record.

While the transcript to which I have referred from pages 183 to 234 attest to the time spent 'on the record' relative to this issue, members of the House need to accept that the committee members and support staff spent a great deal of time determining that, in any decision to excise and amalgamate, not only did the staff's position need to be protected but the individual council's ability to meet their financial commitments in the action being directed upon it (and I stop short of saying forced upon it) by, first, the committee and then the Parliament also had to be considered. A significant element in the committee's acceptance of the eventual course of action taken was the knowledge initially gleaned from evidence given at page 13 by Dr McPhail—

Through the Grants Commission mechanism we usually take this (financial needs) into account and give them a bit extra to cope with that—

and subsequently by assurances given within the committee deliberations by the Minister and his officers. To suggest that any member of the Select Committee (the Minister, the members for Unley, Henley Beach, Alexandra or I) would peremptorily arrive at a conclusion about amalgamation with its inherent financial implications (more particularly as they relate to salaries and wages) without guaranteeing safeguards is to suggest that individually and collectively we were fools. I do not accept that in respect of members opposite, and I trust that they do not accept that of members on this side, nor do I accept that such an act of irresponsibility and crass shortsightedness existed in the committee's decision and report to this House. Quite clearly, that position did not exist. At the outset, I referred to my acceptance on the part of the Opposition and said

that, if any questions were unresolved or if arguments needed to be put forward during the noting of that report, such action could be taken. Reference to the debate in this House on Tuesday 19 April 1983 (pages 864 to 875) clearly indicates the satisfaction of the members with the result.

I refer to the member for Unley's contribution on page 867, as follows:

The Committee carefully considered how those future councils (Mount Barker and Strathalbyn) might operate, not only from a financial point of view but also from the point of view of a service to ratepayers and residents.

I endorse that. Obviously, the Committee, as indicated by the member for Unley, was concerned about financial stability and viability. It spent a considerable amount of time on that issue, more importantly, after it had the benefits of the information from the M.O.A. officers and from the A.W.U.

The honourable member further spoke of ensured job security (in fact, we all did) and about the importance of 'not placing employees in no-man's land'. Realisation that such a position should not occur was uppermost in the minds of every member of the Committee and, only when we were guaranteed that that would not occur, was the final approval given to the proposal which, to that stage, had been an acceptance in principle pending clarification of financial support if necessary. The member for Alexandra made the following contribution at page 870:

At the end of the current financial year, during or at the end of the next financial year, and if it is still faced with the problem in later years it can approach the Grants Commission. In fact, I am aware of a conversation that has already taken place between Meadows councillors and principal members of the staff and the Chairman of the South Australian Grants Commission, Dr Ian McPhail. That very point has been solicited and canvassed at that level. In turn, Dr McPhail has explained to councils the avenues that they should explore if they found themselves later in a difficult financial position.

There are many other references. However, the statements to which I have referred were made on the floor of this House. They were made in the presence of the Minister, other members of the committee, Ministerial staff and the council concerned. Those statements have never been challenged, nor has there been any attempt by Ministerial statement, letter or discussion to temper them in any way. The member for Henley Beach, who supported the action taken, said (at page 871) he was—

... enjoyably surprised at the harmony and at the way the job was tackled in a bipartisan way.

At page 872 he supported:

the recommendations for giving job security and the maintenance of existing benefits to the current staff of Meadows council.

That was a commitment which would not have been possible without the clearest understanding that the funds to achieve the guarantees were available. Following consideration of the recommendations through both Houses and the necessary proclamations by His Excellency, some local difficulties arose, to which the local press has referred. The *Mount Barker Courier* of Wednesday 25 May 1983, under the heading 'Meadows boundary reshuffle—problems loom for Mount Barker council', stated:

Major problems may be looming for Mount Barker council as a result of the Meadows boundaries reshuffle. Under the terms of the proclamation of the new boundaries, Mount Barker council is required to take on every employee currently working from the Mawson Road depot at Meadows ... almost doubling its outside work force.

Further in that article, a reference was made to Mr Walters, who is the District Clerk of the Mount Barker council, as follows:

Mr Walters stressed that Meadows council had been extremely co-operative and all concerned were keen to see the boundary changes take effect with as little disturbance as possible. 'We

certainly do not want anyone to lose their jobs,' he said, 'but neither do we have unlimited funds.'

An article in the *Mount Barker Courier* on Wednesday 1 June, under the general heading 'Mount Barker council threatens to resign—boundary annexation problems—extra staff would lift rates 28 per cent' again quotes Mr Walters as follows:

They could not support a 28 per cent increase in rates to pay for the additional work force—apart from any other increases due to inflation etc. . . .

The report continues:

Mr Walters stressed that the council was doing all in its power to resolve the situation; however, if matters were not finalised satisfactorily by 1 July, then council had stated it was prepared to resign from office.

It is a most unusual thing for a local government body to be prepared to go out. It would take such action only where there was a clear concern about a problem which had been foisted upon them, which was not of their own making, and with which they could not come to grips because of the overall difficulties involved. In the *Mount Barker Courier* of Wednesday 29 June, under the heading 'Hectic rush to finalise changes', it was stated that there had been the need to hold a special meeting of the three councils because of the difficulty that had arisen over a proclamation by His Excellency which had been directed to his attention by this House initially by the Select Committee but which had a flaw in its practical application. No-one is criticising the fact that with all the work that had to be undertaken an unfortunate error was made, but the councils complied with the proclamation and did what they could to overcome the difficulties. That article of 29 June also stated:

These hasty moves were caused by the discovery last week that the Select Committee appointed to report on the boundaries had made an error in its recommendations.

I have accepted that an error was made in that matter, and I say to this Parliament, to local government generally and to the people of this State that there was no flaw and there was no error in the recommendations that the committee arrived at in relation to the guarantees to the councils that they would be able to continue the employment of the people who were already employed and that where necessary assistance would be available to achieve that end result. Under the heading 'New councillors take their seats', the *Courier* on 6 July 1983 said:

Speaking after Mount Barker's meeting, district clerk, Mr R. Walters said most matters had now been resolved satisfactorily.

That was an indication that with all the hurley-burley the councils believed at that stage that they had reached a final resolution. That was not to be, as the subsequent events unfolded. The present situation arose because the local government authorities of Mount Barker and Strathalbyn areas justifiably and completely naturally identified their concerns to their local members that funding decisions important to their ratepayers, and indeed to the conduct of the council's financial affairs, were not forthcoming. Because questions relevant to these issues were raised in this House calling in question the failure of significant financial undertakings given to this House by way of a unanimous Select Committee report prepared on the basis of guaranteed financial support, the Minister of Local Government sought in this House to distance himself from a series of events of which he was and remains an integral part.

Concern about this irresponsible stand-off is evident from recent *Hansard* reports, in particular, questions and answers on pages 401 and 402 on 23 August 1983; a Ministerial statement on 24 August (page 458 of *Hansard*); questions and answers between pages 461 and 465; personal explanations on pages 466 and 467 on the same date; then an urgency motion on Thursday 25 August, the full report of which appears between pages 518 and 525 of *Hansard*; and

again as part of the member for Alexandra's Address in Reply speech between pages 530 and 533.

I refer in detail to only one part of that extensive record: the Ministerial statement. Referring to Dr McPhail's position, the Minister of Local Government said that 'an error of judgment had occurred' in either direct or indirect negotiations with the councils of Meadows, Mount Barker and Strathalbyn. The Opposition believes that the error of judgment was made not by Dr McPhail but clearly by the Minister, who had been an active party to the general if not the particular circumstances of Dr McPhail's discussions.

Dr McPhail was clearly acting at the behest of the Minister and the Select Committee of which the Minister was a member, and it is not difficult to extend the authority for Dr McPhail's actions to the directions of this House and of this Parliament, because both endorsed the well spelt-out intentions expressed at the time of reporting and noting.

The Minister's 'grave error of judgment' has been in accepting or even expecting Dr McPhail's resignation. I trust that the Premier and the Cabinet who apparently, by reason of the answer I received from the Premier this afternoon, have not yet considered this matter seriously, will countermand that immature decision before irreparable harm is done to local government now and more particularly (because some damage has already occurred) in the future. The future should be our major concern. Indeed, it is the reason for the course of action advocated in the motion, which I trust, for the sake of local government, will have the unanimous support of the House.

I did not lightly suggest the possibility of a judicial inquiry when addressing the urgency motion last week. I draw to the attention of the Minister of Local Government and of all other members a situation that arose in this House in 1974, when I drew to the attention of the House and to that of the people of South Australia the activities of a Government employee who was making money on the side in relation to his employment in the State Planning Authority. I was then ridiculed on the floor of the House and challenged by the Premier and his Ministers. In this respect, members may wish to read the Ministerial statement by Hon. Glen Broomhill (then Minister of Environment and Conservation) on 10 September 1974 (*Hansard*, page 813), as well as the Minister's statement on 11 September 1974 (*Hansard*, page 863), when the same Minister announced the appointment of a Royal Commission to inquire into the statements made by me, as the then Leader of the Opposition, on those matters.

I refer members also to the *Parliamentary Blue Book* volume 4, for 1974-75 where Parliamentary Paper 166, outlines the results of that Royal Commission and shows clearly that the claims made by the member for Light on the issues at stake had been found proven. I am sure that, be it a judicial inquiry or a Select Committee of the House as is advocated by the motion, it will bear the same result. There has been a walk-away from reality to the detriment of local government, and a walk-away from reality on behalf of local government is not something that any member of this House, certainly the Minister himself who has the oversight of this area of responsibility, should accept or even tolerate.

As I have pointed out, it is an important issue. The motion as put to the House is divided into four simple parts: the first part identifies the problem; the second indicates a manner whereby at senior Parliamentary level, that is, at the level of Premier or the most senior Minister available, the Leader of the Opposition or the most senior shadow Minister available, together with other members, these issues can be addressed. The third part of the motion gives a clear indication that members of the original Select

Committee should be required to appear to make available to the proposed Select Committee their knowledge of events associated with this whole sorry issue. The fourth part of the motion provides that the Select Committee should be required to look at the future of amalgamation and adjustment programmes.

There is no argument at all but that there is an urgent need for some adjustment in the whole area of local government. If the matter to which I have referred is allowed to continue, with questions and queries relative to it remaining unanswered (questions that the Minister has fanned), the future of amalgamations and adjustments to local government boundaries is in serious jeopardy. That is a situation that members of this House should not be prepared to accept. I seek the unanimous support of all members of this House in overcoming what will be a festering sore in the side of local government for ever and a day unless positive action is taken to correct the issue.

**The Hon. T.H. HEMMINGS** secured the adjournment of the debate.

### NORTH-SOUTH TRANSPORT CORRIDOR

**The Hon. D.C. BROWN (Davenport):** I move:

That this House condemns the decision of the Government to scrap the north-south transport corridor as the decision will cause major transport problems especially for the southern metropolitan region, and, furthermore, this House calls on the Government not to sell or dispose of any land necessary for the construction of this corridor.

When the State Government and, in particular, the Minister of Transport announced the Cabinet decision of 20 June to scrap the north-south transport corridor, I think it is fair to say that the community and those people who have an interest in that corridor were stunned. They were staggered that such a fundamental and important decision could be made by the Government without any consultation with the community at large or any indication that it was even considering such a decision. In regard to the Government's decision to sell off the land that had been acquired over a 20-year period for the construction of a transport corridor, I think it is fair to say that I perceived a feeling of anger throughout the community that land purchased over 20 years for the benefit of future generations of South Australians should be so lightly (based on a decision which is obviously wrong) sold off for political gain and for the monetary gain of the Bannon Government.

During the weeks since that decision was announced I have had the opportunity to go through the various reports and to discuss the matter with the councils involved and to put together information that I think demonstrates conclusively that the Government made the wrong decision. The corridor should never have been scrapped. Furthermore, the decision to sell off the land will do irreparable harm to the long term transport planning of Adelaide. I will deal with those issues in more detail. First, there can be no doubt that there is growing opposition to the scrapping of the north-south transport corridor. The Government's decision is opposed by 12 councils, namely, Willunga, Noarlunga, Meadows, Marion, Brighton, Unley, Mitcham, Prospect, Enfield, Woodville, Munno Para, and Salisbury. Those councils stretch from the very south of Adelaide to the very northern areas. Despite the attempt of the Bannon Government to sell this decision, that reaction demonstrates the wide spread anger and disappointment that exists within the community, particularly in regard to local government, which is already starting to feel the effects of traffic congestion on major north-south roads. Only four councils have

supported the Government's decision (some having given only qualified support), namely, West Torrens, Hindmarsh, Thebarton, and Elizabeth.

Two local government regions, the central region and the southern metropolitan region, have opposed the decision to abandon the north-south corridor. I understand that western metropolitan region may have also expressed some opposition. Growing opposition to the abandonment of this project has been expressed in various local newspapers, particularly in community newspapers published by the Messenger Press. I take as an example the *Community Courier*, a newspaper published mainly in the Mitcham and Unley areas (areas I would have thought are less affected by this decision than many areas further south). It is interesting to see the headlines that appear week after week in these papers, all largely opposed to the decision.

The first newspaper article reports the Minister of Transport, Mr Abbott, as saying that the corridor was not needed. On the same day, the Unley Road Traders Association stated that the decision was bad news for traders in Unley. Another paper ran an article under the headline 'Freeway axing angers traders', as follows:

South Road Traders Association members fear heavy traffic increases along the road will force many small businesses to close down.

The article then goes on to record the traders association's strong opposition to this decision.

I am pleased to see that the Government Whip is in the House at the moment, because he must share some responsibility for this foolish decision. I refer to another article headed 'Council slams freeway action'. The article refers to the Unley council, which blasted the State Government for its *ad hoc* handling and action in relation to the north-south freeway. Another article headlined, 'Mayors in freeway fight' describes the Mayor of Mitcham joining with other mayors from the southern districts at a meeting with the Premier (at which the member for Ascot Park was also present) to express their strong opposition to the State Government's decision about this corridor. It is also interesting to note that the executive of the highest local government body in this State, the Local Government Association, passed a strong motion opposed to the decision on 18 August, as follows:

- That the State Government be informed that this Association:
- (a) deploras the absence of consultation that was promised prior to a decision on the future of the north-south transport corridor;
  - (b) is gravely concerned that a decision has been made to dispose of the corridor concept;
  - (c) believes that an additional north-south road facility will be needed and that a suitable route should be retained on the development plan; and
  - (d) requests that, as a matter of urgency and before a supplementary development plan is prepared, the Government and those councils involved jointly evaluate alternative treatments to cope with future traffic growth.

I understand that that resolution was passed almost unanimously by an L.G.A. executive meeting and that it had the support of the Mayor of at least one of the councils supposedly in favour of the Government's decision to scrap the north-south freeway. That indicates the level of feeling building up in relation to this matter. In fact local government bodies throughout the State are almost unanimous in their rejection of this poor Government decision. I turn now to the comments of the Royal Automobile Association, a body representing over 400 000 motorists in South Australia (about a third of the State's population). The front cover of the R.A.A. September 1983 journal, *South Australian Motor*, shows a most vivid and explicit drawing.

Mr Trainer: Try 'lurid'.

The Hon. D.C. BROWN: No, this is the most vivid and explicit drawing I have ever seen on the front of the R.A.A.

magazine. There are three large arms coming down and strangling traffic going along a highway, with a headline 'Strangling Adelaide's traffic'. The lead article is headlined 'Chaotic vision' and states:

The State Government lacked vision and confidence in the future of South Australia by deciding to abandon the north-south transport corridor in Adelaide. Its blinkered and short-term decision to scrap the plans for an essential additional road link between northern and southern suburbs, and to sell the land, painstakingly acquired over many years for its development, displayed a lack of faith and commitment to the State. The Government's move has effectively confined future north-south traffic to using the already bottle-necked South Road, and other parallel routes.

The article continues and damns the entire decision, especially that part of it which decides to sell off the land. I could express other community opposition, but I have covered a broad range of community bodies and it certainly highlights the opposition.

The Government has decided to scrap the north-south transport corridor without having considered what alternatives should be adopted to cope with existing and future traffic problems. I find it astounding that a State Government should make such a fundamental and irreversible decision to scrap a transport corridor without coming up with the alternatives. When the Minister of Transport announced the decision in June, he admitted that alternatives were still being investigated. He said:

Should future needs dictate, further capacity in the network could be achieved by extending clearway operation, further traffic signal co-ordination, reversible flow lanes and one-way operation.

What an incredible statement to come from a Minister of Transport! I add that I am disappointed that the Minister is not in the House this afternoon to hear this debate on what must be the most fundamental traffic issue that Adelaide has faced for 20 to 30 years. Those proposals that the Minister has outlined only tinker with the system, and certainly it will not be able to handle the 60 000 vehicles a day that will eventually occur as an overflow of the existing road system. The Minister has already rejected three of these options, that is, extended clearway operation, reversible flow lanes and one-way operation for South Road, when he announced the development proposal in March. The Minister is being totally inconsistent. On the one hand, he says we can adopt these various proposals to overcome the problem and yet he has already made a decision which will cut out three of the four proposals for the major road.

Mr Mathwin: Did the Minister say anything about Morphett Road?

The Hon. D.C. BROWN: No, he did not. The Premier, when he met with seven mayors on 16 August, agreed that the work on the alternatives must be done now and that the councils would be consulted. Quite frankly, the councils do not accept that; they were not consulted on the original decision, and they do not believe that they would be consulted on any further proposal looking at the alternatives.

Mr Mathwin interjecting:

The DEPUTY SPEAKER: Order! The honourable member for Glenelg should not be mentioning anything, either.

The Hon. D.C. BROWN: Imagine any Government scrapping a transport corridor and selling off the land that has taken 20 years to buy before it has formulated alternatives. It highlights the fact that the decision was made on political grounds rather than on transport logic. The population projections indicate that the existing road system, even with improvements, will not be able to handle the traffic load after 1990 in the Darlington area, and after 1992 on Anzac Highway. This is only seven and nine years away respectively. These population projections show that between 1981 and 1991 the population of the southern suburbs of Adelaide (the area proposed to be serviced by the transport corridor) will increase by 46 per cent in contrast to Adelaide's

total population, which is expected to increase by only 8.9 per cent in the same time.

These population projections were the figures released by the Department of Environment and Planning in March 1982. They are the figures used by the Highways Department when determining last year that the north-south transport corridor was needed. The figures show the increases in population for specific councils in the southern area. I am sure that the member for Brighton would be very interested in this, as she has been so silent on this issue so far. She knows that that decision is doing enormous political damage in her electorate. The population of part of Marion will increase from 5 850 people in 1981 to 15 600 in 1991—almost a 200 per cent increase; the population of parts of Meadows will increase from 19 900 in 1981 to 31 300 in 1991—an increase of 57.3 per cent; Noarlunga's population will increase from 59 350 in 1981 to 76 400 in 1991—an increase of 28.7 per cent.

The figures released by the Department of Environment and Planning were confirmed by the Minister of Transport when releasing the Highways Department report in March this year. Yet, members opposite have the hide to say, 'What ridiculous figures!' That is exactly it. The Government made its decision without knowing the facts. These projections are the revised projections and the latest issued by the State Government. The Minister, in his press release in June, claimed:

Recent reviews have shown that it is possible to cater for any likely traffic growth within the next 15 years by improvements to the existing system.

The planning report of the Highways Department, released by that very Minister in only March of this year, shows in appendix 1 that the existing roads, even with improvements, will not be able to cope beyond 1990—seven years away. It is not 15 years, as suggested by the Minister. His own department is now in direct conflict with his public statements on the matter. The problem will arise in seven years time, and not in 15 years or more, as suggested. Whom do we believe—a political statement by the Minister of Transport or the facts and figures coming from professionals in the Highways Department. The Highways Department was not consulted before Cabinet decided to scrap the north-south transport corridor. The professionals were totally ignored before that decision was made. That sounds almost unbelievable, but I understand that it is true.

Why was not the department consulted? Because all logic would have been in favour of retaining the corridor, and Cabinet knew it. The Minister of Transport (and I ask all honourable members to listen to this most significant point) has in his possession a report from the Highways Department titled 'The Southern Area Road Network Strategy Report', completed since the decision of the scrapping of the north-south freeway was announced. It concludes that the north-south corridor is needed to avoid long-term traffic chaos in the southern metropolitan area. I challenge the Minister to release that report immediately. He has had it for about a month, and I challenge him to release it. I know that he will not do so as that report is counter to the Cabinet decision and would cause acute embarrassment to the Bannon Government. Some reference is made to that report in the latest edition of *South Australian Motor*. Again, I am disappointed that the Minister is not here to participate in this important debate.

**Mr Mathwin:** He is hiding.

**The Hon. D.C. BROWN:** I know he is hiding. He probably has his head in a bucket downstairs, after being forced by his Cabinet colleagues to make that decision. The fifth point is that the planning report on South Road, prepared by the Highways Department in March 1982 and released by the Minister of Transport in 1983, concluded that, even with

the most elaborate upgrading of South Road between Anzac Highway and Daws Road, the north-south transport corridor is still needed. In other words, the Minister's own department, in a report that he released in March this year, stated that that transport corridor was needed. Yet, within three months that same Minister and Cabinet, without any explanation and without any consideration of the facts from the Highways Department, decided to reject that long-term planning for the traffic problems of Adelaide. All honourable members can obtain a copy of the report from me, if the Minister will not supply a copy—I imagine he buried his copy, because he did not want back-benchers opposite to see it. The summary of the report states:

A demand for increased traffic capacity on South Road will result from increased population levels south of Darlington. The future traffic volumes on north-south arterial roads south of Anzac Highway (the southern corridor) cannot be satisfactorily accommodated simply by widening South Road. Even in the extreme case whereby all the properties on one side on the road are acquired, it would not be possible to build a road to cater suitably for both the local and expected through traffic. The future basic shortfall in corridor traffic capacity must therefore be accommodated on other road facilities.

I invite honourable members to refer to page 12 of the report, which states:

Recent traffic analysis indicates that South Road improved to the extent recommended could accommodate a daily volume of 43 000 vehicles per day, at a tolerable level of service. Notwithstanding this increased capacity the traffic demand corresponding to full development of the southern area is expected to exceed the total corridor capacity by an estimated 60 000 v.p.d.

Analysis of the origins and destinations of the projected traffic demand shows that this capacity deficit would need to be catered for within the Marion Road-Goodwood Road corridor. Until another road facility can be provided to accommodate the increased traffic, South, Marion and Goodwood Roads will be forced to carry traffic volumes in excess of the normally tolerable level. This will lead to a rapid increase in vehicle delays and congestion along each of the roads, especially during peak traffic periods, with a resultant increase in vehicle pollution and fuel consumption, and thus increased environmental and economic penalties to the community.

That comment comes from the Minister's own department under the heading 'North-south transport corridor'. I doubt whether the Minister has read the report, although he made a decision within three months (without challenging the facts of the report) that was completely contrary to the report's recommendations and summaries.

What is the use of producing reports if the Minister does not have the gall to read them or justify why he has not accepted them? The interesting thing is that the Minister accepted the report with its population and traffic projections in March this year when he announced plans to upgrade South Road. In other words, he accepted the report in March but, when he announced the decision to scrap the north-south transport corridor in June, he rejected the report, as I said, without a single word about why he ran counter to the report.

The Government's transport decisions are made on an *ad hoc* basis and are therefore totally inconsistent. I challenge the Minister to state whether or not the report that I just referred to is still valid. Incidentally, when announcing the upgrading of South Road, the Minister did not choose the most effective option: he chose a cheaper and less effective option. In other words, the Minister chose an option which, in all logic, would have indicated that the north-south corridor must still proceed. However, three months later the Minister rejected the transport corridor without offering an alternative as to how the transport problem could be coped with. So much for logic and thought in the Cabinet of this State.

Apparently, not all the moneys received from the sale of the properties that were acquired for the north-south corridor over the past 20 years will go to the Highways Fund for

roadworks. It appears that some of that money will be siphoned off into general revenue. That is a very significant new revelation. When the Minister announced his decision in June, he stated:

Funds generated will be used by the Highways Department to provide capital for the improvements to the present system under the new priorities.

The Minister in June implied that all the funds would be used for highways work. However, when the seven mayors saw the Premier on 16 August 1983 they said that it now appeared that the Highways Department would be reimbursed only for the historical costs of the land. Some of that land was bought over 20 years ago and its historical value would be only a fraction of its present-day market value. In other words, the majority of the funds from the sale of that land will go to general revenue and not to highways works. That is a deceitful statement, therefore, that the Minister made on 20 June. I ask the Minister to give a clear undertaking to this House that all funds will go to the Highways Fund for roadworks.

I ask the Minister: why did the Labor Government scrap the north-south corridor in such haste? I will tell the House why: for political reasons. That corridor runs through the electorates of the following Labor members: the Premier, the Deputy Premier, the Minister of Transport, the Minister of Mines and Energy and the Government Whip. No wonder the Government scrapped it! It ran right through the Labor electorates, and the Government was not prepared to live with it politically. It was nothing but a crude, political decision and, of course, we all know the other reason: it was scrapped so as to use those extra few dollars for general revenue.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**The Hon. D.C. BROWN:** The decision to scrap the north-south transport corridor is a clear breach of an election promise made by the Labor Party. The Labor Party's transport policy for the 1982 State election stated:

North-south freeway: will be investigated, with public participation.

None of the councils that I have spoken to were consulted before that decision was made. For more than three weeks I have had a question on the Notice Paper asking the Minister of Transport to tell us whom he consulted before making that decision. I suspect that he is too scared to answer that, because it would embarrass him; it would show that the Government has broken yet another election promise.

In the few minutes left I will touch just briefly on other important issues. The people of the southern metropolitan region already have an exceptionally high level of unemployment. That level will remain because new industrial development will not establish in the Noarlunga-Christies Beach area until there is a major upgrading of the transport routes to that area. I found that when I was Minister of Industrial Affairs. It was virtually impossible to get industrial development down there because they would not be locked into an inadequate road transport system. So, those people down in the south will be committed either to long-term unemployment, indefinitely, or to long tiring journeys to and from jobs in either the northern or western suburbs of Adelaide. The decision to scrap the transport corridor is the worst planning decision made by any Government since the Monarto fiasco. The decision reflects the same degree of ineptitude as the Monarto dream.

**Mr Trainer:** That is funny, because that corridor was based on the same sort of figures.

**The Hon. D.C. BROWN:** In June I wrote to the Premier (these are the latest figures), asking him not to sell the land—

*Mr Trainer interjecting:*

**The DEPUTY SPEAKER:** Order!

**The Hon. D.C. BROWN:**—acquired during the past 20 years. So far, the Premier has not even had the courtesy to reply to that letter. I have moved this motion because it is the most fundamental transport decision that this State will make for at least 20 to 30 years. It is essential that that land be retained. If the Bannon Government has the fortitude and the nous to know that the transport corridor should proceed, it should leave it up to the next Liberal Government (from 1985 onwards), because we will understand the importance of that transport corridor and proceed with it.

**The Hon. LYNN ARNOLD** secured the adjournment of the debate.

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

#### SOUTH AUSTRALIAN MEAT CORPORATION ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

#### FISHERIES ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

#### ESTIMATES COMMITTEES

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

That for the remainder of the session in relation to the Appropriation Bill (No. 2)—

*Suspension of Standing Orders*

(1) Standing Orders be so far suspended as would require the Bill to be considered in a Committee of the whole House.

*Consideration in Estimates Committees*

(2) On completion of the second reading of the Bill, Members may discuss grievances on a motion which shall be moved by a Minister—'That the House note grievances', on the passing of which, the proposed expenditures for the departments and services contained in the schedules to the Bill shall be referred to an Estimates Committee. Such referral shall be on motion moved by a Minister, of which notice has been given, and which shall include a timetable by which (subject to paragraph (4)) the Committee is to order its business.

(3) There shall be two Estimates Committees to be known as Estimates Committee A and Estimates Committee B which shall not vote on, but shall examine and report upon the proposed expenditures contained in the schedules. A Committee may ask for explanations from a Minister, assisted where necessary by officers in the provision of factual information, relating to the items of proposed expenditure. The report of a Committee may contain a resolution or expression of opinion of the Committee but shall not vary the amount of a proposed expenditure.

(4) The Speaker may at the request of the Chairman of an Estimates Committee, with one day's notice, reallocate any proposed expenditures from one Committee to the other, or vary the timetable, if in his opinion, such reallocation or variation is necessary to facilitate the examination of the proposed expenditures.

*Members*

(5) Subject to paragraph (10), each Estimates Committee shall consist of nine Members including the Chairman.

(6) The Members to serve on each Committee shall be nominated by the mover, but if any one Member so demands they shall be elected by ballot.

(7) A Member may be discharged from an Estimates Committee if, prior to the commencement of the examination of any item of proposed expenditure, or at the

1.00 p.m. or 6.00 p.m. suspension of sitting, he delivers in writing to the Speaker or Clerk a request to be so discharged; provided that the Member may nominate another Member in substitution, such Member indicating on the same notice his concurrence to serve.

- (8) In the event of a vacancy occurring in the membership of an Estimates Committee, the Speaker may nominate a Member in substitution but in so doing shall have regard to the composition of the Committee as elected by the House.
- (9) An Estimates Committee may proceed to the despatch of business notwithstanding any vacancy in its membership.

#### Chairmen

- (10) The Chairmen of—
- (a) Estimates Committee A shall be the Chairman of Committees; and
- (b) Estimates Committee B shall be nominated in writing by the Premier to the Speaker.
- (11) Any Member of the Committee shall take the Chair temporarily whenever requested so to do by the Chairman of the Committee during the sitting of that Committee.

#### Quorum

- (12) The quorum of an Estimates Committee shall be four, of whom one shall be the Chairman or Acting Chairman and, if at any time a quorum be not present, the Chairman shall suspend the proceedings of the Committee until a quorum be present, or adjourn the Committee.

#### Participation by Other Members

- (13) Members of the House, not being Members of the Committee, may participate, at the discretion of the Chairman, in the proceedings of the Committee, but shall not vote, move any motion or be counted for the purpose of a quorum.

#### Sitting Times

- (14) An Estimates Committee shall only meet in accordance with the timetable adopted by the House, or as varied by the Speaker. If a Committee is sitting on any day—
- (a) at 1.00 p.m., the sitting shall be suspended for one hour;
- (b) at 6.00 p.m., the sitting shall be suspended for one hour and a half; or
- (c) at 10.00 p.m., the sitting shall be adjourned.

#### Proceedings of Estimates Committee

- (15) Consideration of proposed expenditures in an Estimates Committee shall follow, as far as possible, the procedures observed in a Committee of the whole House.

#### Naming of Member

- (16) If any Member persistently disrupts the business of an Estimates Committee the Chairman shall name such Member and—
- (a) in the case of the Member so named being a Member of the Estimates Committee, shall suspend the sittings of the Estimates Committee and report the offence to the House; or
- (b) in the case of the Member so named not being a Member of the Estimates Committee, shall order his withdrawal from the sittings of the Committee until he has reported the offence to the House, and shall, as soon as practicable, advise the Speaker who will give notice that the House is to meet at 9.30 a.m. on the next day.

#### Disagreement with Chairman's Ruling

- (17) If any objection is taken to the ruling or decision of the Chairman of an Estimates Committee, such objection must be taken at once; and having been stated in writing, the Chairman shall, as soon as practicable, advise the Speaker, who shall give notice that the House is to meet at 9.30 a.m. on the next day: provided that the Estimates Committee may continue to meet, but shall not further examine the vote then under consideration.

#### Meeting of House

- (18) For the purposes of paragraphs (16) and (17), it shall be sufficient notice of a meeting of the House for the Speaker to cause notices thereof to be placed on the House notice boards before 10.00 p.m.
- (19) If the House meets pursuant to paragraphs (16) or (17), it shall, after the Speaker has read prayers, hear the report from the Chairman who requested the meeting and—

(a) where a Member has been named, proceed with the matter as if the naming had occurred in a Committee of the whole. For the purposes of any suspension of a Member, the sittings of an Estimates Committee shall be considered as a sitting of the House; or

(b) where a Chairman's ruling has been disagreed with, resolve the matter pursuant to Standing Order 164.

- (20) Subsequent to any proceedings taken under paragraph (19) a motion may be proposed by a Minister to alter the timetable relating to that Estimates Committee's consideration of the proposed expenditures; such motion to be put forthwith, without debate, but no other business may be entered upon during the sitting.

#### Hansard Report

- (21) A *Hansard* report of Estimates Committee proceedings shall be circulated, in manner similar to the House *Hansard*, as soon as practicable after completion of the Committee's proceedings.

#### Report of an Estimates Committee

- (22) A report of an Estimates Committee shall be presented by the Chairman of that Committee or a Member of the Committee deputed by him and shall contain any resolutions or expressions of opinion of the Committee.
- (23) On the reports from the Estimates Committees being presented, they may, subject to paragraph (24), be taken into consideration forthwith or a future day appointed for their consideration.
- (24) In considering the reports from the Estimates Committees, a Minister shall move—'That the proposed expenditures referred to Estimates Committees A and B be agreed to (and that the resolutions or expressions of opinion agreed to by the Committees in relation thereto be noted)'.
- (25) An amendment moved to the question proposed in paragraph (24) shall not require a seconder.
- (26) Upon the completion of consideration of reports of Estimates Committees A and B, the question shall be proposed and put forthwith without debate: 'That the remainder of the Bill be agreed to'.
- (27) When the Bill has been agreed to by the House, the third reading may be taken into consideration forthwith or made an Order of the Day for the next day of sitting.

#### Time Limits

- (28) The following time limits shall apply in relation to the following questions—

'That the House note grievances'.

One Minister and Leader of the Opposition or Member deputed by him—30 minutes. Any other Member—10 minutes.

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

One Minister and Leader of the Opposition or Member deputed by him—Unlimited. Any other Member—30 minutes.

The resolution is in similar terms to that adopted by this House in the past. However, it is intended that the House will resolve upon a specific day by day time table with respect to the group of Estimates which will be examined on a particular day. This will not detract from the right of a Committee to determine the length of time it spends on particular aspects of the Estimates under examination on a given day. For the information of members, I seek leave to incorporate a copy of the proposed time table in *Hansard*.  
Leave granted.

#### ESTIMATES COMMITTEE A

Tuesday 27 September	Premier, Treasurer, Minister of State Development, Minister for the Arts, Parliament
Wednesday 28 September	Deputy Premier, Minister of Labour, Minister of Public Works
Thursday 29 September	Minister for Environment and Planning, Minister of Lands, Minister of Repatriation
Friday 30 September	Chief Secretary, Minister of Tourism
Tuesday 4 October	Minister of Education, Minister of Technology
Wednesday 5 October	Minister of Housing, Minister of Local Government

Thursday 6 October	Minister of Community Welfare, Minister of Aboriginal Affairs
<b>ESTIMATES COMMITTEE B</b>	
Tuesday 27 September	Minister of Health
Wednesday 28 September	Minister of Transport, Minister of Marine
Thursday 29 September	Attorney-General, Minister of Consumer Affairs, Minister of Corporate Affairs, Minister of Ethnic Affairs
Tuesday 4 October	Minister of Mines and Energy
Wednesday 5 October	Minister of Water Resources, Minister of Recreation and Sport
Thursday 6 October	Minister of Agriculture, Minister of Fisheries, Minister of Forests

**The Hon. J.D. WRIGHT:** The Committees will meet at 11 a.m. on each sitting day except Friday. On Friday 30 September Estimates Committee 'A' will meet at 9.45 a.m. In accordance with the usual practice, the Committees shall adjourn for the day no later than 10 p.m. Formal resolutions concerning the timetable and the membership of each Committee will be placed before the House towards the conclusion of the second reading debate. I commend the motion to the House.

**The Hon. B.C. EASTICK (Light):** The information made available to the Opposition indicates that the value which has been developed in the Estimates Committee system in the past is to be maintained. The minor variations in the Sessional Orders are completely in accordance with the best interests of the House and, on behalf of the Opposition, I indicate that the motion is accepted.

Motion carried.

#### **HISTORIC SHIPWRECKS ACT AMENDMENT BILL**

**The Hon. D.J. HOPGOOD (Minister for Environment and Planning)** obtained leave and introduced a Bill for an Act to amend the Historic Shipwrecks Act, 1981. Read a first time.

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

*That this Bill be now read a second time.*

The Historic Shipwrecks Act, 1981, which mirrors the Commonwealth legislation of the same name, provides for the protection and preservation of historic shipwrecks and relics situated within the territorial waters of the State. Section 5 of the principal Act enables declaration of a shipwreck as historic where it lies within either of the two gulfs, or, alternatively, other inland waters such as the Murray River. Section 7 empowers the Minister to declare a protected zone of up to 100 hectares around a historic wreck or relic where the wreck or relic is situated in or below the sea and permits the making of regulations to prohibit or restrict certain activities in such zones. The purpose of this Bill is to extend the application of this section to inland waters consisting of fresh water such as the Murray River. Already one shipwreck located in the Murray River has been declared historic and it is considered that declaration of a protected zone around this wreck is required in order to achieve an adequate degree of protection.

Clause 1 is formal. Clause 2 amends section 3 of the principal Act. Paragraph (a) replaces the definition of 'protected zone' with a simpler definition having the same effect but not referring to 'sea-bed'. Paragraph (b) removes the definition of the word 'sea' as this definition is no longer required for the purposes of the principal Act. Paragraph (c) and (d) remove references to 'sea-bed' in subsections (2) and (3) of section 3. Clause 3 removes references to 'sea'

and 'sea-bed' from section 7 of the principal Act. The effect of the amendment is that the section will operate in relation to historic wrecks and relics whether they lie in the sea or in inland waters. Clause 4 makes a similar amendment to section 13 (2) of the principal Act.

**The Hon. D.C. WOTTON** secured the adjournment of the debate.

#### **HOUSING IMPROVEMENT ACT AMENDMENT BILL**

**The Hon. T.H. HEMMINGS (Minister of Housing)** obtained leave and introduced a Bill for an Act to amend the Housing Improvement Act, 1940. Read a first time.

**The Hon. T.H. HEMMINGS:** I move:

*That this Bill be now read a second time.*

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

Leave granted.

#### **Explanation of Bill**

The principal object of the Bill is to replace section 60 of the Housing Improvement Act, 1940, with a provision that requires additional information to be given by the South Australian Housing Trust in relation to sub-standard houses and makes provision for fees to be prescribed by regulation.

When the Housing Improvement Act, 1940, was first proclaimed on 5 December 1940, it contained section 60 which provided:

Upon application in writing stating the particulars of any house in respect of which information is required by any person, and upon receipt of a fee of ten cents, the housing authority shall give or send by post to the person so applying a statement in writing as to whether as at the date of the statement a notice fixing the maximum rental of the house is in force under this Part, and, if so, giving particulars of the maximum rental.

There has been no amendment to that section since 1940 and the fee of 10c does not, of course, cover the cost of postage, let alone the preparation of the statement.

Section 90 of the Land and Business Agents Act, 1973, requires that certain information must be supplied by the vendor of property to the prospective purchaser. The information to be supplied includes any declaration made under section 52 of the Housing Improvement Act, 1940, in relation to the property, the date of the declaration and the maximum rental (if any) fixed in respect of the house or the part of the house for which a maximum rental has been fixed.

The Government believes that it is proper that persons supplied with information by the Housing Trust pursuant to section 60 of the Act should pay a reasonable fee for that service.

Clauses 1 and 2 are formal. Clause 3 replaces the last part of section 52 of the principal Act with three new subsections. Section 52 enables the South Australian Housing Trust to initiate rent control in relation to sub-standard houses by serving notice of its intention to declare a house to be sub-standard. New subsection (2) requires the Trust to state its reasons for the view that the house is sub-standard. New subsection (3) replaces the substance of existing subsection (2). New subsection (4) provides that the Trust may withdraw a notice served under subsection (1). Clause 4 replaces section 60 of the principal Act. The new section will require information as to any notice or declaration under section 52 and as to any notice fixing a maximum rental under section 54. Clause 5 inserts a paragraph in section 87 of the principal Act that will cater for the prescription of fees under the Act. This provision is expressed in general terms but will enable the prescription of fees for statements provided under section 60.



The Hon. B.C. EASTICK secured the adjournment of the debate.

### LICENSING ACT AMENDMENT BILL

Adjourned debate on second reading.  
(Continued from 30 August. Page 613.)

**The Hon. J.C. BANNON (Premier and Treasurer):** Early this morning (about quarter to one) I closed the second reading debate on the Bill. I said that the debate, although it had been fairly lengthy, was extremely repetitious and tedious in its content, in that much of the argument that was being put forward involved thrashing around points that had been argued out repeatedly, particularly in relation to earlier revenue Bills. There was no specific new information in regard to this industry or the impact of the measure. The fact is that there has been such a fee in operation for a considerable time, although its incidence has been altered from time-to-time.

It is being altered again, and what has been missing consistently from the attacks of the Opposition on measures such as this are constructive alternatives and suggestions about where we may turn to try to meet the demands that are being made, not just by the Government and the community but by each and every member opposite in respect of projects and community services and the like that they have in mind. I do not think that there is much to be gained by simply retracking over those arguments. I am not overjoyed about having to introduce this measure; on the contrary, it would be far better if it could be avoided. This measure is part of a package of revenue measures, it is necessary and that is something that we just cannot avoid.

I insist, as I did earlier, that the benefits to be gained by getting our State finances into order, and the stability that that can bring, outweighs the cost of such measures and any possible adverse effects. I am not denying that in some respects there may be adverse effects or some impact on costs. I am simply saying that the alternative of doing nothing is totally unacceptable, because that would mean the collapse of our essential public services and the welfare of those very people whose cause has been discovered and espoused so vigorously by the Opposition. Those people would suffer far more than from any impost resulting from this measure.

The House divided on the second reading:

Ayes (23)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon (teller), M.J. Brown, Crafter, Duncan, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenahan, Messrs Mayes, Payne, Plunkett, Slater, Trainer, Whitten, and Wright.

Noes (16)—Messrs Allison, P.B. Arnold, Baker, Becker, D.C. Brown, Eastick, Evans, Ingerson, Lewis, Mathwin, Meier, Olsen (teller), Oswald, Rodda, Wilson, and Wotton.

Majority of 7 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Licence fees.'

**Mr OLSEN:** Will the Premier say why he decided to announce the Government's intention to increase licence fees from 9 per cent to 12 per cent on 4 August, a month before the Budget was to be brought down, when, in fact, those new fees are to apply from 1 April next year, with retailers increasing prices as from 1 January?

**The Hon. J.C. BANNON:** I think that I have covered this matter previously on a number of occasions. The revenue measures we require to be in place this financial year were announced as a package. I did not want the situation arising

of people asking, 'What next, what next?' I wanted to set the increases out clearly. Why were they announced on 4 August? Because that was the first opportunity I had to announce them to the Parliament, and two of the measures had to be in place and passed through all stages before 1 September—before the Budget could be introduced. All the measures were announced at the same time. I think that the more notice given to industry in these circumstances the better.

**Mr OLSEN:** The Premier said that these measures were introduced for the purpose of putting to rest a 'What next, what next?' situation. However, I suggest to him that, in fact, that is exactly the question he has caused to be posed by introducing and dribbling out over the past few days certain aspects of what is to be presented in the Budget tomorrow, one of which is the increase in liquor licence fees from 9 per cent to 12 per cent. Was the Premier aware on 4 August, at the time he announced these measures, of the Federal Government's intention to index excise taxes? In this 'What next, what next?' situation, this continual dribble of Budget information this year, we have seen the housing industry announcement today, coupled with, as a result of extra money going into the housing area—

**An honourable member:** You are not happy about that?

**Mr OLSEN:** If the honourable member had paid any attention to my press release today he would have noticed that I said I welcomed the Premier's initiative today but, at the same time, I expressed concern that it came as a result of the cancellation of the Finger Point project.

**The CHAIRMAN:** Order! I remind the honourable Leader that the matter that he is now discussing has nothing to do with clause 3 of the Bill now before the Committee.

**Mr OLSEN:** Indeed, Mr Chairman, the purpose was to answer the question asked of me. Was the Premier aware at the time he announced these measures on 4 August that the Federal Government intended to index excise taxes?

**The Hon. J.C. BANNON:** No, I was not; nor was there a continual dribble of information. The point I was making was that by announcing all measures of the revenue package at the same time I avoided what the Leader described as a 'continual dribble'.

**Mr BLACKER:** Will the Premier say whether the Government has any projected figures of the likely impact this increase will have on the hospitality and hotel industries?

**The Hon. J.C. BANNON:** Yes, in rough terms. Obviously, we have tried to assess the impact of these measures. The best way to do that is to go back in time and look at what happened when these taxes were changed in the past, such as when they were changed by the previous Government. We find that a short period of buyer resistance usually follows liquor price increases and there is a slight reduction in demand. However, one finds that that occurs for only a short time after the price increase and that there is no long-term or residual problem created for the liquor or hospitality industries by such measures. On the contrary, as I said earlier, this measure and the other revenue-raising measures increase the Government's ability to assist and support the hospitality industry. If one takes the area of tourism alone, there are large outlays at Government level there.

Indeed, I hope that over time we will have increasing outlays, because I believe that Governments should be supporting tourism and hospitality in a central way. The point is very relevant in this context, namely, that in order to provide those services and assistance we must raise revenue, and this is one of the revenue sources.

**The Hon. B.C. EASTICK:** During the course of the second reading debate I indicated that there would be an impact upon the family because of the effect on the c.p.i. I requested information about the work which had been undertaken by the Government to try and assess that impact. The request

would extend not only to the impact upon the family, because of the likely consequences on the c.p.i., but also more specifically, to what degree of investigation was undertaken by the Government to determine what the likely impact would be on the business activities of the organisations that would be forced to pay this additional taxation.

I believe that the Premier would accept that, under all circumstances where there is an increase in a tax associated with a commodity, be it cigarettes, wines, beer, or whatever, there is an extended period of time when there is a downturn in throughput by the organisations licensed to sell those commodities. That has an impact upon their ability to employ staff, to continue and undertake various maintenance programmes and, in many circumstances, to meet their commitments from previous months or weeks. I ask whether any work had been done and, if so, what was the nature of that work to try and assess the reversing effect upon business that the imposition of a tax of this nature would have.

**The Hon. J.C. BANNON:** I previously answered an identical question, and I stand by the answer I gave. When the member referred to the impact on the family, I sincerely hope that he meant the adult members of the family. I hope that he is not suggesting that there should be under-age drinking. In addition, I point out that the rate for low alcohol beverages has been kept at the same differential rate, namely, 2 per cent; there is no change in that so one of the beneficial effects on the family may well be to encourage the consumption of low alcohol liquor.

**The Hon. B.C. EASTICK:** It would appear that I gave the Premier credit for greater sense than that which he has just exhibited. When I talk about the impact on the family, I realise that it is not in relation to the particular commodities that they will consume, but to the family if the breadwinner ceases to have a job, or has his hours of work reduced, or, because of a c.p.i. increase, that breadwinner, and therefore the whole family, has a reduced spending or purchasing power.

It is in that greater sense, rather than just the tunnel vision version that the Premier tried to put to the House, that I or any other member (whether on the Government or Opposition side of the House) would seek to condone under-age drinking. I ask the Premier again, in all sincerity, what sort of impact this measure will have on families, and what work was undertaken by the Government. Was it so interested in raising funds to pay for its extravagances in so many areas, such as in relation to the P.S.A., teachers, the additional funds being paid to the racing industry at a time when they could quite easily—

**The Hon. J.C. BANNON:** The racing industry is returning high dividends.

**The CHAIRMAN:** Order! The racing industry is not referred to in this Bill.

**The Hon. B.C. EASTICK:** No, it is not specifically mentioned in this Bill, but it has a very definite link to this Bill in the sense that the money being lost to the Government, which was available to it before it exhibited largesse to the racing industry, has resulted in the necessity for an increase in this area to overcome its spending. It is that form of impact on which I am seeking information from the Premier. Does one assume that the Government decided to tax without giving any thought at all to the direct and indirect effect that it would have on the family unit?

**The Hon. J.C. BANNON:** Although it is not strictly relevant, I will respond by saying that improvements in our education system have a direct beneficial effect on the family. The racing industry support has, in fact, already generated very good dividends, both in terms of the health of that large industry, which employs many people, and in terms of the return we get from T.A.B. revenue and other areas connected with it. Every cent of the new arrangements

that this Government introduced in relation to the racing industry have proved to be very well spent and, in turn, have had beneficial effects on the family. I assure honourable members that overall any adverse impact, as described or suggested by the honourable member, is far outweighed by the beneficial effects of the general revenue package.

**The Hon. JENNIFER ADAMSON:** In his answer to the member for Flinders the Premier acknowledged that this tax will have an effect on the hospitality industry which is an important sector of the tourism industry. In view of that acknowledgement, will the Premier explain to the Committee why his Minister of Tourism failed to fulfil his undertaking to the industry to consult with it before any State tax was proposed that would affect the tourism industry?

**The Hon. J.C. BANNON:** The simple answer is that the Minister did not fail to fulfil his undertaking. The revenue measures, with the exception of the financial institutions duty where other adjustments will be made, are simply based around an existing tax base. What the Minister was talking about and made clear was some special imposition which would single out a particular industry. We have not done that.

**Mr LEWIS:** I expressed the view in the course of my second reading speech that the number of jobs (and evidence exists to support this) that can be created by the collection of this revenue in the public sector will be at the expense of a number of jobs in the private sector. Therefore, it follows that the number of jobs lost in the private sector, whence the revenue will come, will be greater than the potential number of jobs that can be created in the public sector by collecting the revenue. Did the Premier consider that, by taking the tax in this form from this industry, he has in fact destroyed more jobs than he will otherwise be able to create when he comes to spend it in the public sector? If he did consider it, why on earth did he proceed with the measure?

**The Hon. J.C. BANNON:** I should have thought that a member representing a rural area would, more than anyone else, be aware that one cannot draw a line between public and private sector employment and see jobs created in one meaning jobs lost in the other and *vice versa*. The contrary is quite true. I invite the honourable member to examine any of the country towns and areas in his district. He would see that it is essential for the two sectors to operate constructively together. The myth of the taking away of one sector and adding to another has surely been exposed by the dreadful economic experience that we have had over the last seven years in this country.

A close interconnection exists between public and private sectors and their employment. Each of those sectors must be healthy. I suggest that measures such as this, whatever marginal effect they may have, in total strengthen the economic base. Simply, I suggest that the honourable member walk down the main street of any of those small towns in his area and count the number of private and public sector employees and ascertain how they are interconnected and interdependent. We will then get fewer of these sorts of contributions.

**The Hon. JENNIFER ADAMSON:** Will the Premier elaborate on the remarks he made about this tax taking revenue from the tourism and hospitality industry? In answer to the member for Flinders, the Premier pointed out that this tax will attract revenue from the tourism industry to enable the Government to provide funds for that industry. Will the Premier elaborate on those remarks and advise the Committee precisely in what way funds raised directly from this tax, to the tune of \$7 000 000, will be returned to the alleged benefit of the tourism industry?

**The Hon. J.C. BANNON:** Let me put that in perspective. First, this is a tax on liquor, and I do not believe that the

honourable member will be suggesting that liquor consumption in this State represents the tourist industry, or that it is all about tourism or, equally, that tourism is all about the consumption of liquor. On the contrary, neither of those statements is true. Therefore, the impact on the tourism industry, such as it is, will be quite marginal. I am simply making the point—

*The Hon. Jennifer Adamson interjecting:*

**The Hon. J.C. BANNON:** Yes, because bottle shops are part of the hospitality industry. I suggest that the honourable member look at the figures of gross liquor sales to see where the sales originate. It is only one section. The tourism industry is not all about drinking alcohol and, equally, this tax simply does not impinge on those who are in the tourist industry. The ultimate point I was making was that, if we as a Government are expected, for instance, as the honourable member has been urging, to increase expenditure on tourism, or, as other honourable members are urging, to increase expenditure in relation to their constituencies or their particular areas of responsibility, we must have the means to do so. Knowing that, I do not believe that the honourable member or any other individual would begrudge a contribution in that regard.

**Mr INGERSON:** As the hospitality industry is principally a small business industry, any loss in revenue, as explained by the Premier, will, in the short term, be likely to create a loss of sales, as it is a small business. When there is a loss of sales, and because a small business must survive, expenditure must be controlled, which means jobs. Has the Government considered the short-term effect of the loss of jobs in this industry, and how many jobs are likely to be lost?

**The Hon. J.C. BANNON:** These measures are part of overall attempts to regenerate the economy. The net effect in a growth economy will not impede but, on the contrary, will add to the number of jobs.

**Mr LEWIS:** By jove, Mr Chairman, I am astonished. This Premier belongs to a Party that for years listened attentively to good advice from Professor Geoffrey Harcourt, whom it regarded as an outstanding adviser on economic policy and who has now left Australia and this fair capital. Professor Harcourt would have given the Premier not an abysmal failure but a big fat zero.

**The CHAIRMAN:** Order! I point out that this clause has nothing to do with Professor Harcourt.

**Mr LEWIS:** Mr Chairman, with the greatest respect, the point I am making is that it has a lot to do with Professor Harcourt's teachings on economics and the kind of answer that the Premier gave a minute ago. The Premier stated that the way to restore business confidence and to get the economy going again is to tax it. As I said by way of interjection, that is the kind of logic that provides, 'We will give you a blood transfusion if you donate the blood'.

It simply means that one ends up with a net loss and in a sicker state than before one began the treatment. It is impossible for a Government—and it has never occurred in the history of the science of economics—to stimulate an economy by increasing taxation. If there is one example in which that has occurred I would like the Premier to cite it for me, so that I can go and study it. If this experiment—if that is what he has acknowledged that it is—works, I will applaud him and publicly acknowledge the greater wisdom that he has than economists like Keynes or since Adam Smith.

**The Hon. P.B. Arnold:** Plenty have tried it before him.

**Mr LEWIS:** Indeed. Plenty have tried it before, and it has never worked. It always had a negative impact on real output when taxes are increased, and especially real output in that industry. I acknowledge, as the Premier has said in other words, that demand for liquor, at least in the medium to long term, is fairly price elastic; that means that con-

sumption will not change much, regardless of where one puts the price. If one drops the price they will buy a lot in the first couple of days, take it home and stack it in the fridge, and then not buy any for a time until they have drunk it. If one puts up the price, consumers will tend to ameliorate their consumption pattern for a short time; sales will fall, but in the medium to long term they will return their consumption to what it would otherwise have been. So, it is price elastic. I understand that partly.

However, my concern is to determine where the money, which would otherwise have been profit in the hands of business not only to reinvest and create jobs but also restore confidence in the economy and leave the incentive that is there (as limited as it is), has now gone as a result of the introduction of this measure. The Premier then says to me that he will create more jobs with that money in the public sector, even though I put it to him that the average cost of each job in the public sector is higher than that of the jobs that are lost by transferring the revenue (the funds, the money) from the private sector to the public sector to create them.

Accordingly, it is the middle and upper middle classes which benefit from this kind of taxation measure, and not the unemployed or the lower and lower middle classes. If the Premier has some alternative view of that I would like to understand it, and I would like to understand why he chose 30 per cent as the rate at which he would increase the fee rather than 31 per cent, 29 per cent, 70 per cent or 5 per cent. Why 30 per cent? What is the magic about that? Is that really the reason? Is that the solution to the broader question that I have posed to him as to how many extra jobs he thinks that he will create in the public sector against those lost in the private sector by the passage of this measure.

**The Hon. JENNIFER ADAMSON:** It is very interesting that the Premier has lapsed back into his customary attitude of treating questioners with contempt and failing to answer the questions. I have many questions on record in Committee which he has failed to answer, and it appears that other members are being subjected to the same treatment.

**The CHAIRMAN:** Order! The honourable member is totally out of order. We are dealing with clause 3, which in effect deals with the increase in the licence fee. It has nothing to do with what the honourable member is now talking about.

**The Hon. JENNIFER ADAMSON:** I am referring to clause 3. I have a question which I hope that the Premier will deign to answer. Has the Premier consulted with the Australian Hotels Association and with the vignerons subsequent to announcement of this tax (we know that he did not consult prior to the announcement of the tax)? If he has, can the Premier advise the Committee whether or not these two organisations share his view that this liquor tax will in fact have a stimulating effect on the hospitality industry and result in increased employment?

**The CHAIRMAN:** I point out to the Committee, before calling on the honourable Premier, that the Premier is not compelled to answer any members or question. Does the Premier wish to answer?

**The Hon. J. C. BANNON:** If the question is a speech or totally rhetorical, as most of them are, there is not much point in prolonging the debate. I think that the question posed by the member for Coles was a rhetorical question in the way it was framed, but it was also erroneous in that she recast what I said in a crude way that did not reflect at all what I said. Therefore, it makes the question unanswerable.

**Mr BAKER:** I make two observations. First, I refer to the Premier's comment about there being a growth economy. He must be reading different books and newspapers to the ones that everyone else has been reading. We would all like a growth in the economy. The second point is that in the

existing measure the rate is in fact indexed; if sales go up due to the price of liquor and increased consumption (which it has for many years) it is in fact indexed. Therefore, this measure is an extraordinary measure because it goes far further than indexation because, if one takes 9 per cent of sales each year and they continue to increase at the rate of inflation or higher, then one will maintain one's revenue base or improve it. It has been improving over the last few years. Therefore, it is an extraordinary measure, and I would like to make that point. Can the Premier give details of gross sales from the retail and wholesale outlets for the financial year 1982-83?

**The Hon. J.C. BANNON:** I do not have that information. The actual liquor licence fees received for the financial year 1982-83 were \$18.9 million.

**Mr BAKER:** What is the exact figure for the revenue which will be collected in 1983-84 as a result of this measure? We have a gross figure of \$2 million. There appears to be some anomaly, unless the Premier has catered for a downturn in the industry. The figure relating to the last quarter of the 1983-84 financial year (everyone knows that a quarter is three months) is \$2 million as a rounded figure. If we multiply that figure by four and add an inflation rate, we finish up with \$9 million for the forthcoming year's revenue. I ask the Premier what is the exact figure of expected revenue for the 1983-84 period for that extra measure of the increase of 33½ per cent in that rate?

**The Hon. J. C. BANNON:** It is difficult to give an exact figure, because we are estimating, and the estimate is contained in the second reading explanation. We would anticipate collecting around \$2 million (it may be a little more than that: \$2 million to \$2.5 million I would guess), depending on the level of sales.

**Mr BAKER:** If the figure is between \$2 million and \$2.5 million (and that is for one quarter), in the next financial year if we multiply \$2.5 million by four and add an inflation rate, we finish up with something like \$11 million as a result of this measure. We have here an estimated yearly revenue in the next full year of \$7 million. I would like to know whether Treasury officials expect a massive downturn in the sales of the product, which will give an increase of only \$7 million because of this particular measure.

**The Hon. J.C. BANNON:** The reason is that we are not looking just at a quarter's collection. The increases are likely to be passed on to consumers some time during the new year.

**Mr LEWIS:** In the event that the Premier sees the full year's revenue as being \$7 million instead of \$11 million, which it obviously should be, taking up the remark of the member for Mitcham, why and how does he expect the revenue obtained to be less than the quarterly income multiplied by four? Is it because the Treasury believes the amount of liquor sold through all outlets in South Australia will be reduced because of a reduction in consumer demand? Is it because the Premier expects it to be less as a result of a black market operation getting under way from interstate? Does he expect that producers, in response to the punitive measures taken by the Federal Government, will reduce their production and sales, or will they sustain their production, or attempt to do so in terms of dollar output, which will be a reduction in volume because each unit of production will cost them more as a result of the Federal Government's tax?

If that is the case, is the Premier acknowledging that he misled the Committee in answer to the member for Coles a moment ago that he did not consult with the Federal Government and did not know that it was going to introduce that tax? There are four reasons why revenue in a full year, indexed approximately to inflation, will be not \$11 million but only \$7 million. That is the potential position. Which

of those situations is correct? Further, as this will be my last call, I would like to know how the Premier believes that a dollar that was to have been spent in the private sector could have been spent on paying wages, once it has been taken away from each individual employer through any tax, how it can create the same number of jobs or more jobs by being spent in the public sector. If one has not got a dollar, because it has been given to someone else, one cannot spend it as one might otherwise have done. I am concerned about what equation the Premier has used in determining his magic formula that more jobs can be created by spending on jobs in the public sector rather than in the private sector.

**The CHAIRMAN:** I hope that when the Premier replies he will explain it to the Chair also.

**Mr Groom:** The question!

**The Hon. J.C. BANNON:** I will deal with the first part of the question. The fees are paid on quarterly instalments, with the instalment for June paid on 1 April, and the others payable on 1 July, 1 October and 1 January. The instalment falling due on 1 April will represent a portion of the increase, and then another payment will be due on 1 July. However, much of it is paid before 30 June. Therefore, in effect, the figure that I am quoting as being anticipated revenue in the 1983-84 financial year is a figure that is about three-eighths of an annual collection. Therefore, the \$2.4 million translated in those terms becomes about \$7 million in a full year. That is the basis of the calculation, which anticipates steady demand or consumption.

**Mr INGERSON:** That explanation tends to suggest a drop in sales.

**The Hon. J.C. Bannan:** No it does not: I have made the point that it is quite the opposite.

**Mr INGERSON:** My mathematics and the Premier's obviously do not add up. Very few tax increases have not caused a drop in sales for at least some period of time. I do not know of any business that has suffered a drop in sales and has not had to reduce expenditure and, consequently, reduce its staff, being the only way of reducing costs and remaining in business. Assuming that the Premier has done some projections on both the positive and negative aspects of the measure, how long does he expect it to take for industry to recover?

**Mr BECKER:** I would like a guarantee of the accuracy of the financial figures that have been computed in relation to this tax. I also want to know whether the Premier had prior knowledge of the fortified wines tax. In determining whether we will approve or accept a tax increase measure such as the one before the House, I find it difficult to reconcile how the Treasury can guarantee the accuracy of the figures, namely, the figure of \$2 million for the remainder of this financial year and the figure of \$7 million for a full financial year, bearing in mind that the fortified wines tax imposed by the Federal Government will substantially increase the price of certain products. I have noticed already that a particular brand of port is now being advertised at about \$8 a bottle, when previously it cost only about \$5. I suspect that less discounting will occur in some areas.

The quarterly payment system and a tighter arrangement of collecting liquor taxes was necessary some years ago because a person claiming that he was the discount king in the liquor industry was making substantial profits by using money available for 11 months of the year before paying his liquor licence fees. At least we have stopped that type of trading and we have also stopped persons mis-using liquor licence fees, which can be substantial, declaring themselves bankrupt just before the fees were due. The accuracy of the estimates concerns me because it is rumoured that the Premier had prior knowledge that a fortified wines tax would be imposed and that would affect the figures overall.

**The Hon. J.C. BANNON:** The honourable member knows that estimates are estimates. I cannot give guarantees. I can say only that one compiles estimates based on the facts available, past experience and by making future predictions. They remain predictions: in broad terms, I suggest that they will turn out to be fairly accurate.

**Mr OLSEN:** I presume that the Premier is aware that the lifting of liquor licence fees to 12 per cent will make South Australia the highest taxed of all the States of Australia. I presume that the Premier is very much aware of the fact that in lifting this State to the highest instead of the lowest taxed State per capita in Australia he will push us back to the unenviable position we were in when the Tonkin Government came to office, that is, the third highest taxed State per capita in Australia. South Australia's previous position as the lowest taxed State per capita in Australia came about as a result of Tonkin Liberal Government measures, so there is no doubt that the Liberal Government believed in lower taxes and did something about achieving that aim. In 1981-82 the Tonkin Liberal Government reduced tax levels in this State by 5.4 per cent. When issuing a press release in relation to this measure and others the Premier had the audacity to say that because S.A. is the lowest taxed State in Australia it is O.K. to lift taxes. He ignores the hard work that went into this State for three years to get South Australia on to the bottom rung of the tax ladder. Within 10 months of taking office the Premier is prepared to undermine the efforts of the previous Government and force S.A. back up the taxation ladder.

**The Hon. Jennifer Adamson:** He's not satisfied we are top in unemployment.

**Mr OLSEN:** We have the highest unemployment in Australia, and Adelaide is also the highest capital city on the consumer price index. The Premier indicated in relation to a previous revenue measure that he had asked Treasury to calculate the effect of that measure on the c.p.i., so I would be interested to know whether he had asked for such a calculation in relation to this measure. The South Australian Brewing Company has said that, as a result of this measure and the Hawke Government's taxing measures in the licensing area, it will this financial year withdraw \$4 million from redevelopment and maintenance programmes for hotels in South Australia. That withdrawal will impinge upon the tourist and hospitality industries that the Premier has tried to use as a basis to defend his stand (without justification) this evening. What about the jobs that would have been created if that \$4 million had been spent on hotels and in the hospitality industry in this state? How will the Premier explain that to the subcontractors and small businessmen who will not now have those funds circulating through their businesses—not to increase employment but merely to maintain existing employment levels.

If one thing has been shown up by the Premier's attitude to this and a number of other measures in his responses to questions during the Committee stages of this Bill, it is the fact that he simply does not understand the impact this Bill will have in the small business area or the liquidity problems that small businesses are currently experiencing. These tax measures will place imposts on small businesses. They will reduce their liquidity and then cut their cloth accordingly. This measure will result in reduced expenditure (which is what the member for Mallee was getting at) and, accordingly, reductions in staff levels.

It seems that the Premier has forgotten that in Australia 75 per cent of our population is employed by the private enterprise sector and that there is no other sector that can duplicate that employment level. The Premier can talk all he likes about complementary public sector/private sector, but the plain fact is that three quarters of the working people in this country are employed in the private sector. If the

small business community in this country had the capacity to employ one more employee in each business, that would significantly reduce unemployment levels overnight. This revenue-raising measure and others amount to pushing small businesses further away, squeezing them (thus adding to the consumer price index) and that will impact on those businesses yet again during this and the following financial year.

No wonder there are small business operators saying, 'It's not worth it. Why should I invest my savings without any return? Why should I employ others and establish a pay-roll for the benefit of giving employment to other people when imposts such as this are inflicted upon us time and time again?' One cannot increase the size of the public sector and then pass the cost of that on to the private sector and expect the private sector to maintain existing employment levels. It is impossible. It is an equation that does not work. Even if the Premier has not had any experience in the small business area, never paid provisional tax in his life (I presume that he does not even know what it stands for), never had to meet a pay-roll to pay other people their wages, to keep them on the pay-roll, to cope with the problem of income and expenditure on a weekly basis to meet these pay-rolls, to keep people employed in a business—

**The Hon. J.C. Bannon:** Yes, I have.

**Mr OLSEN:** If the Premier has, it seems that he is tackling the whole problem from the wrong end; he has a totally illogical basis of assessment. He cannot increase the public sector and pass the cost on to the private sector and not expect it to shed jobs. That is the effect that this measure has: it will shed jobs in the industry. The brewing company has given a quantified \$4 million worth of expenditure which it will not now undertake. That will mean that the hospitality industry in this State will not have the upgrading that it would have otherwise had. It will be a little shabbier and not so attractive to tourists not only from this State but also from other States, and will not build up the tourism industry in this State.

I was amazed that the Premier indicated that he had not asked the Treasury, in relation to the business franchise measure dealing with the cost of fuel, to establish what the effect of that measure would be on the c.p.i. That is a component which affects a whole range of goods and services in our community. No work was done on that. This Government is not a very well oiled machine. The Deputy Premier (as Minister of Public Works) did not know that the Premier had yesterday announced the capital works spending programme. He said in Parliament last night to the member for Torrens, 'How do you know about that? The Budget hasn't been brought down yet.' This revenue measure impinges on the Budget and the capital works programme.

**The CHAIRMAN:** Order! The honourable member is going far beyond what this clause is about and I ask him to come back to the clause.

**Mr OLSEN:** I am trying to link this revenue measure, which is related to the capital works spending programme on the other side, with the Budget process and I am trying to identify clearly how this Government is on the wrong track. What is more, the Government knows it. That is why it bought two minutes of commercial television time. I am sorry we have delayed the Premier—

**The CHAIRMAN:** Order! the honourable member is definitely out of order.

*Members interjecting:*

**The CHAIRMAN:** Order!

**Mr OLSEN:** I do not have to look at it because we received the transcript at 4 o'clock this afternoon. There was nothing of substance in the two-minute speech. Fancy spending up to \$10 000 on that. Pretty desperate stuff!

**The CHAIRMAN:** Order!

**Mr OLSEN:** Mr Chairman, I will definitely come back to this fee of 12 per cent which is the subject of clause 3. Why have we allowed our State to be the highest taxed State, as it relates to this liquor licence fee? Why have we allowed the South Australian Brewing Company, as a result of this measure, to cancel \$4 million worth of programmes throughout this State, with a consequent loss of employment opportunities for a number of people, and an impost on the small business community? Has the Premier checked the c.p.i. to see what the impact would be? Did he have discussions with his interstate colleagues? Are they going to lift—

**The Hon. Michael Wilson:** Even if he had done it for the five taxation measures, it would have been something.

**Mr OLSEN:** At least it would have had some consistency, which we do not get with any measures before the House. Did the Premier discuss the measure, as he has discussed f.i.d., with the Premiers of New South Wales and Victoria? Are we the pacesetter in Australia for new liquor licensing fees? Is the rest of Australia going to follow us? If any business did that, the Trade Practices Commission would have it up for collusion in setting a common retail price. Did the Premier discuss the matter with his interstate colleagues?

They are justifiable questions to which the Premier ought to give answers to the Committee—answers which I know he will have some embarrassment in providing. When one considers that, in relation to taxation measures, the Premier gave an unequivocal and clear commitment to the electorate not 10 months ago that he would not introduce new taxes or increase taxes during the life of this Parliament—

**The CHAIRMAN:** The Chair will not constantly pull the Leader into order when he deliberately transgresses from the clause before the Committee.

**Mr OLSEN:** I was coming right back to the 12 per cent aspect, Mr Chairman.

**The CHAIRMAN:** I should hope so.

**Mr OLSEN:** It is therefore incumbent on the Premier to at least give the Committee the courtesy of specific answers to those questions; namely, is the 12 per cent now the highest in Australia and, if so, why has he allowed us to become the pacesetter for Australia? Did he discuss the matter with his interstate colleagues and reach agreement with them before bringing the measure before the House? Further, what was the impact of the consumer price index as a result of this measure? Also, what was the effect of the cancellation of \$4 000 000 worth of works programmes by the South Australian Brewing Company? Finally, has the Premier, because of a new corporate strategy being developed by the South Australian Brewing Company as a result of this measure and as a result of the Hawke Government's taxing measures in this area, had discussions with them regarding what the new corporate strategy will be? I fear that, if we turn our back on the hospitality industry as a result of that measure, it will impinge seriously not only on South Australia's tourist potential but also on job opportunities and the maintenance of such opportunities in South Australia.

**The Hon. J.C. BANNON:** The Leader has made a long speech, at the end of which he summarised six questions that he wanted me to answer. In the course of his speech the Leader told us what he believed the answer was in each and every case. Therefore, there is not much point in my going through this great sequence of questions. The Leader's mind is completely closed. He is totally unco-operative in this area.

Clause passed.

Title passed.

Bill reported without amendment.

**The Hon. J.C. BANNON (Premier and Treasurer):** I move:

*That this Bill be now read a third time.*

The House divided on the third reading:

Ayes (24)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon (teller), M.J. Brown, Crafter, Duncan, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne, Peterson, Plunkett, Slater, Trainer, Whitten, and Wright.

Noes (18)—Mrs Admanson, Messrs Allison, P.B. Arnold, Baker, Becker, Blacker, D.C. Brown, Eastick, Evans, Ingerson, Lewis, Mathwin, Meier, Olsen (teller), Oswald, Rodda, Wilson, and Wotton.

Pair—Aye—Mr Peterson. No—Mr Blacker.

Majority of 6 for the Ayes.

Third reading thus carried.

### STAMP DUTIES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 August. Page 527.)

**Mr OLSEN (Leader of the Opposition):** I rise to oppose this measure.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr OLSEN:** Members opposite are scurrying back after having seen the Premier in his two minute television episode. They are disappointed that they have to apologise publicly for the fact that they have consistently broken election promises. I had no doubt that they would scurry back to this Chamber. The Government has had to spend \$10 000 to prop itself up and to apologise to the electorate. That indicates to the public that the Government is running scared and is desperate: after 10 months, it is spending \$10 000 to try to shore up its position.

**The Hon. J.W. Slater:** What have you done with your \$100 each? Has it been well spent?

**The SPEAKER:** Order! I call the Minister to order.

**Mr OLSEN:** I should not answer the interjection, Mr Speaker.

**The SPEAKER:** No.

**Mr Trainer:** Tell us about your whip around.

**The SPEAKER:** Order! The member for Ascot park is also out of order.

**Mr OLSEN:** This Government's taxation policy is becoming, if it is not already, a public joke. The Government is bankrupt not only in economic terms but also in moral terms and in principle. I thought that this Government would at least attempt to establish some credibility in Government, but by its performance and its very action it has failed to do so. There is no doubt that, by and large, the electorate judges Governments by performance. One of the Government's taxation measures is the Bill before the House.

It is the basis of a further impost on South Australians in an area to which we ought not be applying that impost. It is another measure which will take us from the bottom rung of the lowest taxed State per capita of any State in Australia—an objective achieved by the former Government through quite clear, prudent economic management of the State's finances, and considerable hard work and endeavour—to give manufacturing industry (an industry in this State which happens to employ 75 per cent of the South Australian workforce) a very significant advantage *vis-a-vis* other States of Australia.

Even the Premier would acknowledge, I am sure, that we have to maintain a cost advantage in this State *vis-a-vis* other States to offset the transport cost to the Eastern States

markets—the major markets for our commodities in this State, not the least of which is the white goods industry—and further imposts such as this impinge on those industries by adding a further cost. We have just seen the measure before the House taking us to the highest tax level of any State in Australia.

We are becoming a pace setter in taxation. I repeat, and I think that it is worthwhile placing on the record the point, that the Premier had the audacity to include in the last page of his press release announcing a range of measures, one of which is this measure, a statement that he was justified in putting up tax because we were the lowest taxed State in Australia per capita. If we talk about credibility, there is no credibility in that statement. If we talk about hypocrisy, that would be almost the one to take first prize. It is absolute hypocrisy to say that three years of hard work to take South Australia from the third highest to the lowest in Australia was the reason why this Government could increase Public Service numbers and increase costs to the—

**The SPEAKER:** Order! I draw the honourable Leader's attention to the ruling that I made last night. Indisputably, and I stand by this ruling, taxation measures are of great width—

**The Hon. Michael Wilson:** Enormous width.

**The SPEAKER:** Enormous width if the member for Torrens wishes—but they are not the same as budgetary measures and are certainly not the same as grievance measures. I ask the honourable Leader to obey the Chair in that regard.

**Mr OLSEN:** Of course. What I was attempting to do—and I want to explain this clearly—was in relation to the taxation measures (that is, revenue-raising measures), one of which is before this House at this moment—

**An honourable member:** Of an unknown amount.

**Mr OLSEN:** It is an unknown quantity in relation to the amount that will be generated as a result of this revenue-raising measure. The impact that that will have on this State's position as left by the Liberal Government as the lowest taxed State per capita in Australia, achieved in 1981-82 in relation to State taxes, reducing it by 5.4 per cent (which is the level by which State taxes in South Australia fell)—

*The Hon. J.C. Bannon interjecting:*

**Mr OLSEN:** The Premier agrees. I am pleased that the Premier has acknowledged and agreed with that point because he has also in justification—

**The Hon. J.C. Bannon:** I don't know about the figures, but the solvency problems were being created then.

**Mr OLSEN:** I am quite sure that, if the Premier is prepared to get Treasury to pull out a piece of paper that is floating around the Treasury offices, that figure will be well and truly clarified for him.

**The Hon. J.C. Bannon:** What about the figures on our cash balances and bankruptcies? That was the impact of your policies.

**The SPEAKER:** Order! The House is not the place for private conversations.

**Mr OLSEN:** Clearly, it has been established that in relation to revenue measures, one of which is this measure, the former Government reduced significantly the taxation level in this State. This measure, coupled with the others that have been announced by this Government, will take us off the bottom rung and push us back up again. That is clearly an economic fact: it is economic madness for this State. It is certainly a sad joke for those who will lose jobs as a result of the extra imposts that will be placed on industry as a result of these measures. They are the individuals who will suffer.

I remind the House that, prior to the last election, the then Leader of the Opposition said that the A.L.P. would not introduce new taxes or increase existing levels of taxes

during its term of office, namely, for three years. That was a clear promise. I also point out to the House that, shortly after the election, a statement in this House (and documents that I released publicly containing Treasury dockets legitimately available to the Liberal Party when in Government) clearly indicated (natural disasters to one side) that the Budget deficit at 30 June this year, including promises made by the then Government during the election campaign, would have been \$13.1 million. To this very day, the Premier has never challenged that figure: he knows that he cannot challenge it, because it is based on Treasury advice and figures made available.

**The Hon. Peter Duncan:** We were elected on a policy of balancing the Budget.

**Mr Groom:** How come you are \$13 million out?

**The SPEAKER:** Order!

**Mr OLSEN:** This measure is the fourth Bill to come before the House in the past three weeks increasing State taxes in South Australia.

**The Hon. D.C. Wotton:** All broken promises.

**Mr OLSEN:** They are continual broken promises, and there will be at least one more Bill to establish the financial institutions duty, that is, assuming that Thursday's Budget does not contain any further tax rises. Goodness knows what is in store for us tomorrow. Surely there cannot be much left of the Budget considering all the announcements that keep being rolled out day after day. There have been five specific increases in State taxes by a Government which, less than 10 months ago, gave what was then a solemn pledge that it would not introduce new taxes or increase existing levels of taxation.

The Premier then parades the legislation before the House as if he has an absolute mandate from the people of South Australia to increase their living costs and decrease their living standards. That is the action of a Government without principle. The Opposition recognises the seriousness of opposing money measures, glibly disguised as Budget measures, even though the Budget has not been introduced. The Opposition would not be carrying out its duty to the people of South Australia unless it registered its protest against this and other taxation measures. The Labor Party made a promise of no new or increased taxes, and it is now well down the path of deception and deceit. That is why it is attempting to apologise to the electorate for its actions. The people of South Australia will eventually have the right to register their protest.

**The Hon. D.C. Wotton:** They are not too happy at this stage.

**Mr OLSEN:** That is another reason why they are trying to patch up the ship.

**The Hon. Michael Wilson:** In two minutes tonight!

**Mr OLSEN:** That is a two-minute patch up. The Liberal Party intends to keep reminding South Australians of the treachery of this Government of double standards. It is a Government of double standards and hypocrisy. The Government claims that the State is in severe economic disorder. It is not the State which is bankrupt. It is the Labor Government that is bankrupt of ideas and managerial and administrative skills. The fact is that \$26 million was over-spent by Government departments in the first few months of the life of this Government. That is recognised in the statement released by the Premier to this Parliament. Ministers were not in control of their departments. Furthermore, the Premier released a minute to his Ministers indicating that they were employing or allowing people to be taken on without proper authority. Ministers were misconstruing the employment policies of their Government.

That is why we have had a blowout of this size in the public sector. That is why had a blowout, in the Premier's own words, of \$26 million over expenditure in Government

departments. No business could operate that way. No household could operate that way. The Premier referred today to a household budget and said that we should bring it down to the people's level, so they can understand what he is talking about.

**The Hon. D.C. WOTTON:** The Premier has never been in business, so how would he know?

**Mr OLSEN:** True. No household budget can ever expend to the tune of \$26 million, which this Government has done in its first few months in office. This is why these taxation measures have been imposed, because Ministers have not been able to adequately control the expenditure lines of their departments. This impost—

**The SPEAKER:** Order! The Leader must by now understand clearly the ruling which I gave last night and which I have repeated tonight: he must link up his remarks with the Stamp Duties Act Amendment Bill which we are now considering.

**Mr OLSEN:** This impost on most decent South Australians who are responsible enough to take out insurance to protect their properties is certainly a savage and unnecessary one.

*The Hon. Peter Duncan interjecting:*

**The SPEAKER:** Order!

**Mr OLSEN:** I would have thought that the member for Elizabeth, who is surely encountering significant problems with his constituents, would not want this impost introduced by the Government to be borne by them. The Government's proposal to increase current duty on the annual licence fees of insurance companies from 6 per cent to 8 per cent is yet another step in eroding the net disposable income of most South Australians. This increase in taxation is being imposed on those responsible people in the community who take out insurance. It is not an impost on those who choose not to insure themselves against risk. The increase in premiums that will result from this measure clearly removes the incentive for sectors of the community to carry that risk; that is, they are going to take the risk on themselves rather than insure because of the escalation in cost.

This impost tempts people to gamble with their properties, their livelihood and their future. Following the savage bushfires and floods which recently ravaged sections of the State, the Government should be concerned that such a disincentive should occur or be built in. All members would acknowledge that those who do not insure expect the Government to assist them, yet people who do insure do not expect such assistance from the Government. Any measure that applies a disincentive for people to insure is certainly not in the best interests of the community.

In the case of workers compensation, any premium increase is also a disincentive to employ. Additional premiums add to increased employment costs. While the Federal Government and industry are supposedly in accord in regard to the need to restrict wage costs, this Government is imposing an additional burden on employers. The proposed tax increase will not only lift workers compensation premiums and discourage employment but it will also increase the cost of retaining people currently employed. For the vast bulk of the private sector which employs 75 per cent of the work force and which has been undergoing serious liquidity problems, struggling to maintain existing employment, let alone create new jobs, imposts such as this will increase workers compensation premiums and will act as a disincentive, as pay-roll tax acts as a disincentive, for employers to take on further employees, if not acting as a disincentive to work hard to at least maintain existing levels of employment in those enterprises. The Premier acknowledges that pay-roll tax is a disincentive to employment. I suggest that this measure—

**The Hon. J.C. Bannon:** We have done more in regard to pay-roll tax by raising the exemption levels than the previous Government ever did.

**The SPEAKER:** Order!

**Mr OLSEN:** It is obvious that I have touched a raw nerve over there in referring to these taxing measures. Members opposite are a little shaky on the edges; the member opposite is very shaky having to go out and buy two minutes of prime television time to try to apologise for his position. Workers compensation insurance will increase as a result of this measure. It will provide the same disincentive to creating jobs and maintaining existing job levels as does the pay-roll tax measure. At least the Premier acknowledges the impact that the pay-roll tax provisions have on employment.

Once again, this is a hypocritical move which will increase employment costs. Workers compensation insurance currently accounts for about 20 per cent of all insurance business written in this State. That is a fairly significant amount. As a consequence of the proposed increase in stamp duty rates, South Australian employers will be required to source an additional \$2 million in the State Treasury. That will be a cost on employers and an extra burden involving workers compensation costs, with \$2 million extra premium costs on business enterprises. Taxing people out of jobs is what it is all about. Almost 150 permanent jobs could be created within the private sector if \$2 million was spent on wages and salaries. So, clearly this measure will rule out 150 jobs in the private sector.

**Mr Meier:** That's known.

**Mr OLSEN:** It is indeed. The employers of this State cannot continually increase charges to absorb the continual escalation of State charges and increased taxation measures introduced by the Government. They have no alternative other than to embark on an austerity campaign by pruning employment numbers. Indeed, that has been happening. The reason why South Australia has such a high unemployment level is the severe liquidity costs of those businesses, and they have cut their cloth accordingly. Under the Bannon Labor Government, it appears that the costs of private sector operation will be dictated by Government initiatives and by diminishing revenue together with investment decisions in the market place. The Government cannot even control its own finances and, on the admission of the Premier in his Ministerial statement and in the minute he sent to his Ministers, it certainly lacks Ministerial expertise and financial competence.

The five tax measures so far revealed by the Government involve petrol, cigarettes, insurance, liquor and the financial institutions duty. I will not refer to any of those measures covered by statutory authorities. In the past 10 months, increases in at least 34 State-imposed charges have occurred. I do not intend to outline them all to the House tonight, but they relate to the measures to which I have referred. Also, of course, hospital charges have increased as have numerous charges relating to statutory authorities.

**The SPEAKER:** Order! I refer to the range of matters to which the honourable Leader is alluding. I would not have pursued the matter any further if it was to have been a brief allusion, but the matter of statutory authorities was debated at length on another occasion.

**Mr OLSEN:** I said that I did not intend to refer to the statutory authority increases.

**The SPEAKER:** I am sorry, I misheard the Leader.

**Mr OLSEN:** Thank you, Mr Speaker. In all, increases have occurred in 34 Government charges under a Government that promised, prior to the last election, that it would not increase State taxes or charges and that it would not use a number of State charges as a form of back-door taxation.



The introduction of this and similar measures by this Government is the action of a Government without principle. We know that the Premier is regarded by some of his colleagues as being without principle, as this has been alluded to publicly on a previous occasion. This Government has embarked on a policy of increasing the size of the public sector work force as well as increasing its ability to interfere with the freedom of general community activity. Every 1 000 additional public servants employed costs the taxpayers of this State about \$23 million a year in wages and other costs; that is indisputable fact.

It is appropriate, when debating an insurance Bill, to remind the House of this Government's decision to allow the State Government Insurance Commission to sell insurance through post offices in South Australia, a move soundly rejected by the former Government in 1980. Such a move quite clearly gives the State Government Insurance Commission a significant trading advantage over private industry competitors—there can be absolutely no doubt about that. Yet (and I say this without casting doubts on the ability of post office staff) the public cannot expect to receive the same expert service—

**The SPEAKER:** Order! The honourable Leader is now flouting my ruling.

**The Hon. Michael Wilson:** He's talking about insurance.

**The SPEAKER:** The Leader is indeed talking about insurance but not linking his remarks to the Stamp Duties Act Amendment Bill before us. The honourable Leader.

**Mr OLSEN:** Mr Speaker, I was referring to the State Government Insurance Commission, because it has been given a significant trading advantage over—

*The Hon. J.C. Bannon interjecting:*

**The SPEAKER:** Order! The Premier will not be determining the relevance of this matter.

**Mr OLSEN:** It has a significant trading advantage over private sector insurance companies which can offset the impact of a revenue-raising measure such as this on the insurance industry. An impost such as this is imposed across the insurance industry in South Australia, and then the State Government Insurance Commission is given the opportunity to sell through a whole range of retail outlets that no private sector business can use. I am disappointed to note that there is no Minister in the House at the moment. This is a clear indication of this Government's contempt for this House. It has always been the Government's responsibility to have a Minister on the front bench to control the business of the House, but there is not at the moment.

*Members interjecting:*

**The SPEAKER:** Order! The honourable member for Hartley will definitely come to order. The honourable Leader.

**Mr OLSEN:** Thank you, Mr Speaker. The operations of the State Government Insurance Commission are relevant to this Bill, because this impost has been applied right across the board. Now there is nobody on the front bench. Perhaps the member for Elizabeth would come to the front bench. We are willing for the member for Elizabeth to be on the front bench, even if his colleagues are not willing for him to be there. I would be delighted to have the member for Elizabeth handle this measure. Ah, the Treasurer returns.

**The SPEAKER:** Order! In line with my predecessor's rulings, I indicate that the question as to who is or is not on the front bench at any given time is not relevant.

*Members interjecting:*

**The SPEAKER:** Order! In particular I call the honourable member for Murray to order for the way in which he is interjecting. I have now reconsidered the ruling I gave in relation to the S.G.I.C. I have looked at the Bill and, at least on the face of it, it appears not to bind the Crown or the statutory authorities of the Crown and would, therefore,

appear to open up some width for the honourable Leader to canvass. The honourable Leader.

**Mr OLSEN:** Thank you, Mr Speaker.

**The SPEAKER:** I might add that I need no advice from anyone as to whether or not that decision was wise.

**Mr OLSEN:** S.G.I.C. is entering into post office operations by creating 130 retail outlets and using untrained staff. The Commission's private sector competitors cannot hope to compete. This measure is designed to increase the power and influence of the Government-run insurance company over its private enterprise competitors. It is a blatant use of the platforms of a socialist Government, arranging its priorities to exclude, dampen initiative and place imposts in the road of the private sector, despite the fact that the private sector employs 75 per cent of the workforce. What this Government fails to understand in its policies of higher taxation and bigger, more intrusive Government, is that further imposts on the private sector will only affect greater numbers of South Australians in the employment market. The backbone of the South Australian economy is the private sector, whether primary producers, car makers, delicatessens or teachers in private schools. The Government has a role to play—nobody denies that. However, the economic recovery and growth of South Australia rests clearly in the hands of private enterprise. It is not possible, try as the Government will, to increase the size of the public sector to make up for unemployment. By increasing the number of public sector jobs, inevitably the next step that the Government must take is to increase taxes to pay for those jobs. That is what we are seeing in this measure before the Parliament tonight. The Government has increased the number of public sector jobs, and is now passing on the cost in the form of increased taxes in the private sector.

Increased costs and charges will make firms less competitive in the present harsh economic environment, so the option taken by most employers is to reduce staff. I have already referred to the fact that workers compensation accounts for 20 per cent of all the insurance sold in this State. This measure will add \$2 million to the workers compensation bill in this State. We have seen a simple formula developed: a bigger public service, higher taxes, higher costs to private industry, less private industry jobs. It is nonsense to suggest that by increasing the number of public sector jobs the Government is actually reducing unemployment in South Australia. That simple equation demonstrates the folly of the Labor Party's argument in that regard.

The Government is also embarking on a policy of encouraging its construction agencies not to use the private sector. There has been a movement of contracts away from the private sector to the public sector. This measure is placing a greater impost on the private sector in terms of workers compensation premiums. I ask the Premier whether he is dinkum about removing impediments on the private sector to create jobs, as he has enunciated from time to time in relation to pay-roll tax. The Premier ought to consider the impact of this measure on the private sector and on workers compensation premiums. I presume that the Premier did at least some homework before bringing this measure before the Parliament. There was no c.p.i. component analysis in relation to the other revenue-raising measures and, on past performances, I do not expect that the Government did any homework on this revenue-raising measure before slipping it into Parliament. I would have thought that the priority of any Government in this State would be to tackle the unenviable record of being the inflation capital of Australia. This measure will merely add to that record.

**The Hon. Michael Wilson:** We don't know by how much yet.

**Mr OLSEN:** No, we do not know by how much. However, I am sure that the Premier will answer that question. He has not been able to answer any other questions, but I am sure that he will attempt to answer this one. It is the last question, so he may have a shot at it. Not only are we now the inflation capital of Australia as a result of measures introduced by this Government but also we took over the unenviable record of having the highest unemployment level of any State in Australia under this Government. If the Government wants to tackle those problems, it ought to be removing the impost on industry and not increasing it: the measures before the House simply increase the impost. It has the same effect as pay-roll tax. If I keep talking about pay-roll tax, the Premier may understand its impact on the expenditure incurred by small businesses and the effect that this measure will have on small business expenditure.

The record of having the highest unemployment and being the inflation capital is a deplorable record from a Government which, before the last election, offered hope to the people of South Australia.

**The SPEAKER:** Order! I ask the Leader to recall my rulings.

**Mr OLSEN:** This is a revenue-raising measure, and it clearly breaks the Government's election promise not to increase taxes or introduce new taxes. In one hit the Government has increased or introduced five taxes. It has also bundled into the process 34 increases in charges in 10 months—34 different charges have had a hike upwards in 10 months as a result of measures introduced by the Government. The Government promised to beat the problem of unemployment. This measure, and the other revenue-raising measures, will not in any way attempt to address that problem. The Government has the dubious record (to which I have referred) of having the worst unemployment and inflation levels in the country. There is no doubt that we have a Government of false hope and a Government of lost opportunities. It is misguidedly directing its priorities in the wrong direction. Instead of addressing the core of the economic problems facing South Australia, this Government has instead stuck its nose firmly in the pages of the socialist handbook—presumably opened at the chapter headed 'Economic disaster'.

Certainly, only a socialist Labor Government would embark on a policy of higher taxation and this revenue measure certainly contributes to higher taxation. The rest of the community has been patiently abiding by, contributing effectively towards, and supporting a wage pause. Only a Labor Government would increase the size of the public sector to the detriment of private industry and then attempt to get away with passing on revenue-raising measures such as this, and their cost, to that industry. We have only to be reminded that the full impact of these measures will start to be felt on Friday when these revenue-raising measures are put into effect.

Cigarettes have gone up 18 cents a packet directly as a result of action taken by the Government through a revenue-raising measure. We have had the Federal Government's tax already applied to cigarettes. Yet to come is the State tax which will push cigarette brands towards \$2 a packet. This Government has been busy! It has been planning for the future—it has been planning tax increases. On Thursday there is no doubt that we will have an impact flowing into the consumer price index as a result of a rise by at least 1c a litre on petrol—a tax imposed by the Labor Government in this State. These increases will indeed deal a savage blow to South Australians. It will not only mean more expensive petrol; it will also mean that the cost of goods and services which rely on transport will rise. In the transport industry we have not only had the impost of fuel tax but also the

impost of workers' compensation (which the Bill addresses) being passed on to small businesses in that industry.

It will be interesting to see the skeleton Budget. There will not be much left in the Budget. About the only thing that we have to find out is what the deficit will be on 30 June next year and just how much these other revenue-raising measures will contribute to that. I understand that we will not be told what the rate of f.i.d. will be, although it will be a very large proportion of the revenue-raising package. Evidently, the Premier is having difficulty in setting a common figure with Mr Wran.

The tax on insurance premiums is not justified. It is a disincentive to the prudent to insure against the effect of a natural disaster and any other like circumstance, and the impact comes back to the Government of the day. The Government has no credibility or sense of responsibility. It has no principles and, most of all, it has no mandate to increase taxes and to introduce this measure. For that reason, the Opposition will oppose the Bill.

**The Hon. B.C. EASTICK (Light):** Just how bereft this Government is of ideas and initiative can clearly be shown by the manner in which this Bill was presented to the House. The first paragraph of the second reading explanation is precisely the same as the first paragraph of the second reading explanation of the Bill which was before the House last evening and which amended the Licensing Act. It is almost as if the computer is now programmed to give paragraphs 10, 31, and 6, in that order, depending on which button is pressed. The second reading explanation states:

Members will recall that, in announcing the 1982-83 results to the House a short while ago, I said that, because of the serious Budget situation confronting the Government, the Government had no alternative but to implement a number of taxation measures. I mentioned five of them briefly. This Bill relates to one of those measures.

They are precisely the same terms as those relating to the Licensing Act Amendment Bill, which we discussed last evening. I suppose that the Premier will take no advice from me. He has shown a disinclination to accept suggestions in the past. He has even found it necessary to stoop to fairly low levels this evening in the Committee stage of another measure to suggest that I would want, in simply seeking advice relative to the impact on the family, to have young children become under-age drinkers.

The measure before us, and the previous measure, will have a quite serious impact upon the capacity of business to function and, when business has hiccups because it is unable to function effectively, the community gets an overdose of hiccups because the flow-on of benefit in regard to employment and the free spending of money dries up. There is a very unfortunate impact on the whole community. It is the multiplier effect in reverse, and it appears to be a negative multiplier effect.

*Mr Lewis interjecting:*

**The Hon. B.C. EASTICK:** As my colleague says, it appears that members opposite have failed to accept that result. I ask them to go outside and walk up and down the main streets of the towns that they represent to ascertain what their constituents think about this situation. I know what people think about it, because the Government saw fit tonight to expend a large sum to try to defuse the issue. The belt is tightening, and people are reacting. The advice I could give the Premier in relation to this measure and the other measures, more specifically because of the repetitive nature of these measures, is that the Premier should be very careful that someone does not call wolf. I do not believe that I have to spell out to the House or to the Premier the story of the little boy who called wolf.

It was not very long before people took no notice of the boy at all and, indeed, the people of South Australia are taking no notice of the Premier now in relation to broken promises, to integrity and to honesty, because they were misled into believing that they would be advantaged by the election of the Premier's Party. In a very short space of time—albeit 10 months since the election—they have come to realise that they could not (or they cannot or they have not been able to) accept the honesty of the Government's intention. My Leader made quite a mention of this factor earlier this evening when he referred to the promises that were made by the then Leader of the Opposition (the present Premier) in respect of the Labor Party's attitude to taxing measures.

Another very unfortunate aspect is revealed in the second reading explanation, which shows a complete lack of understanding by members opposite; the Premier, being the author of this document, must accept the total responsibility for this issue. It says:

It is proposed that the current duty on annual licences of 6 per cent be raised to 8 per cent. On annual household insurance policies currently costing \$100 this measure would add about \$1.90; and for those costing \$150 this measure would add about \$2.80.

'About \$1.90', 'about \$2.80'—as if \$1.90 or \$2.80 is too insignificant to worry about! That is where the pinch comes: it is the \$1.90 on the \$100 account and the \$2.80 on the \$150 account, and the multiplicity of accounts in the insurance field that every household has that start to be the pinch in the boot. It is the \$1.90, plus the \$2.80, plus another \$1.90, plus \$2.70, and so it goes on, depending on these further imposts.

This is an impost only in relation to insurance—and not all insurances, because life insurance and third party motor vehicle insurance are not directly involved. But, I am advised—and I am no expert on the matter—that the average number of insurance policies held by the average household is somewhere between 7.5 and 8.3.

Look at public liability policies, which many people have. There are some package deals in which the whole lot is bound up into a family household policy and one has insurance on rings, valuables, public risk (as I have mentioned), the boat, breakage, and so it goes on. I will refer to the particular lines of insurance in a few minutes.

*An honourable member interjecting:*

**The Hon. B.C. EASTICK:** There are quite a number of insurances—

**An honourable member:** Fire.

**The Hon. B.C. EASTICK:** Fire definitely, hail, tempest and whatever. We accept that some of those are contained within the one package, but as soon as one gets a multiple coverage within the one package the overall cost of insurance goes up and so does the percentage amount. A 33½ per cent increase in the stamp duty rate alone will be impacted on those various amounts.

Take the impact of the other taxes already imposed. I just list them without going on to debate them: take the charge on motor fuel, the licensing fee, the charge associated with all financial transactions (the financial institutions duty), and the other charges which have been placed on the people of this State by this Government in the 30-odd increases which have been referred to, and they make a very tight boot, a very tight constraint on the spending power of the community. More specifically, let us bring it back to the individual family unit—a constraint on its ability to buy.

As soon as that occurs, there is a constraint on the throughput in so many areas of business activity. That is where the real bind is: it is the multiplying and very serious effect upon any community. Regrettably, South Australia has been placed in the position of quickly moving up to be

the most taxed State of any in Australia from a position of being the least taxed of any State. That will have a serious and ongoing effect on business goodwill and it will have an effect on initiative because it destroys initiative. It destroys the opportunity for expansion, and it is in the field of expansion in the private sector, as opposed to the public sector, that the genuine benefits accrue to a community which is going ahead rather than being stationary or stagnating. I believe that no member can turn his back upon the seriousness of this situation and the effect that it is having on the people whom we claim effectively to represent.

It will be interesting to see the reaction of the people of this State, when given the opportunity to go to the polls, to the actions of this no-tax Government, which has become a very heavy tax Government. It is indicated that, in a full year (and the full year really is a once per annum income, the measure taking effect on 1 January each year), around \$6 million will be placed into Consolidated Revenue arising from this measure. That \$6 million is capable of assisting in relation to a school, a hospital, transport, welfare, housing, wherever—

**Mr Becker:** And jobs.

**The Hon. B.C. EASTICK:** It is able to assist in generating jobs. However, I suggest that there is no real value in public employment. The Whitlam Government turned its back on it to its peril. The Dunstan Government turned its back on it to its peril and had a high percentage public sector business economy, as opposed to a high level of private enterprise business economy, and it fell from favour as a result.

By having this \$6 million to put into the pockets of additional public servants against the proven benefit of a reducing Public Service activity, this Government will not assist South Australia. What is even worse about the whole measure is that, if one feeds the animal \$6 million worth this year, one creates the situation of having to raise \$9 million next year to keep it fed: it escalates. If these units get into the system, they must be maintained and provided with their wants and their natural increases in salary as a result of the normal six monthly or twelve monthly incremental changes. Once one starts with the other additional benefits which accrue to such employment, so one will increase the demands for the amount of money required to maintain that unit of expense.

I said that I would come back to what I think we are precisely dealing with tonight. It is a short Bill in a total sense and refers only to the deletion of '6' and the insertion of '8'. Reference is made to the second schedule of the Stamp Duties Act, and I refer to the side note 'sections 32—42Aa' and the related provisions, as follows:

Annual licence, to be taken out by any company, person or firm of persons, whether corporate or unincorporate, which carries on or proposes to carry on in South Australia any life, personal accident, fire, fidelity, guarantee, live stock, plate glass, marine, or other assurance or insurance business whatever, and whether the head office or principal place of business of that company, person or firm is in South Australia or elsewhere—

(a) Where the company, person or firm has received or in any manner charged in account premiums of any kind whatsoever, whether directly or by agents, within the period of twelve months preceding the year for which the annual licence is to be taken out—

	Amount of Duty \$
(i) for every \$100 or fractional part of \$100 of such of those premiums as relate to life insurance policies . . .	1.50
(ii) for every \$100 or fractional part of \$100 of such of those premiums as relate to policies of insurance complying with Part IV of the Motor Vehicles Act, 1959, as amended . . .	0.50

That amount is not touched by this Bill—

(iii) for every \$100 or fractional part of \$100 of such of those premiums as relate to any other kind of policies.....	6.00
--	------

That has been increased to \$8. I mentioned that provision because, if one refers to the initial definition of 'annual licence' in the area of operation, one finds that it was only in 1978 that life assurance was taken out of this provision. Most certainly, we would have had a further and justifiable scream from the people of this State if that measure had remained part of the second schedule.

There are other aspects of the licence relating to annual licences to which I will not refer but, because of the impact and importance of this impost on the type of insurances affected and of bringing it to the notice of the public, I will refer to them again, as follows:

... personal accident, fire, fidelity, guarantee, live stock, plate glass, marine, or other assurance or insurance business whatever, and whether the head office or principal place of business of that company, person or firm is in South Australia or elsewhere—

It is all-embracing. We are locked into a position where insurance companies will react with us even across the border being unable to use section 92 of the Commonwealth Constitution, which otherwise would have given a method of circumventing the taxation measure being imposed in this State. That of course may be open to legal argument, and I am not going to enter into that. It seems that we will not have the benefit of being able to move interstate for this business.

If in fact it was found that that qualification did not benefit the South Australian scene, then certainly the generating effect of insurance undertaken in South Australia and the use of those funds for maintaining staff in South Australia, the level of payment for goods and services in South Australia would deteriorate and we could well find ourselves in a position where not only would people be reacting against the additional tax by perhaps taking out less insurance, but there is a distinct possibility that the overall funding associated with the industry in South Australia would be reduced.

That leads me to refer to the position that arose as a result of experiences in South Australia earlier this year associated with floods and bushfires. Many people who were insured found that their policies did not provide them with the cover that they had expected. Suddenly, they found that they did not have cover for water penetration unless water happened to come through a crack or a hole in the roof, as opposed to its coming in from under a door. I fully realise that it is important, in taking out insurance, that a person makes quite certain that the insurable risk (which will have a taxation charge incurred, a matter which is relevant to this debate tonight) is one that one can opt into or opt out of.

Because of the experiences that many people had, already there is an ongoing resistance to insurance. I have been told that many people in the community have shrugged their shoulders, after having been paying for a premium for a number of years under what they regard as false pretences, believing that they had a certain cover, but finding, when the crunch came and they needed support and assistance, that it was not available to them. Therefore, those people have decided that they will not bother about insurance again.

There is another aspect to the matter which is most unfortunate, but it is a reality of life. Because of the magnitude of the most recent bushfires and floods and the immediate sympathy and commendable actions of a large number of people in the community and the Government (the Government is totally supported in whatever funds were put into public subscriptions), some people tend to say, 'Why insure? If we suffer a loss the community or the

Government will help us.' The result is that there is an ongoing down-turn in the number of insurance policies undertaken. Simultaneously, there is a down-turn in the amount of stamp duty collected by the Government relating to the transactions. When a calamity occurs, such as a bushfire or a flood, or even an earthquake such as that which was experienced in Adelaide on 1 March 1954, we could suddenly find that the Government could be placed in an unenviable position of being expected by the community to assist large numbers of people who require assistance, but who did not take out personal cover because they had shrugged their shoulders and said, 'Why worry?' It is the small amounts of \$1.90 and \$2.80 which influence people in regard to whether or not they undertake an insurance risk policy.

It is said in local government circles that it takes five times as long, or longer, to buy a wheelbarrow for local government than it takes to spend \$1 million on a roadworks programme. It is the little amounts that create the hassles. It is the small amounts that cause people to consider their position and to alter their attitude. Therefore, I say to this Government quite positively that there is a situation created by this measure before us this evening, as there was by the one discussed last evening (and indeed all of these measures), of the public becoming blasé about the this whole matter and saying, 'Why worry, let the Government look after us.' That sort of thing only compounds the problem. I believe that it is against the best interests of the South Australian community of this form of taxation to even be considered.

I turn now to the statement made in the very first paragraph of the Premier's statement this evening when he said, 'We had no alternative.' We do have an alternative, one which this Government has failed to accept and which it has consistently turned its back on. However, I suggest that it is the alternative most likely to be beneficial to the whole of our community. That is to learn to say 'No', and to reduce the handouts and excesses that this Government has been party to in its brief 10 months in office. We have identified the situation in respect of school teachers when the Premier told me this evening in another context (although directly related, because it concerned money being raised) that we must put money into education. Members on this side of the House have no argument with the statement that there is a need to put money into education. However, we do not believe in pouring money down the sink or in handing it out because somebody was happy enough, although misguided, to place large advertisements in the newspapers immediately before the last election to buy support for the present Government.

Likewise, we do not believe that it was necessary to give more milk to the fat cats in the Public Service. I do not just mean the top fat cats, but all of the cats within the Public Service. They play an important part in South Australia's economy; they play an important part in the services provided to South Australians. They are essential, but they are only one cog amongst the many that go to make up a community. There is no way that they ought to expect more grease on their wheel or more milk in their bellies.

**The ACTING SPEAKER (Mr Whitten):** Order! The honourable member for Light is straying from the Bill.

**The Hon. B.C. EASTICK:** I will not argue with you about this, Mr Acting Speaker, but I do not believe that that was not the message. The point is that this Government is raising taxation to put milk in the bellies and grease on the cogs. I believe that that is a course of action that we do not need to follow. I am opposed to this measure, as I was to the previous one. I believe that this Government should, here and now, start to say 'No', rather than believing that it can buy its popularity, because the demands upon it will be far greater than it will be able to sustain and far greater

than the people of this State will be prepared to pay to support such extravagances. I do not support the measure before the House.

**The Hon. T.H. HEMMINGS (Minister of Housing):** I move:

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

Motion carried.

**Mr LEWIS (Mallee):** There are obviously members in this place who accurately identify the point about which I feel most strongly and upon which I will begin every one of my speeches that I make in this Chamber about these measures. I want to know who the Government thinks is winning by the introduction of this measure if, indeed, it is approved by the House in its wisdom. Who will win? Members of the Government said, 'We want South Australia to win' when they were the Labor Opposition prior to the last election, but I do not think that South Australians are winning very much by the introduction of this taxation measure. I say that for all the very good reasons outlined by my Leader and the member for Light, as well as for some additional reasons.

It has been pointed out that there is an alternative, and I do not deny that there are areas in which it is necessary for the Government to spend money. Indeed, the Liberal Party in its election policy stated those areas in which it would spend money. As a member of that Party, I assured many of my constituents of the number of capital works projects which were well overdue and sorely needed in the communities in which they were to be undertaken. However, Government expenditure obtained or made possible by revenue raised in this fashion is not simply and singularly related to public works. There are many other things on which Governments spend money. The member for Light has alluded to those things which I believe this Government could have done, and should have done, in determining how to balance the Budget, namely, to say 'No' and, for instance, to tell the member for Unley and all the people whose case he was advocating prior to the last State election (the public servants of South Australia) that enough was enough.

**The SPEAKER:** Order! I ask the honourable member to resume his seat. I ask him to remember this time, and for the last time, to link his remarks to the Bill, which deals with stamp duties.

**Mr LEWIS:** Mr Speaker, we are told that this measure will raise a considerable sum of money to meet the increased wages of the public servants. If one looks at page 527 of *Hansard* of 25 August, one can see the Premier's remarks, as follows:

This Bill should provide a full year gain of around \$6 million to Consolidated Revenue and this amount should be achievable in 1983-84—

that is now—

with all the duty falling due in January 1984.

Whacko, what a Christmas present! Happy new year, people! Here we come—\$6 million! That is \$6 for every man, woman and child in this State. A lovely new year present from the Labor Party—hand it over! That is exactly what the Premier and the Labor Party in Government in this State are saying to the people. Good stuff! It need not have happened. The \$6 million being raised goes towards paying the unnecessary increases in wages for public servants.

**The SPEAKER:** Order! I have called the honourable member to order once. I will now do it for the second time and do so quite seriously. I called him to order in the first place because he was addressing his remarks to something which the member for Unley had allegedly said about public servants. He is now addressing his remarks to the potential

expenditure of money that might be raised under this measure. It is simply not relevant in accordance with the rulings I have given. The honourable member for Mallee.

**Mr LEWIS:** On a point of order, Mr Speaker, I ask whether the Premier's remarks, recorded on page 527 of *Hansard* of 25 August in his second reading explanation of this measure, were relevant. The Premier stated:

I said that, because of the serious Budget situation confronting the Government, the Government has no alternative but to implement a number of taxation measures. I mention five of them briefly.

**The SPEAKER:** First, that is not a point of order. Secondly, I do not quite follow the question anyway because, presumably, the Government is going to spend the money in some fashion. The ruling I have given quite clearly is that, whilst there will be considerable tolerance (and remarkable tolerance has been shown by the Speaker and Acting Speakers in relation to this matter), it is not a grievance debate.

**The Hon. MICHAEL WILSON:** I rise on a point of order. I believe that the member for Mallee is seeking guidance from you, Mr Speaker, on the ambit of the debate. Indeed, he did refer to the Premier's second reading explanation, wherein he referred to the Government's budgetary problems. Is it then permissible for members on this side of the House to refer to the Government's budgetary problems?

**The SPEAKER:** I consider that a reasonable question which must be broken into two parts. In terms of seeking guidance, that has been given about 10 times. In regard to the second part of the question, I repeat that it is not a general budgetary debate, nor is it a grievance debate, and nor am I departing in any way from the rulings of my immediate predecessor in relation to measures of this kind. The honourable member for Mallee.

**Mr LEWIS:** I confess, quite sincerely, that I need further guidance from you, Mr Speaker. If the Government spokesman, namely, the Premier, can give reasons for introducing this measure, surely it is legitimate for me to give reasons why the measure was unnecessary. I seek the Chair's guidance as to why it is not reasonable for me to answer the Premier's argument.

**The SPEAKER:** That is not a point of order but I will take it as a fair question and treat it in good spirit. The situation is that the honourable member has a wide ambit. The speaker who proceeded him also had a wide ambit and, inside that wide ambit, complied with the rulings of the Chair. That is all that the honourable member has to do. The honourable member for Mallee.

**Mr LEWIS:** The point I make is that, as the member for Light stated, there is an alternative course. It was not necessary for the Government to introduce this measure: it could have chosen to simply not increase expenditure, and I specify the area in which that expenditure ought not to have been increased so that I cannot be misrepresented. Members opposite are happy to misrepresent members on this side and they have done so in relation to this measure and in relation to a very closely related measure and remarks made by the member for Todd. As the member for Light pointed out, the Premier's second reading explanation on this Bill is identical in every respect to the second reading explanation that appears on the preceding page (page 526 of *Hansard*).

The Bill that the Premier introduced is different in name but similar in other respect to a previous Bill. The first paragraphs of the two second reading explanations at least are identical, as follows:

Members will recall that in announcing the 1982-83 results to the House a short while ago, I said that, because of the serious Budget situation confronting the Government, the Government had no alternative but to implement a number of taxation meas-

ures. I mentioned five of them briefly. This Bill relates to one of those measures.

Hell, I almost believed that I was standing outside the cage of a long-billed corella in the zoo that was repeating itself (but that would be to insult long-billed corellas). This Bill substantially increases the cost of employing people by imposing a tax that amounts to a 30 per cent increase on the previous sum on 20 per cent of the insurance premiums collected in South Australia, that is, workers compensation insurance premiums. So, we can expect that, of the \$6 million that the Government expects to raise from this measure, \$2 million is a direct tax on employment.

If that is so, it is a disincentive to employ and, therefore, it will reduce the number of jobs available in this State. If this measure reduces the number of jobs that people and businesses seek to create in South Australia, quite clearly I do not understand what the Government meant before the last election when it said, 'We want South Australia to win. We want some new directions.' If unemployment is one of the directions in which the Government believes it should take this State, the logic behind such statements in regard to those new directions should be questioned. The goals to which this Government aspires should be examined by everyone who voted for the A.L.P. at the last election.

The morality of the measure in the way in which it clearly reduces the capacity of people to find gainful, useful, and effective employment is questionable. I believe that this measure is disgusting, and I think that the Government knows that the measure is disgusting. The Government (or at least some members opposite) should admit that it is ashamed of the fact that it will reduce the number of jobs in South Australia by introducing this measure. I will not

**Mr Trainer:** Don't talk too much, either.

**The SPEAKER:** Order!

**Mr LEWIS:** I am not quite sure what the honourable member meant by that remark.

**The Hon. Michael Wilson:** It was a little bit of sarcasm.

**Mr LEWIS:** The honourable member for Ascot Park has been known to be capable of sarcasm in the past, but I have always sought to put the most favourable construction on his comments: I often find them vitriolic; yet I would have thought he was capable of something better than that.

Workers compensation insurance premiums will increase because the people who pay the premiums will pay the tax. This measure will also affect the numbers of jobs that can be created in South Australia. The measure acts as a positive disincentive to people in a number of areas. It is also regrettable that it will act as a disincentive to people who, as has been pointed out by the member for Light, should accept personal responsibility for their risk in owning and enjoying the ownership of property—whether personal property, household effects, real estate or other artifacts is immaterial. The fact remains that in this society—and in other western democracies to this point in time—it has been believed quite properly that if individuals wish to possess and enjoy such property they should accept the risk to the value of that property which they may lose through misadventure or pay a premium to someone else to accept that risk. The 'someone else' is the insurer. This measure increases the tendency throughout society not to insure personal and household risks against misadventure because the cost of insurance premiums will go up. At present—

*Mr Mayes interjecting:*

**Mr LEWIS:** The member for Unley says that the insurance companies will pay, but he ought to recognise that insurance companies will simply pass on the increase. Insurance companies will not stay in the business of underwriting unless they can recover from their investment at least as much as they would make if they invested in making bricks, building motor cars, catching fish, or raising fat lambs.

**Mr Ferguson:** Buying paintings.

**Mr LEWIS:** That is not something that is done to make money in this country unless one is a speculative fool. Anyone who believes that they can make a living out of buying paintings will smartly find themselves in the poor-house.

**Mr Ferguson:** What about Elders?

**Mr LEWIS:** I do not know to what the honourable member refers, but the fact remains that this measure will reduce the extent to which people feel inclined and compelled to insure the risk that they must carry on their personal effects and their property. Whenever there is a substantial natural disaster there will be a greater number of people, accordingly, who will hold up their hands in horror and then hold them out in eager anticipation of the Government, and thereby the taxpayer, meeting the cost of the burden of their loss.

Whilst it is compassionate and natural for any one of us to feel that we would be or would want to be involved in a generous sharing of what we have with people who have met with genuine misfortune, nonetheless, I find that an action taken by a Government on the attitudes of people to their responsibility to insure (which means that there will be a greater number of hands held out with louder cries for help) is a deplorable thing. It simply means that the Fabian socialists get a step closer to their ideal goal (as they see it), namely, the ideology of the Government caring for the citizen from the time he is born until the time he dies: the cradle to the grave.

To pass this measure is to ensure that people's attitudes will change that marginal amount towards that direction. Of course, they do not realise that it just cannot be done. Governments do not create wealth: people do that. Governments only do what the Government is doing in this instance, namely, take it off people and redistribute it. I have said something about that and I do not want to transgress the ruling that has been made in regard to that. I simply want to make it plain that, by introducing this kind of measure, philosophically the Government is saying to the citizen, 'You don't have to care. We will look after you,' and, in effect, the Government is saying to the citizen, 'You will not be allowed to care. You will have no choice whatever. We shall decide what you get, when you get it, why you get it, and how much it will be,' and, accordingly, will be big brother.

Members opposite should recognise that this measure takes them another step along that path and, because it does impact upon so many aspects of our lives in the way it affects the kinds of insurance and our ability to take that insurance, the step is a substantial and unfortunate one along that path. The money that is collected in this fashion will be spent at the rate of \$23 000 a head for unnecessary increases in public servant numbers. This is one of the 34 charges that this Government has so far increased since coming to office, in contradiction and contravention of the promises it made during the election campaign. How sick can one get?

Of course, I must point out that it has reduced a couple of charges. The bookmakers are better off, and I cannot think what the other one is. I suppose that it is also evident to members opposite (and if it is not I guess that I should point it out to them) that, by this measure, we are frightening off investment in this State's economy because we are increasing the tax burden that has to be borne by every dollar invested here compared to other places in the Australian economy where it could be invested. It increases the cost of insuring the assets which would be procured or established by the investment of that dollar in South Australia.

Therefore, it is destructive of our industrial base and our capacity to employ people. We are not winning by the introduction of this measure—we are losing. Therefore, I cannot reconcile this measure with the pre-election slogan of the Labor Party: 'We want South Australia to win'. Win more unemployment—that is tragic. Why cannot the Labor Government give serious and honest consideration to the implications of these measures before it brings them into Parliament?

**The Hon. Michael Wilson:** It has no idea of the effect of such measures on the c.p.i.

**Mr LEWIS:** I earnestly believe that. It will be not only a discentive to investment by virtue of the increase in cost that it produces but it will also by that means be passed on ultimately through the economic system to the consumer.

As I have said, Governments do not create wealth: people do that. Dogs do not pay taxes—people pay taxes. Hens, horses, trees do not pay taxes—only people pay taxes. Sooner or later the consumer cops it. That means that there is an increase in the cost to the consumer of living if consumers use all the things that they used yesterday in the same amounts that they used yesterday. To be able to do that, they must spend more money. Therefore, consumers need more money. The value of the money that they had has been reduced. An economist defines that reduction in value as 'inflation'. Unfortunately, Government members have not understood that and do not understand that.

The c.p.i. is the way in which inflation is measured. Such imposts do and will increase the c.p.i. and will contribute to the restoration (if one wants to put it that way, if that is what the Government wants to win) of South Australia and Adelaide to the highest levels of inflation of any State or capital in the Commonwealth. It cannot possibly do otherwise by pursuing this course of action. It is necessary to reduce the burden of taxation further than the Liberal Party in Government was able to do, and the Labor Party in Government now has turned around and done the wrong thing and gone in quite the opposite direction, without giving a second thought to the consequences. What a pity. The substantive part of the Bill, which amends the Stamp Duties Act, 1923, is clause 3, which provides:

The second schedule to the principal Act is amended by striking out from subparagraph (iii) of paragraph (a) of the item headed "ANNUAL LICENCE" the numerals "6.00" and substituting the numerals "8.00".

The Bill is to come into operation on a day to be fixed by proclamation. Goodness knows why it could not have been proclaimed in the Bill, but we know from what the Premier stated that it will be a whopping big happy Christmas and merry New Year, because the people will certainly want to get drunk when they know they have to pay a \$6 million whack in January next year—\$6 million.

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

**Mr OSWALD (Morphett):** There is no way in the world that I can support the measure before the House this evening. Although there are very many distasteful aspects to the Bill, one of the most appalling aspects of the Bill is highlighted in the Premier's second reading explanation, where he made the point very clearly that he recognised that South Australia had the lowest level of tax levies on insurance premiums of all the States in Australia. The Premier recognised that this was an area where he could impose additional taxation. In his second reading explanation the Premier stated:

The most recent report of the Grants Commission indicated that South Australia's taxing effort relative to other States is below average in this area. It is proposed that the current duty on annual licences of 6 per cent be raised to 8 per cent.

Prior to the Liberal Government's going out of office in 1982, it has spent three years making South Australia the

State in Australia with the lowest level of taxation charges. Yet we now have a Government which has said to the people of South Australia, 'Because South Australia has the lowest level of taxation of any State in the Commonwealth we are justified in increasing it.' That is appalling, and that behaviour does not auger well for South Australia's future. This is a deliberate attempt at revenue raising that will affect various sections of the community that are committed to the payment of insurance premiums.

First, it is a direct attack on employers who are compelled to take out workers compensation. The Government know jolly well that employers of staff are compelled to take out insurance policies and that they cannot get out of that. Secondly, I refer to those members of the public who over the years have been prudent enough to take out insurance cover in the event of any occurrences resulting in personal loss by way of theft, fire or any other calamity that could befall them. These people do not want to be a burden on others. There are very many people in the community (in fact the vast majority of the community) who are very happy to live their own private lives with their families and who do not want to be a burden on others. Their way of ensuring that that is the case is to take out some form of insurance so that, in the event of difficulty descend upon them, they can resort to making a claim on their insurance policy.

The Government intends to raise \$6 million in revenue in the 1983-84 financial year. I would remind honourable members that in the course of a full calendar year that would amount to \$12 million. I am particularly hostile about this impost, and I know that members of the public also will be hostile about it when they are confronted with it. It is another form of back door taxation. I refer again to the document concerning Labor Party promises made prior to the last election. It is starting to get a bit tattered, because I trot it out every time I make a speech in regard to matters such as the one before the house tonight. Shortly I will be having it mounted under glass, because I know that over the next two years I will be continually trotting out this document which was put into all the letter boxes in the electorate and which contains a litany of falsehoods, as has been proved more and more as the months have passed. Another one of the Labor Party promises on the sheet now has a red line through it: another promise not kept.

*Mr Ferguson interjecting:*

**Mr OSWALD:** The member for Henley Beach can laugh, but no doubt copies of this document would have been spread around his electorate during the election campaign. Many people in the Henley Beach electorate would have seriously studied this document and would now realise that the Government cannot keep its promises and that it got into power by putting up a litany of falsehoods simply for the purpose of winning their votes. Those people would now realise that the Government, now that it is in power, is not keeping those promises. I do not want to stray from the subject of the debate other than to say that I intend to put this document under glass so that it will not be damaged. I intend to keep bringing it out regularly so that honourable members opposite do not forget about this document that was circulated.

**The DEPUTY SPEAKER:** Order! I hope that the honourable member will come back to the matter before the House.

**Mr OSWALD:** Yes, Sir. I think it is topical to mention the fact that the tax we are considering tonight was not mentioned in the Labor Party's policy speech. I would like to quickly refer to a statement made by the Premier when, as Leader of the Opposition, he said:

Our attitude to charges is that they should not be used as general revenue raisers.

I submit that the revenue measure before us tonight is a blatant example of the way in which the Premier has headed off in a particular direction after having conned the public at election time (there is no doubt about that—he set out to con the public and succeeded) about what he was going to do.

The Government intends increasing the levy on general insurance stamp duty from 6 per cent to 8 per cent. The alarming thing about this increase is that the Government is promoting it as a 2 per cent rise and saying that we are the lowest taxed State in this area, that it is only looking at a 2 per cent increase and that employers and the public can afford such a rise. However, this is not just a 2 per cent increase, because it is a rise from 6 per cent to 8 per cent, which is an increase on that 6 per cent of 33⅓ per cent. This is not a question of the Government merely saying that it is only increasing this cost by 2 per cent because it is, in fact, increasing it by a far greater amount.

The Leader, during his speech, pointed out that workers compensation amounts to about 20 per cent of insurance company business in this State. Therefore, this increase will result in employers being asked to contribute an extra \$2 million to the Government's coffers. I think that the member for Mallee made this point strongly during his speech. This increase is a disgrace at a time when employers are desperately trying to increase business profitability so that they can play a part in bringing about the economic recovery of this State.

There will be no economic recovery in South Australia unless employers can increase profitability. Employers want to create jobs in this State, which in turn leads to increased profitability, but this must be done within a tight, cost-effective package. This Government seems to be going out of its way to work against employers' desires to achieve this objective. To hit workers compensation with this 33⅓ per cent increase in the levy is a blatant disincentive for businesses to employ workers. Members opposite disagree with this statement, but to hit employers who are chasing every percentage point to cut their unit production costs with a further 33⅓ per cent increase in this levy is a blatant disincentive to their employing more staff. Whatever way one looks at this measure it is a direct charge on the unit cost of labour—the cost that boards of directors and middle management all the way down the line are seeking to keep to a minimum.

I can assure honourable members that this increase will result in a direct increase in wages. It is a blatant disincentive to employ. That is a fact of life however one looks at this matter. I believed, from listening to Federal Government debates leading to the summit conference, and after hearing debates in this House, that Government and industry were supposed to be in accord about restricting the unit cost of labour. However, this Bill makes a monkey of the Government's protestations about its wanting to help industry and the small business sector achieve an economic recovery.

This Government is really not interested in endeavouring to achieve an economic recovery. One has only to go through the list of increases in charges and taxes to see that every area that affects small business is being hit for a six in additional costs. This Government is not fair dinkum at all. It should have a very close look at the direction in which it is heading the ship of South Australia at the moment. I believe that there are individuals amongst the Government who are concerned, but I am a little unsure at times to know whether the front bench of the Government or the Trades Hall, on South Terrace, is really calling the tune on this measure.

I say that in all sincerity, because I know that the Deputy Premier is concerned about the hike in workers compensation insurance premiums. In fairness, I will quote him, because

I believe that he is sincere in trying to do something about it; whether he can persuade the Trades Hall or his other colleagues is another matter. In the *Advertiser* in August of this year, the Deputy Premier is quoted saying:

'The South Australian workers compensation system was too fragmented, too inefficient, too expensive and inequitable', the Deputy Premier (Mr Wright) said tonight. 'If allowed to continue unchecked the escalation of premiums would have more dramatic adverse effects on employment in South Australia. It would be most unusual for a South Australian company to have escaped steep premium rises, some up to 300 per cent in the past two or three years. The premiums of one large South Australian manufacturing company have jumped from \$160 000 to \$600 000 when it was making a profit of only \$30 000. However, the implications of an unchecked rise of workers compensation premiums of those proportions is frightening', Mr Wright said.

Quite obviously, the Deputy Premier, amongst others in this House, is extremely concerned as to where we are going on this question and then, on the other hand, what happens? The Government turns around and slams the employers again by imposing a further impost (in this case another \$2 million), as they attempt to employ staff to play a role in the economic recovery of this State. Any attempt by the Government to increase workers compensation overheads in this atmosphere is straight-out ludicrous. I do not know how members opposite can sit in their Party room and condone an action, such as this, without all standing on their feet and saying, 'Mr Premier, this action is ludicrous', because that is what it is: it is ludicrous.

This Government is not fair dinkum, if I may use the old Australian colloquialism. If it were, it would not condone such an impost being place on the work force which it is purporting to represent. Members opposite are not fair dinkum, and they should have a serious rethink about the direction in which they are heading at the moment. They are not fair dinkum because they are not interested in trying to generate new employment, and that is what we are on about in this Parliament: to ensure that the right legislation goes through this house so that employment will be generated, and not, as is happening at the moment, the other way around. Not only are we the inflation capital, but we are now drifting into being the unemployment capital of the Commonwealth.

Workers compensation is supposed to exist to protect the livelihood of the worker. In practice, the monster has turned on its master; there is no doubt about it. Workers compensation is a monster that is out of control and it is turning on its master. What is happening in South Australia is that hundreds of jobs have been lost as insurance premiums rocket. As I quoted earlier, some have now gone up some 300 per cent. I would like to quote from several companies whose premiums have gone up, and give a brief indication of the severity of the existing workers compensation increases. If we load them with this 33⅓ per cent increase in the levy, what other imposts will they have to contend with? I cannot name the companies because, for commercial reasons, they do not put their names beside their overheads, as it gives their competitors an unfair advantage. I accept that.

A company in the construction industry last year faced a premium of \$25 800. This year the premium is \$44 925—an increase of 74 per cent. A paper merchant had an insurance premium account of \$24 000 which escalated to \$44 000—an increase of 84 per cent. A manufacturer last year paid \$3 200 in premiums, which subsequently rose to \$8 000—an increase of 150 per cent. A hardware merchant paid \$24 729, and that amount increased to \$74 605—a rise of 201 per cent. A home builder's premium was \$5 100 and that rose to \$9 500—an increase of 87 per cent. A transport company paid \$7 748 and the next year paid \$18 693—an increase of 142 per cent. Finally, another company in transport paid \$30 785 and that amount subsequently rose to



\$55 437—an increase of 80 per cent. No wonder the Deputy Premier, in his statement in August of this year, said that compensation premium rises were frightening! Of course they are frightening—they are catastrophic.

That is why factories and businesses—small or large—are having to have a close look at the whole question of labour and its cost effectiveness. They must look at the equation between the quantity of goods sold and the profit involved, so that they can pay their wages bill at the end of the week. If they cannot, because of the vast imposts placed on them, they have no option but to economise. They automate or they put off staff—they have no option—or they may close their doors and say, 'To hell with it all, I cannot stand the expense being imposed on me', and they get out. Yet, in South Australia we have a Government determined to increase the cost of workers compensation. I cannot understand its logic. The Deputy Premier admits that the cost of workers compensation is frightening. What does he do about it? Small business cannot cope with increasing cost loads. If insurance premiums continue to rise, employers will have to close their doors. That is the fate at which we are looking in South Australia.

This Government and its Federal counterpart (which cannot escape it, either) will lose other valuable sources of revenue in the form of taxation. More people will become unemployed, and therefore Governments will lose that source of revenue. They will then find it harder to pay out unemployment relief money. It is a vicious circle. To pay that money the Government must have money coming in. This Government should be looking for incentives to employ, not at further incentives to shut the doors.

Up until now I have been referring mainly to the effects of the proposed increased levy on workers compensation. However, what about other types of general insurance? The member for Light referred to them in his speech. I refer to fire, marine, burglary and accident insurance. They must be considered also. It has already been said that this Bill is a disincentive to insure and hits those who have been prudent enough to take out insurance. I referred earlier to the responsible citizen who has a family and a home in which he is living and who wants to live his normal private life. If anything happens, he does not want to be reliant on others but wishes to fall back on his own resources. He therefore takes out an insurance policy. That is the sort of person at whom we are looking. People also have other expenses on their plate. They may be trying to educate children or paying off a home. Whatever they are doing, people's wages are stretched to the limit at present.

**Mr Evans:** They could be unemployed and still trying to save their homes.

**Mr OSWALD:** It is quite likely that a lot of those people are unemployed and are still trying to save their home, in the face of the added impost of a depleted weekly income. Let us consider the question of disincentive to pay and balance that against people's ability to pay the ever-increasing cost of general insurance. I exclude life insurance under the general heading, because it is not included in the Bill.

I will cite two cases, the first of which involves a person who, just before Ash Wednesday, went to insure his property. My authority is a senior executive of one of the insurance companies, which unfortunately I cannot name, so I hope that members will accept that what I say is true. That member of the public had two choices: he could either insure his house or buy Christmas presents for his large family. Because of the social pressures, if you like, he felt that Christmas could not pass without presents and everything else that goes with it. Thus, I suppose that that man erred on the side of his social responsibility and spent money over the Christmas period. That man now has no house and, because Christmas has passed, he has lost both.

I am advised that another family had the option of insuring the home or taking out hospital insurance cover. The annual premium was between \$500 and \$800 a year. That family chose to take out hospital cover and did not insure the home. I have no knowledge of whether or not that house burnt down, but the message is that there are times when people have to make a choice between insuring and not insuring. As the cost of insurance increases and as budgets become tighter, more and more members of the public are opting out of insurance.

Obviously, the Government does not realise that the prudent people in the community are not necessarily the wealthy people—far from it. It seems to be a common belief that the prudent are those who can always afford to pay, but that is not the case. As the member for Fisher pointed out, many members of the public are on the dole, they are unemployed, but they are still trying to pay off their responsibilities to insurance companies. Those people are part of an ordinary, average family, working men and women, who strive for independence for their family.

The Government's action in introducing this Bill is encouraging this class of insurer not to insure, and I believe that that is deplorable. In actual fact, this measure encourages certain people in the community whose budgets are very tight to take a chance and not insure. If the Government was compassionate, it would be working towards doing what it can to reduce, not increase, insurance premiums, so that people could expect some relief.

Quite clearly, the Government has set out to impose a revenue impost on groups in the community that are largely not in a position to resist without the risk of large personal loss. Two groups are involved—the employers of labour, those who are compelled to pay the additional premiums and to try to absorb the cost into the unit of production; and members of the public in the general insurance area who have to pay the impost and keep quiet about it or be pushed into a corner. Those people must question their ability to pay and, perhaps, they may have to make a decision not to go ahead and insure.

This is a deplorable measure, and it is even more deplorable coming from a Government that carps that it is close to and cares about people. I submit that that is a fallacy, because the Government is proving time and time again that it is far divorced from the needs of the people it purports to represent. It is a deplorable measure to impose and it is a deplorable method by which the Government has gone about imposing this measure. It did not mention it in the policy speech and would not have dared. It has slipped it in now with many other measures. It has misled the public and deserves to be condemned for it in the ballot-boxes at the next election.

**The Hon. JENNIFER ADAMSON (Coles):** The capacity to handle taxation matters wisely has always been recognised as being the hallmark of good government. By that yardstick, the Bannan Labor Government has failed many times, despite the fact that it has been in office for less than twelve months. The whole question of taxation is a political matter. What taxes are to be levied, upon whom they will be levied and at what rate they are levied are some of the most important questions that a Government has to decide.

History is strewn with examples of Governments that have not made wise decisions in respect of taxation, and history has proved that none of those Governments last very long. I predict that the measure which we are considering tonight, and those which we have considered over the past few days collectively, are symbolic of the Bannan Government's unwise approach to taxation, its untrustworthy approach and its extremely limited capacity to conduct its financial affairs responsibly.

Speaking of the history of Governments in taxation, it is worth looking back at some of the important historical attempts to levy tax and at the results which accrued from those attempts, and to analyse if we can the likely outcome for this Government of this stamp duty measure on insurance premiums. I suppose that one of the most classic taxation efforts in history would be Charles I's attempt to levy ship money through the tax on tea, which led to the Boston tea party and then to American independence. I am using a famous historical example.

Another example much closer to home in Australia would be the licence fee which was so resented by the miners at Eureka and which contributed to the establishment of representative Government in Australia. This tax could not be likened to either of those, but collectively the stamp duties tax, the liquor tax, the fuel tax and the tobacco tax, together with the financial transactions tax which has yet to be imposed, represent one of the most major departures that any State Government, particularly any South Australian Government, has taken from its election undertakings, and consequently represent a major betrayal of the people of South Australia, a betrayal which they will remember and on which they will act when they get the opportunity at the next election.

Taxation has historically always had the capacity to arouse high levels of discontent in electorates, to affect economic systems very markedly, and to distort the normal patterns of business, commerce and production. Francis Bacon placed taxes second only to religion in his list of causes and motives of sedition. I do not suppose that we will see anything like sedition in South Australia as a result of this tax, but we will certainly see a very high level of public discontent and hardship.

The Labor Party traditionally takes a different approach to taxation from that of the Liberal Party. One could describe the Labor Party's approach in relation to this measure as somewhat uncharacteristic. I refer to the Australian Institute of Political Science book entitled 'The Politics of Taxation'. Professor D. A. Kemp's chapter entitled 'Taxation: the politics of change' states:

Naturally, egalitarian values, a belief in the role of government as a means of compensating for power inequalities in the wider society, and strongly negative attitudes towards the rich and business in sections of Labor opinion would seem to predispose Labor towards higher taxes on upper incomes and capital, and on income derived from capital, and away from taxes which are regressive in their impact, or which may be directed to assist business profitability.

It is interesting that Professor Kemp should say that Labor is not disposed towards taxation which is regressive in its impact, because that is exactly what this tax is. For confirmation of that, I refer honourable members to the Final Report of the Committee of Inquiry into the Australian Financial System, which reported to the Federal Parliament in September 1981. It was probably the most thorough analysis of the Australian financial system undertaken in this country for decades and it dealt with all aspects of taxation. It may be salutary for the Premier to read what that committee had to say about stamp duties on financial instruments and taxation. By way of background, the report defined stamp duties as follows:

Stamp duties are levied by governments on the issue and transfer of a range of financial instruments and on some consumer finance transactions . . . Stamp duties are also levied on the registration/transfer of motor vehicles and on certain other 'non-financial' transactions . . .

The primary objective of stamp duties is to raise revenue. Prevented constitutionally from levying commodity taxes and as a result of the uniform tax cases virtually precluded (by mutual agreement) since 1942 from imposing their own income tax, the States have depended on a miscellaneous array of taxes on property, gambling, ownership and operation of motor vehicles, pay-rolls,

and on financial transactions in the form of stamp duties and, up to recently—

thank heavens for South Australia—

death duties, as an important ingredient of their revenue. The various States presently derive some 16 per cent of their revenue from stamp duties, other than duties on the registration/transfer of motor vehicles.

By way of footnote, the report refers to the fact that both the States and the Commonwealth have the power to impose income tax and the States were recently allowed (by the Fraser Government as part of its federalism policy) greater scope to impose income tax, but they have chosen not to utilise this increased capacity. Instead, in the main, the States have tried to levy a range of taxes such as I have already described. The report goes on to say that these taxes are regressive. On page 259 the report states:

In the committee's view, the present system of stamp duties on financial transactions fall far short of meeting the neutrality, equity and simplicity requirements of an efficient tax.

Stamp duties are non-neutral in their impact on methods of financing transactions since:

(i) They apply to the issue (and or use) of:

- bills of exchange, debentures, mortgages, unsecured notes, bank overdrafts, loans carrying interest rates above a prescribed threshold, and certain consumer finance transactions but not other forms of borrowing;
- life insurance policies but not other forms of savings; and
- cheques but not other forms of payment (apart from Bankcard in Queensland).

Of course, subsequent to the issue of that report, they applied to bankcard in South Australia and in other States. The report further states:

Stamp duties are often seen as 'inequitable' in that they are levied with little or no regard to the capacity to pay of the individuals involved in particular financial transactions. For example, less creditworthy or lower income borrowers required to pay higher interest rates are treated more harshly than other borrowers.

Inequities are also involved to the extent that the large transactors can more easily minimise duty than the small.

The existence of different rates and conditions between States introduces the possibility of ambiguity and increases the scope for over-the-border avoidance; thus stamp duties also fail the simplicity test.

As well, efforts to reduce duty absorb managerial and other resources which could be more productively employed in other activities.

I will return to that point later in my speech. This section of the report concludes:

While the detrimental impact of stamp duties on the financial system may seem modest compared with a number of other influences, it is nonetheless significant and has been a focal point of criticism in a number of submissions. Closer examination of stamp duties in relation to particular instruments and transactions is therefore called for.

Before the last election (or subsequent to it) the Premier undertook to have a complete review of State taxation. I understand that that review is being conducted by a working party led by the Under Treasurer, Mr Barnes, and that it has not yet reported.

**Mr LEWIS:** That is an important point. Mr Deputy Speaker, I draw your attention to the state of the House.

*A quorum having been formed:*

**The Hon. JENNIFER ADAMSON:** The committee reviewing State taxation has not yet reported. Despite that, the Premier has chosen to introduce stamp duties on insurance, which is a critical sector of the total State tax base, and he has done so in what can be described kindly as an unwise and premature move. It will be interesting to see, when the Under Treasurer's committee reports, what comments he has to make about stamp duties and whether the South Australian Under Treasurer's views reflect in any way the view of the committee of inquiry into revenue raising in Victoria, which has reported in this current year of 1983. So, in another State another committee working on the very same subject of State taxes and revenue raising

has come up with the following statements about stamp duties:

Stamp duties are a hotch-potch of narrow based taxes. Individually, most bring in relatively small amounts of revenue.

I do not know that we could describe \$12 million a year as a relatively small amount of revenue: that amount will be the result of this tax. It is further stated:

Although the items liable for duty are set out in the one tax Act, they have little in common. The fragmented base and incidence of stamp duties makes their economic definition difficult. Furthermore, there is no economic or regulatory justification for the taxation of legal and commercial documents and transactions. Their only obvious justification is a traditional role as revenue raisers.

At page 335 the report further states:

Stamp duties are not equitable taxes. They are not vertically equitable because they are levied with little or no regard to the capacity of an individual to pay.

That echoes the comment of the Australian Financial System Inquiry. The report further states:

As many are narrowly based they are also horizontally inequitable.

In fact, the report suggests that:

Stamp duties are the most regressive State taxes. The three major items—land transfer, insurance business, and motor vehicle registration—were all shown to be regressive. Their influence means that stamp duties as a whole are regressive. In turn, the contribution of stamp duties to total tax revenue is large enough to result in the regressivity of total State taxes.

Here we have a Labor Government that is supposed to be concerned about the redistribution of wealth, equity and equality of opportunity imposing a tax that has been identified quite forcibly by both the Australian Committee of Inquiry into the Financial System and a State Government Committee of Inquiry into revenue raising as being a regressive tax. In other words, this tax will damage the people who can least afford to pay it. In that regard it is extraordinary that the Premier should have chosen insurance premiums as the subject of a stamp duty. When referring to liquor or tobacco taxes we are talking about taxes on luxury items, but when we are talking about a tax on insurance we are talking about a tax on a necessity.

In this modern age insurance is a necessity for every responsible individual and family. It is a necessity for people who are on fixed incomes and who have no ability whatsoever to replace losses incurred because of fire, flood, theft, accident or any other kind of disaster that may befall them. Whilst in his second reading explanation the Premier referred to annual household insurance policies currently costing \$100 having an additional \$1.90 added to them, or an additional \$2.80 on those costing \$150, he obviously did not take account of the very large and growing number of South Australians who are in the ageing or elderly category and who are on fixed incomes. Household insurance may well fall within this category, because some of those elderly people are continuing to live in the family home, despite the fact that their incomes are fixed.

A tax increase of this order, which the Premier lightly brushes off as adding about \$1.90 to the cost of an insurance premium, when combined with other increased taxes he is levying, could well make the difference between survival and going under for people on fixed incomes. It is, of course, the older generation who, naturally enough, feel most vulnerable to disasters and who, by virtue of their upbringing in a somewhat different age when greater stress was perhaps placed on personal responsibility and less reliance was placed upon the State, are the very people who depend on insurance for their sense of security and, indeed, for their financial security. However, these are the people who will be taxed. Of course, people with young families are in a similar position because people raising children know that every asset they have is hard earned and important to the family's

development. These people know that they cannot afford to replace items that may be stolen, burnt or lost. They know that they must take out an insurance cover.

Despite the fact that both Federal and State Governments do not appear to have any commitment to its continuance, we are still in a wages pause and people are still trying to catch up because they have not had an increase in income, despite the considerable increases that have taken place in the past nine or 10 months in prices, charges and costs of services. This is going to be part of another burden which, collectively, would be adding, by now, tens of dollars to the average family's weekly costs. It is extraordinary that a Labor Government should be imposing a regressive tax on an item which is a necessity. From the point of view of the individual taxpayer and the consumer (that is, the consumer of insurance), this tax is a disaster.

What about the impact of this tax upon the industries on which it is levied? I wonder whether, when the Premier thought of this tax, he considered a report which appeared in the *Advertiser* of Tuesday 3 August 1982 under the heading, 'Many companies may fold, says union—Insurance trade "in crisis";' as follows:

Australia's insurance industry is in a deep crisis which could see many companies and brokers go to the wall.

That statement was not being made by employers or the boards of insurance companies but by the Australian Insurance Employees' Union, which represents 22 000 insurance clerks. The article continues:

The union says thousands of jobs could be lost in the industry as insurance companies battle for a slice of the limited insurance market. It calls for a national enquiry into the industry.

The article further states:

The report says the general insurance industry is entering a period of rapid structural change brought about by changing methods of operation, a shifting base of profitability from insurance underwriting to investment income, new products and product distribution.

The base of profitability will definitely shift to the adverse side as a result of the imposition of this tax. The article continues that Mr McLeod, the Federal Secretary, said the following:

Up to 10 000 jobs or nearly 30 per cent of the workforce could be lost within the next decade while some 100 insurers may be forced out of business.

The report then goes on to talk about the highly competitive situation with other savings institutions. How will an industry that finds itself in that kind of crisis cope with a tax of this order?

Out of the insurance companies and their clients in this State, the Government will extract \$12 million in a full year. There is no possible way in which a sum of that magnitude could not have a very profound effect on the insurance industry as well as on the individual insurer. That makes the whole question of this Stamp Duties Act Amendment Bill one which the Opposition views with extreme gravity. There is more evidence that the Premier might look at if he cared to, and the honourable member for Morphet dwelt on this: that is, the extreme problems facing companies because of the cost of workers compensation. An article in the *Advertiser* on 11 August 1982 stated:

Soaring workers compensation rates and rising insurance premiums generally are forcing S.A. companies to take a harder look at risk management in a bid to cut costs.

A team of specialists headed by Mr O.D. Guy, Managing Director of Jardine Glanvill, had organised a seminar to try and assist companies in using risk management in a bid to cut costs. Mr Guy said:

Companies are very concerned about cost control, especially in areas such as workers compensation.

Mismanagement has enormous intrinsic value, and it is good that companies should be looking at risk management

for its own sake. However, all the risk management and all the reduction of costs in the world will not enable companies to withstand taxes of this nature which continue to be imposed and to have a widespread and regressive effect.

The whole question boils down to my statement at the beginning of this speech, namely, that the test of a good Government is the wisdom with which it handles taxation. This Labor Government has demonstrated that it will use taxation as a source of economic and, therefore, political power. It wants not a distribution of wealth (and in the first place an increase in productivity and a growth in wealth so that there may be more for everyone), but to take unto itself those narrow margins of profit which are already being generated, and, in doing so, make it even more difficult for companies presently operating and employing people to continue to exist, let alone to expand.

That is where the fundamental difference lies between this Government and the Opposition. In office we proved that a reduction in taxation can lead to confidence and expansion. We proved what we say about the importance of political liberty being related to economic liberty. We reduced taxes in order to give people a greater say and greater freedom in how they spent their disposable income and how they used their assets. We are now seeing a complete turn-round in that approach. We are seeing a Government which is trying to approve greater economic power to decide how our hard-earned income will be spent.

This Stamp Duties Act Amendment Bill will have a pervasive effect on the whole South Australian community—both those who are in any kind of business and those who are simply individuals trying to live their lives, being as frugal and thrifty as possible, and looking after themselves so that they in turn will not be a burden on the taxpayers and the Government.

The capacity of South Australians to look after themselves has been dealt a severe blow by this Bill. It is for that reason that members of the Opposition strenuously oppose it, both on the grounds of its regressive and unsatisfactory nature and also because it completely breaches a promise made by the Premier to the voters of South Australia immediately prior to the last election.

**Mr BECKER (Hanson):** I commend the member for Coles. I was not aware of her excellent general knowledge of the insurance industry, insurance policies and the effect and impact of this taxing measure.

**Mr MATHWIN:** Mr Speaker, I draw your attention to the state of the House.

*A quorum having been formed:*

**Mr BECKER:** When the Treasurer introduced this measure he raised several points which concern me. He said in his second reading explanation:

Although all other States levy some form of duty on general insurance, the bases vary from State to State and straightforward comparisons with most States are difficult to make. The most recent report of the Grants Commission indicated that South Australia's taxing effort, relative to the other States, was below average in this area.

That was the first point where the Treasurer admitted that South Australia enjoyed a much lower taxing base. So, the efforts of the previous Tonkin Government were beneficial to the people of South Australia—it is admitted in the Treasurer's statement. It is regretted that the Treasurer went on to explain:

It is proposed that the current duty on annual licences of 6 per cent be raised to 8 per cent. On annual household insurance policies currently costing \$100 this measure would add about \$1.90—

I would have thought that it would be more than that—and for those costing \$150 this measure would add \$2.80.

Whilst that might not sound much in real terms, anyone paying \$100 or \$150 in insurance premiums will not worry about an extra \$2. We also have to pay Fire Brigade charges on household insurance. In many cases that amount hurts. When we have a little bit here and a little bit there, it all starts to add up.

**The Hon. Jennifer Adamson:** Including tourism and travellers' insurance.

**Mr BECKER:** I have not got down to that. The point made earlier by the member for Coles is that a large number of people in the community will feel the impact of this impost. I refer to the people who cannot make that provision, such as those on fixed incomes, pensioners, the unemployed and the disadvantaged in our community—those whom we want to help. This tax, in the current financial year, will raise \$6 million. Need I remind the Treasurer that, according to his economic documents put out before the last State election and according to calculations used in some of those documents, this means that another 500 job opportunities will be lost to South Australia.

That is \$6 million, \$12 000 each per annum, and that involves 500 jobs. We need to generate every possible dollar within the community to create employment. Every time the Government or the State takes \$1, it is money that is lost in real productive terms in the community, and that is what worries me. I wonder whether the Government and the Treasury appreciate and realise what they are doing. The general insurance industry in South Australia is a very large industry and commanded some \$307 million in premiums in 1980-81 in regard to general insurance alone.

One must remember that, unfortunately, earlier this year South Australia suffered tragic bushfires and flooding, and there is no doubt that the feeling in the community was sympathetic towards those who lost relatives, breadwinners, or members of the family. However, there is also a cynical feeling abroad that everyone should insure and protect their property. I believe that the community is more aware now than ever before that it must insure goods, chattels and property. Fire insurance premiums, including sprinkler leakage, amounted to \$19.7 million in 1980-81. It is not uncommon that people insure against loss of profits, and premiums in that regard totalled \$2 million per annum. There is no doubt that my rural colleagues and the member of the National Party (and once again that Party is in 100 per cent attendance this evening) will refer to crop insurance, including insurance against hailstone damage. Premiums in that regard amounted to \$2.852 million.

The biggest single category, apart from compulsory third party motor vehicle insurance and employer liability, was homeowners and householders insurance, amounting to \$31.805 million in 1980-81. It is ironic to note that general insurance claims on homeowners and householders policies in 1980-81 totalled \$22.8 million, so there was a slight profit in that regard. In 1978-79, homeowners and householders insurance premiums totalled just over \$23 million; in 1979-80, premiums totalled \$26 million; and in 1981-82 the figure was about \$31.8 million. One can see that there has been an increase in total insurance premiums. That is the field that the insurance industry and commerce are endeavouring to encourage.

Everyone who owns, rents or leases a house or is occupying a property should take out homeowners and householders insurance. That type of standard policy covers fire, earthquake, storm, and tempest. If there is a mortgage on the property, the bank, the building society, the credit union, or the insurance company that lends the money insists that the property be properly and adequately covered. No-one can tell a person for how much he should insure his property, although there is now a class of policy that provides a blanket replacement value.

Unless that is properly explained, most people place a value on their property and take out an insurance policy for what they believe is that value. It is not too often that people insure for more than the property is worth. If one has a full claim, as many people regrettably experienced in the two Ash Wednesday fires, thinking that their property was adequately insured, only to be told by the assessors, on behalf of insurance companies, that their property may have been insured for 90 per cent, 70 per cent or 50 per cent, the payout figure is only that percentage of the amount for which they are insured.

So, if the house is worth \$50 000 and one insures it for only \$25 000 that means that one is under-insured by 50 per cent; if the property is totally destroyed, one is paid only 50 per cent of the insurance policy that has been taken; so, half of \$25 000 becomes \$12 500. Tremendous heartaches have been caused by the attitude of some insurance companies, and I have no sympathy with these insurance companies at all. It should be a requirement by law for them to advise all policy owners and to assist them to ensure that their properties are adequately covered. I get furious when constituents come to see me, upset because the insurance companies have not paid out the figure that they understand should be paid. Therefore, I believe that they have been the recipients of poor advice.

Certainly, many insurance brokers in the industry are not doing the right thing by their clients. I get very alarmed when I see insurance brokers advertising on television premiums for property insurance at what amounts to discount rates. There is no such thing as a discount or a bargain when it comes to insurance policies, certainly as far as insurance premiums are concerned. People should ask themselves why they pay such high premiums to reputable insurance companies when lesser known organisations and brokers can charge considerably less.

Of course, the big risk in dealing with insurance brokers—as I have found again with constituents' inquiries—is that unless one insists on one's policy within a week or two of placing the business with a broker one is at risk. I believe that the Government has a responsibility to help educate the public concerning our consumer laws and consumer protection, and to help make them aware of their rights and entitlements concerning insurance.

When we have a Government using its powers to obtain revenue by taxing insurance premiums, as we have under this measure, that Government has a responsibility to ensure that the consumers are fully aware of their rights and entitlements. House-owners and householders insurance is probably in many cases the first type of insurance that young couples will experience. Banks will insist that their mortgages are covered and will advise the clients to go to any one of a number of insurance companies. The banks have a list of insurance companies that are acceptable to them. In other words, there is a reciprocal agency arrangement, so that if the premium is not paid the responsibility falls back to the insurance company because it is covering the bank's security. I have known occasions when clients have not paid the premiums; so, it is up to the bank to follow through to ensure that the premiums are paid. If they are not paid and there is a claim, the insurance company is still liable. There is an agreement between the banks and insurance companies in that respect—not generally known or publicised at all.

However, there are certain facets of householders' and homeowners' insurance that also need to be carefully looked at. The basic cover is for fire, earthquake, storm and tempest. In some areas one cannot obtain earthquake insurance or the basic flood insurance. There are pockets in the metropolitan area that are zoned by the insurance companies. It should be a requirement of the insurance companies to

advise their clients of the classifications and how to obtain full insurance cover. There are many pitfalls in the insurance industry and, personally, I think that this type of taxation measure by a Government is most reprehensible.

Other insurance policies include contract risks, and in the year 1980-81 the premiums paid amounted to just over \$1 million; the premiums paid in relation to marine hull and private pleasure craft amounted to \$1 086 000; and other, \$400 000. Marine cargo also involves heavy insurance, amounting to \$6.6 million paid in premiums, while for aviation hull and cargo \$46 000 was paid in premiums. Therefore, the bulk of insurance involves aviation hull and cargo which is obviously handled interstate. It would be interesting to see what that figure will be in future with allegations that we are exporting quite a lot of food and other items via the Adelaide International Airport. We certainly want something in compensation for the noise.

**The Hon. J.W. Slater:** How much have we sent so far?

**Mr BECKER:** I am pleased that the Minister of Water Resources asked that question by way of interjection because I placed a question on notice to the Minister of Tourism. He was unable to answer the question because the carriers (Qantas and British Airways) would not advise him. They keep it very much to themselves because of the intense competition between the two carriers. The aviation industry obviously does not want anyone to know what its cargo loadings are. I think it is important from the State's point of view that we should know; certainly the economic and development division of the Premier's Department should be told so that we know whether or not we can help concentration on that aspect or whether or not we ought to be looking at something else to try to increase the use of the international terminal in that respect. There must be a wonderful opportunity for many small businesses in South Australia to benefit from the South-East Asian market. One example that I can think of is chicken meat which is in high demand and quite expensive in Singapore.

**The SPEAKER:** Order! I ask the honourable member to come back to the terms of the Bill.

**Mr BECKER:** This is all covered by insurance, Sir, and insurance on foodstuffs through the international airport could command quite a high premium and, if it does, it is affecting our exports.

**The SPEAKER:** I take the view that the honourable member has strayed and I asked him to come back to the Bill, and I do so again.

**Mr BECKER:** Premiums in relation to motor vehicle insurance (including motor cycles) in 1980-81 amounted to \$65.5 million, and premiums involving compulsory third party insurance were \$74.8 million. However, that is not affected by this legislation, nor is employers' liability, the premiums for which were \$64 million.

Public liability is an area of great public awareness. Property owners who organise functions must take out this type of insurance in case of an accident. Most insurance companies will advise one that, if one owns a residential property and someone who is visiting slips and falls over or suffers severe injury, the compensation could be anything from \$500 000 to \$750 000.

**Mr Mathwin:** That's the most you might get, \$500 000.

**Mr BECKER:** It goes higher than that because a person could have an accident and become a quadriplegic. In that case, one would certainly be looking at a total of \$700 000 on average. Public liability insurance premiums in 1980-81 (according to the latest figures available) were \$6.8 million.

Product liability attracted insurance premiums of only \$433 000. Professional indemnity insurance has increased dramatically, because in 1978-79 premiums were \$343 000; in 1979-80 they increased to \$449 000, and in 1980-81 they increased to \$821 000. There is no doubt that certain profes-

sions are accepting the necessity to take out such insurance protection. Loan mortgage and lease insurance attracted \$428 000 in premiums, and there is a greater call today by lending authorities insisting on young people taking out mortgage protection policies so that, in the event of the death of one of the mortgagees, the loan can be repaid. Insurance can also be taken out safeguarding against the loss of one's job or any other inability to meet repayments. That is not a bad type of policy, although premiums are becoming expensive.

The premiums collected for burglary insurance amounted to \$2.5 million, and that sum has been consistent for the past three years. I refer to the excellent work by the South Australian Police Force in making people in the community aware of the need to protect their property and install adequate devices in securing property—this premium total is not one of the biggest premiums collected. Of course, this Bill will affect people and not encourage them to take out policies. In regard to all-risk and baggage insurance, \$2.5 million was collected in premiums. That is an amazing figure. For boiler and engineering machinery break-down, the amount involved was \$3.5 million; plate glass was \$1 million; guarantees amounted to \$324 000; and livestock amounted to \$630 000.

In South Australia livestock carries only a small premium but I would have thought that it would be one of the biggest insurance risks and would attract greater premiums. Personal accident amounted \$7.2 million in 1980-81 in premiums. That insurance is so necessary, and in this area people will be affected by the extra couple of dollars. Certainly, one cannot get much insurance under \$100 today. Other insurances have a premium income of about \$10 million. Pluvius policies can be included in that. I refer to all the various sporting events with which I have been associated over the years. We conducted the biggest swimming carnivals from 1956 to 1962 in South Australia. It always rained either the day before or the day after.

**The Hon. J.W. Slater:** You were just unlucky.

**Mr BECKER:** We were pleased, because we did not want to collect. We used to pack the old city baths. It had a ceiling of about 650 and we got in up to 1 000 people. I think one year we raised the magnificent sum of £70 for the Olympic Games team. However, the whole point is that there are many different categories of insurance and many people are affected by these forms of insurance in one way or another in just about every section of commerce and industry. This impost will be inflationary: I believe that any taxing measure that affects the collection of premiums in excess of \$307 million would have to have that effect. Therefore, it must have an impact across the community. I thought that the Government would have been concerned about that more than anything else. The Labor Party's economic policy documents issued prior to the last State election and during the election campaign indicated that it was the belief of the A.L.P. that the consumer pays and that taxes should be spread amongst those consumers who can afford to pay them. However, this measure affects the entire community, irrespective of the ability of a consumer to pay.

We must accept the terrible and tragic situation that exists at the moment, which has been with us for some time, namely, that there are people who cannot afford to pay such imposts, and I am referring to those people who live below the poverty line. Taxing measures do not help them one iota. The State Government has done nothing whatsoever to help those people. The Government has no mandate for this tax measure, and I believe that the Labor Party made a foolish error and deliberately misled the community by stating that a Labor Government would not increase taxes or introduce any new taxes. It was also accepted that there

would be no tax increases during the wages pause. These measures will come into operation perhaps at a time when the wage pause has been lifted, although the Prime Minister has warned that, if there is to be a wage increase, it will be very small indeed.

If the wage pause is not extended to the end of the calendar year, the imposition of this tax measure will hit people as soon as the wage pause ceases to apply. Therefore, workers will be given no chance whatsoever to have a breathing space. Even if workers are granted a small wage increase (and certainly any increase in South Australia will be small compared with the rest of Australia), they will not be given a chance to recover. This must be a great disappointment to the people who supported the Labor Party at the last State election. I refer to the A.L.P. State platform in relation to economic development and its reference to State taxation.

**Mr Plunkett:** You would not have anything to speak about without our platform.

**Mr BECKER:** Honourable members should be reminded that, if a political Party goes into great depth in its policy documents, it must wear the consequences. That is one of the dangers associated with policy documents. All Parties should be aware of that. My opinions are not always accepted, but I believe that it is dangerous to go into policy documents in great depth. The A.L.P. policy document states:

The taxation policy of the A.L.P. is based on the ability to pay, efficiency, administrative simplicity, and the need to provide sufficient revenue growth to finance approved Government services.

That is all very well if the community, which has to pay, can afford the increase. It is all very well to provide improved Government services if the community really demands them. However, the community does not want all these things thrown at it by the Government because it cannot afford the taxes to pay for them. The community wants to know what is going to happen in a few years time—

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

**Mr BLACKER (Flinders):** I will speak for only a few minutes to express my opposition to this Bill. We all realise that this Government came to power on a mandate of no taxation. That mandate was qualified after the election by a commitment to not increase taxation during the wages pause agreement. However, we have seen a number of taxes introduced one after the other. The tax under discussion seeks to increase the percentage tax payable on stamp duty from 6 per cent to 8 per cent. I am concerned about this measure because I believe that it will have a retrograde effect on the ability of employers to take on additional employees. It has been said that this increase involves only a small amount of money, but numerous small amounts have been mentioned in connection with one tax or another on a number of occasions during the few weeks that we have been sitting.

The fact that those small amounts collectively mean at somebody's job is on the line is what concerns me. Employment costs have increased to a stage where an employer must pay insurance, pay-roll tax and workers compensation premiums as well as wages and salaries. At one time a salary of \$12 000 was considered reasonable, but today that same employee could be costing an employer \$24 000. That is another barrier to potential job opportunities. Mention has been made of various aspects of the insurance industry. I think that it is fair to say that an average farm property would incur an insurance premium of about \$2 000 a year, excluding third party vehicle insurance and life assurance.

On the figures provided by the Premier that premium cost will increase by \$40 as a result of this amendment.

**Mr Becker:** Almost a dollar a week.

**Mr BLACKER:** As the member for Hanson says it will amount to almost \$1 a week, but these increases are continuing to occur. When the cost of insurance increases certain people in the community say that they cannot afford insurance, they do not purchase it and so place themselves at risk. I noted with interest the comments made by the member for Hanson about people being under-insured. He laid the blame for that situation at the feet of some insurance companies for not advising their clients that they were under insured. However, I think that most farmers in rural areas know that, if they have a crop that is insured for only 50 per cent of its value and a hailstorm destroys 50 per cent of the crop they will only receive payment for 50 per cent of the loss incurred. I suppose that is an elementary but probably fair approach to this measure. I do not think that anyone could expect an insurance company that insured 50 per cent of a crop to pay for the total damage if 50 per cent of the crop were destroyed by a hailstorm.

These are the anomalies that crop up because of the cost of insurance, because of these ancillary costs like the ones we have been talking about this evening; they are added to the cause. I do not wish to go on any further than that, other than to say that this amendment is designed to raise \$6 million. To bring that into context with what the Premier said in some of the financial statements made earlier during the session, about \$53 million is being transferred out of Loan funds into general revenue. On the strength of that it could therefore be said that in effect it is \$59 million that is coming out. It is only going to offset that to that degree, and it worries me that, with these additional anticipated increases, it is only softening the blow of what is coming out of the Loan funds. In other words, we are not paying our way. We are taking it out of the capital cost area and, to my mind, that is going downhill and downhill fast. I oppose the Bill because it is a retrograde step and it is another barrier to the cost of future job opportunities.

**Mr BAKER (Mitcham):** Last night in debating the Licensing Act Amendment Bill I made a number of comments about the economic effects of taxation which I do not intend repeating here tonight. However, members should understand that with the imposition of any form of taxation people will lose jobs. I am sure that everyone on the opposite side understands that point. One point which is probably worth bearing in mind (and it was a problem that was raised some weeks ago in relation to the Budget deficit which the Premier has used as an excuse for these taxation raising measures) is that 1982-83 was financially quite disastrous for South Australia from a number of aspects. The aspects are interesting because they mainly contain one-off problems which it is hoped will not occur again. Therefore, any budgetary measures imposed must be one-off solutions, or the payment of those particular extraordinary costs could be deferred over a period of time such as three or four years in the belief that that burden should be over an extended period.

A number of items in the Budget deficit should be brought to members' attention. There was the net item of \$23 million which was the predicted result of the extraordinary cost to the State of the bushfires. That will run at somewhat less than that amount, but it is still added to a significant Budget deficit item. The next item was water pumping costs of about \$8 million. The Minister of Water Resources is always talking about how well his reservoirs are topping up but he has failed to tell us that it is highly unlikely that there will be any extraordinary water pumping costs this year.

**The SPEAKER:** Order! I ask the honourable member to come back to the measure.

**Mr BAKER:** I am talking to this measure because this is what the Premier has explained is the reason for this particular measure, four other measures, and a number of other items of taxation. It relates to the projected Budget deficit for 1982-83. There was also an item for excess wages cost of \$14 million. One would hope that is a one-off item that will not recur because we will have proper budgetary measures imposed, rather than operating in the slipshod fashion in which the Government has been operating over the past nine months. Some items are ongoing and therefore require some taxation measures. Obviously, the gas levy remission—which has now been reimposed at a cost of \$4 million—is one example. The extra teachers was a proposition which the Government put to the electorate before the last election.

**The SPEAKER:** Order! The honourable member is now clearly overstepping the rulings which were given last night and tonight. The honourable member for Mitcham.

**Mr BAKER:** Suffice to say that the Budget deficit items of last financial year contain 70 per cent of non-recurring items—at least we hope that that is the case.

**The SPEAKER:** Order! Having been called to order once, the honourable member then proceeds immediately to continue on the same line of discussion. That is simply not permissible. The honourable member must abide by the rulings of the Chair. The honourable member for Mitcham.

**Mr BAKER:** The revenue to be gained from the amendment to the Stamp Duties Act is expected to be of the order of \$6 million which is, according to the Premier, to offset the Budget deficit. This fact has been made public and has been contained in a number of his speeches. The proposition I am putting forward tonight is that it is an unnecessary taxation measure. It is unnecessary from a number of viewpoints: first, in view of the number of jobs that will be lost; and, secondly, it is to meet the cost of extraordinary items over a period of time rather than in the forthcoming financial year.

Referring to the measure itself, I have already referred to the statement by the Premier in his second reading explanation, as have other of my colleagues. It states that the most recent report of the Grants Commission indicated that South Australia's taxing effort relative to the other States was below average in this area. I have made mention of that in a speech previously and I mention it again. It is despicable for the Premier to use that as an excuse for increasing taxation because, in many areas, we far exceed the norm in other States. However, we do not see the Premier decreasing those imposts to be consistent with the statement he made in the second reading explanation.

The most critical aspect of this measure is its timing. We have had a number of newspaper reports over a period of time which state that the insurance industry has gone through some heavy loss periods in the last few years. On 3 August 1983 an insurance broking firm collapsed with a \$180 000 debt. We have heard a number of statements made about losses being incurred, particularly in the underwriting area. In the 1981-82 financial year an underwriting loss of \$541.7 million was incurred. That industry is hardly making a profit. As far as I am aware, the taxation of profit has always been an area of revenue but, for goodness sake, let us not tax losses. That is exactly what the Bill is doing: it is facing the insurance industry with more and more debt. We well know that the bushfires added to the burdens of South Australian insurance companies. I understand that the loss figure is of the order of \$70 million. This Government is going to tax that industry—it is going to tax the bushfires. It is going to tax the people who have been adversely affected—in fact, all South Australians.

[Midnight]

An article by Michael Butt, Chairman of Sedgwick Pty Ltd, one of the largest insurance brokers in America, posed the question whether there will be an insurance industry in 20 years, as well as a number of other questions. One of the interesting facts to come from the proposition is that premium revenue for self-insurance in America in 1974 totalled 7.5 per cent, but that figure doubled to 15 per cent by 1982. That means that people sought means to protect themselves other than by insurance, so quite simply they have been taking a gamble. People have been taking a risk that some untoward circumstances such as a fire, flood or personal accident will not affect their operations, their home, or their family. Quite simply, the costs of insurance are becoming exorbitant, and any further impost will make it far more difficult for people to pay.

Despite the fact that the insurance industry has made large losses over recent years and that the industry has suffered enormously from the recent bushfires, the Premier is willing to increase the taxation base from this source. I believe, and I am sure that all other members on this side believe, that that is despicable. I am not sure whether members opposite support this measure: they must know that a number of people in their district—

*Mrs Appleby interjecting:*

**Mr BAKER:** Perhaps there are no low-income earners in the District of Brighton. There are low-income earners in most districts, and those people under-insure their houses because they cannot afford the premiums. This Government is quite willing to allow those people to take a risk: it is doing nothing to assist them. There is no special compensation such as pensioner benefits for insurance. In fact, once again the people who have the least ability to pay are those who will be affected. For a Government that has professed some desire to improve the lot of people in less fortunate circumstances, this Government is doing an absolutely disgraceful job.

A range of measures has been presented to this House, and all those measures have been regressive, they will cost jobs, and they will result in the person who can least afford to pay being less able to meet his commitments. In fact, these measures will place such people at greater risk.

**Mr MEIER (Goyder):** I certainly cannot support this Bill. The Premier, in the second reading explanation, stated:

The Stamp Duties Act currently imposes duty on annual licences taken out by persons or companies carrying on insurance business in South Australia . . . With respect to all insurance premiums (other than for third party motor vehicle insurance or life insurance), the current rate is 6 per cent.

Although all other States levy some form of duty on general insurance, the bases vary from State to State and straightforward comparisons with most States are difficult to make. The most recent report of the Grants Commission indicated that South Australia's taxing effort, relative to the other States, was below average in this area. It is proposed that the current duty on annual licences of 6 per cent be raised to 8 per cent.

It is a great shame when a distinct cost advantage in this State is singled out as another area for increased taxation, because this State suffers considerably due to its lower population and because it is removed by geographical distance from the Eastern States.

Therefore, every opportunity to take advantage of every incentive is a must, but it seems that this Government is looking at anything where this State perhaps has an advantage and is saying, 'We will tax that and get extra money.' It does not take a very wise person a lot of thinking to realise that increases in taxes in those areas of advantage will lead to just the opposite: that less money will eventually come into this State because businesses will not be attracted here. This, certainly, is the case in this amendment to the Stamp Duties Act.

Unfortunately, as with so many other taxation measures with which we have been presented since this Government

took over, the rural industry once again suffers possibly more than any other sector in this State. The farming community is burdened with a whole lot of insurances: they need them to protect their interests. We saw how valuable insurance was during the recent disasters, be it insurance for crops, sheds, machinery, stock or whatever.

Taking stock for a moment, I heard it said some weeks ago that the stud sheep breeders must certainly make a lot of money. While I was talking to one the other day at a country show, it was pointed out to me very clearly that because of the high costs they face so many stud breeders are simply in it as a hobby and not to make money, even though we, the general public, often read of very high figures paid for stud sheep. The insurance premiums on those stud sheep are very high. This measure will affect these people further and affect the industry in South Australia.

We can look at it in so many other areas, too. Local government insurance premiums will increase for machinery and plant and, certainly, workers compensation. That means that people's rates will go up. So, this tax will have an indirect effect in increasing other rates as well.

The huge risks taken in the fishing industry are well known in the insurance industry. It would be interesting to get figures to see just how much this tax will add to the problems with which the fishing industry is already faced. Transport, the lifeline of the rural areas, is subject to insurance on so many facilities: first, on the vehicles used. Being on the road often, they are subject to fairly high rates; again, they will be going up. There are the goods that they carry—and do not these companies always hear about it when a person has ordered a product and it is damaged in transit! Therefore, their insurance premiums are high to protect the goods, and the insurance premiums will increase because of this amendment to the Stamp Duties Act.

It will affect not only these areas: small business insurance generally, particularly with workers compensation, will also go up, and workers compensation is killing so many small businesses already. I was talking to an employer in one of the country towns the other week and he said that for his 12 men he was paying close to \$8 000 for the workers compensation. This Bill will increase the rate that man must pay for his 12 men.

Of course, what has happened is that those 12 men have now gone on to a four-day week unless business improves. In the same town another car dealer has put his men on contract work only, and I think that he employs about seven men. Therefore, they do not have permanent jobs any more: again, it is a similar situation. This tax will simply aggravate the situation that was already there. I was speaking with a small cleaning contractor who employs only two people. He indicated to me that he had quotations from insurance companies for workers compensation premiums between \$400 and \$4 000. That is an unbelievable difference but, according to him, true. The stamp duty will only increase whatever premium he elected to take.

**Mr Mathwin:** Another nail in the coffin.

**Mr MEIER:** Unfortunately, as the member for Glenelg points out, it is another nail in the coffin, just at a time when our industry hopefully should be taking off. When the rural industry looks as though it is coming out of the depression, we find that the Government cannot resist sitting on business, on industry, and all the good things that we have come to know in South Australia. It is not only business but also the voluntary service organisations, clubs, religious groups and other bodies that likewise suffering or will suffer because of this amendment.

**Mr Mathwin:** The ordinary people in this State and their families.

**Mr MEIER:** The family man, and the person who is prepared to sacrifice something to see that this State would be great is subjected to insurance policies for his voluntary



work in case something does happen. They are subject to insurance premiums for the buildings that they occupy. These people give money freely, without any return. It is a financial impost on them, yet this Government sees fit to make them pay a little more. I wonder how many people will have to drop out of voluntary organisations because their fees will obviously also have to cover the increases in charges.

**Mr Mathwin:** And the private schools.

**Mr MEIER:** As the honourable member points out, private schools are another area—

**The DEPUTY SPEAKER:** The honourable member is out of order, too.

**Mr MEIER:** I was endeavouring to relate it to the insurance premiums that private schools have to pay for their buildings, facilities and equipment.

**The Hon. Michael Wilson:** They have to pay more for water rates, too.

**Mr MEIER:** I will not lead on to that, because I do not think that that directly relates to this Bill. We can look at hospitals, and most of the rural hospitals certainly have to look after their own insurance premiums. We can look at retirement homes, tourism, and a classic example is museums and their insurance policies on some of the artifacts that are priceless. Certainly those premiums will increase. We can include hotels, motels and caravan parks. It will lead to higher costs for them. They will have to pass it on to the tourist; therefore, it will lead to a decrease in tourism; and, therefore, a decrease in the State's total economic development.

*Mr Groom interjecting:*

**Mr MEIER:** I did not pick up that interjection from the member for Hartley.

**The DEPUTY SPEAKER:** The Chair is quite pleased that the honourable member did not.

**Mr MEIER:** It grieves me even more, because members opposite occasionally say, 'Well, what would you do?' There are some classic examples of what we would not have done. We would not have shut Honeymoon and Beverly, which would have provided a lot more revenue.

**The DEPUTY SPEAKER:** Order! The honourable member is a long way off the Bill before the House when he speaks about Honeymoon and Beverly.

**Mr MEIER:** I will not pursue that, Sir. It is a revenue raising measure imposed on the insurance industry. If the Government wanted to it could look at alternative revenue raising methods rather than applying this impost on the insurance industry. I refer to the jobs that may be lost within the industry. In fact, the Leader of the Opposition referred to 150 permanent jobs which could possibly go by the way as a result of this Bill.

Certainly, a result of this impost is that it will add to inflation just at a time when inflation, we hoped, was coming down. There is no doubt that we need to look at positive measures to attract people to South Australia. If we could reduce inflation, that would be a positive move. If we could promote employment instead of losing jobs, which would be the result of this impost on the insurance industry and all the other industries affected by it, we would do much for South Australia. In fact, the 33½ per cent increase is one of the least desirable imposts that could be levied at this time in South Australia. It will impose a constraint on the ability of people to purchase goods—it is one further nail in the coffin. Therefore, I certainly oppose this Bill.

I believe that rural people will feel the impost more than other people. The impost will reflect in increasing unemployment and, unfortunately, more and more young people will be disillusioned with our economic situation, which is leading us to greater inflation and ultimately to greater economic depression. I am very much against the Bill.

**Mr MATHWIN (Glenelg):** I oppose the Bill, which directs a further slug in general at the little people of this State, the family man, the workers, those people who can least afford it. I remind the House that the Premier, when he was Leader of the Opposition in this State, said that he was not going to increase taxes during the first term of his office, which was the first three years (if he lasts that long). Indeed, he said that possibly the Government would reassess the situation in its second term. However, there is no guarantee that the Premier will retain his office for the full term. It is on the cards to me that this Government will collapse.

**The DEPUTY SPEAKER:** Order! I point out to the member for Glenelg that so far, in less than one minute, he has not dealt with anything pertaining to this Bill. I would like the honourable member to come back to the Bill.

**Mr MATHWIN:** I did mention that it affects the little people, the family man, the workers of this State, the people who could least afford it. It will affect them because this impost will increase their insurance premiums. None of us enjoys paying insurance; it is a necessary evil to most people. Nevertheless, one must have insurance. Anyone who does not have insurance on his house is a fool, and it is required by legislation in other areas.

One does not have to have insurance for one's house, and so on, but a person would be an idiot not to insure their property. It is a necessary evil. If one is wise, one insures against fire, damage, burglary, glass breakage, and the like. People can also insure for third party protection in regard to other people who might be injured while on their property. This insurance might be paid as part of the rent. Rates paid to councils also include a fire levy, which is in addition to insurance premiums already paid. Most people take comprehensive insurance cover on their vehicles which provides full cover. A motor cyclist enthusiast will insure his motor cycle: most people insure vehicles that they have for whatever purpose. If one is fortunate enough to have a motor boat or a yacht one will insure it. People who like to fly high (like some people I know but whom I will not mention) will insure their glider. People must insure against accidents, and it is important for them to do that.

People involved with sporting activities will insure themselves or their children, perhaps as part of the fees paid to a sporting body or a club or individually, against injuries arising as a result of a sporting activity. If a sport is rugged, like lacrosse, insurance cover is important. Practically everyone in the community is affected by this slug being made by the Government. A promise was given that an A.L.P. Government would not increase taxation or impose any new tax during its term of office. That is the shocking part of this matter. That is what hurts people and the reason why people have now realised that they cannot believe such promises. I intended to refer to the definition of 'promise' in the dictionary, but as the hour is getting late I will leave that until another time, because this matter will be ongoing.

**The DEPUTY SPEAKER:** The Chair is very pleased that the honourable member does not intend to read it out, because he would have been out of order had he done so.

**Mr MATHWIN:** I do not want to argue with the Chair. Perhaps it would have been wrong of me to do that, but I still would have been able to link that with the Bill before the House. Of course, employers will have to pay more; they will have to pay extra compensation premiums. Premiums will rise considerably, and that extra cost will be passed on to the consumer.

Restaurant and hotel businesses were slugged in this place only last night by way of a Bill about which you would not let me speak, Mr Deputy Speaker, and which involved increases in charges on beer, wine and spirits. I do not want to talk about that measure now because I would be out of order. However, with those charges and the charges in this

measure those businesses have copped a double header. As the member for Goyder has mentioned, local government will face increased costs because of this Bill. What will happen to those increased costs? They will be passed on to ratepayers. Not one council in South Australia will be able to avoid the cost increases brought about by this Bill amending the Stamp Duties Act.

I am concerned for the workers of this State, who this Government claims it looks after. These are the people who will be most affected by the increased costs contained in this Bill. The Premier said last night in his second reading explanation that this added cost will bring in \$6 million a year to Consolidated Revenue, the majority of which will come from the family man and ordinary people in South Australia. Insurance companies, which are large employers, are concerned about the effect that this Bill will have on their operation. An article appearing in the *Australian* on Wednesday 11 May, under the heading 'Serious decline in local equity', states:

Australian-owned insurance companies are a dwindling force in the local insurance market. According to the Australian Insurance Association, a group of insurers whose ownership is 70 per cent Australian or more, their share of the local market declined 2.2 per cent between 1979-80 and 1980-81, reaching a new low of 21.5 per cent.

These people are concerned about the effect this Bill will have on them. As I have said before, they are large employers of labour. I remind members of what the Premier said in his second reading explanation, as follows:

It is proposed that the current duty on annual licences of 6 per cent be raised to 8 per cent. On annual household insurance policies currently costing \$100 this measure would add about \$1.90; and for those costing \$150 this measure would add about \$2.80. This Bill should provide a full year gain of around \$6 million to Consolidated Revenue and this amount should be achievable in 1983-84, with all the duty falling due in January 1984.

This is a \$6 million rip-off of the people in this State. The Premier says that this increase will only cost home owners between \$1.90 and \$2.80 a year. If one says that quickly enough it does not seem much. However, it is a matter of an accumulation of amounts, as we have a mass of Bills coming into this place each increasing taxes. Heaven knows what the Budget will contain tomorrow! People in this State are quaking in their shoes about what their future will be like under this Labor Government. They are concerned, worried and upset about this Government's performance and about the way it is slugging the people of South Australia with these taxes. I oppose the Bill.

**The Hon. J.C. BANNON (Premier and Treasurer):** I do not intend to detain the House long at this hour in reply to the speeches that have been made. Once again, we have heard the usual remarks about the general question of taxes and what was promised and not promised, and I do not intend to go through that again; that matter has been adequately canvassed in this place. I refer to a point that was being made with considerable vigour by the Leader late yesterday in relation to taxing levels. It is all very well to claim some credit and suggest that there is great merit in having the lowest per capita tax level in Australia. However, the point is that if one has the lowest per capita tax level, one must also accept that the services provided will be at the lowest level in Australia. This does not happen overnight and, indeed, this is the terrible legacy left to my Government.

The legacy is this: when the previous Labor Government left office it left behind a reasonable revenue base. It was not the highest in Australia nor the lowest, but it was about in the middle order. From that revenue base we were able to provide in a number of areas some of the best services in Australia in education, health, hospitals, roads, and transport which were the envy of other parts of Australia. When we left office, those services were in good shape and there

were substantial reserves in hand. A month after being returned to office in 1982, my Government conducted a review into the consequences of the Tonkin Government philosophy of lowering taxes (something for which it claimed great credit). The consequences of the previous Liberal Government's philosophy meant that as the amount of revenue reduced it became increasingly difficult to maintain Government services at the levels to which people were accustomed. In fact, Government services were beginning to run down. There was an inevitable lag, and the day of reckoning was deferred by the method adopted by the previous Government of using capital loan funds to prop up the recurrent deficit.

**The Hon. Michael Wilson:** You are doing the same thing.

**The Hon. J.C. BANNON:** That will be eliminated, but it cannot be done in one year. That was the method used: the reserves were raided, the loan funds were transferred into the re-current expenses, and slowly but very surely and at an increasing rate our services were running down. The two sides of the ledger do not tally. I do not believe that South Australians want or should be amongst the highest taxed in this country, and they will not be. Equally, I believe that South Australians are proud of the level of their services. Those professionals who work in those areas are proud of what they can do and the way in which they can deliver those services. Our community has certain expectations, and it also recognises that it has to bear a certain cost. That is the simple question with which we are confronted, and I think it would do well for the Opposition to remember that.

As to the actual implications of this measure, the Leader spent some considerable time talking about the S.G.I.C. and its role in the insurance industry. Thank goodness that, against enormous opposition and last ditch opposition in another place, the S.G.I.C. was established. Hundreds of millions of dollars of investment has been kept in South Australia as a result of that successful operation. We were one of the last States to have one. Even conservative regimes, such as the much admired (by the Opposition, that is) Mr Bjelke-Petersen's in Queensland, had a G.I.O., and it has been used very strongly in relation to the regional economy. Thank goodness the S.G.I.C. existed not only to invest in South Australia's economy in the way that it has, but also for the many beneficial exercises it has undertaken to preserve jobs in this State.

In respect of this measure, the S.G.I.C. will be paying the levy along with the rest of the private insurance industry. Complaints about it taking unfair advantage are unfounded. I find, for instance, that the complaints about the arrangement with Australia Post quite extraordinary from a Party in politics that professes to believe in free enterprise and market forces. Showing great enterprise in 1980-81, the S.G.I.C. entered into such an arrangement with Australia Post. That was cancelled on ideological grounds by the previous Government. It is now being criticised because it is coming into operation here. The argument used is that it means that a whole lot of untrained postmasters and post-mistresses will be selling insurance and that that is a dreadful thing. Hundreds of commissioned agents are now selling private insurance in our community. I suggest that, in many cases, their level of training and expertise is well below the sort of training and expertise that people in post offices will have for selling. That argument is a real furphy.

The S.G.I.C. has shown enterprise and a competitive edge and it is as well for South that it does. I believe that private industry ought to welcome that sort of competition. It is not being done on the basis of special privilege, by any means. On the contrary, in many cases the S.G.I.C. is being forced to act as an insurer of last resort for those who cannot get insurance or special deals within the private industry. It takes up that burden in some areas and it is as

well that it is there to do it. I am only saying in that respect that the private industry has benefitted from the presence of the S.G.I.C. and the stability that it has been able to provide in an unstable industry.

Many of the other contributions in relation to this area were based around fairly large problems within the insurance industry. One could argue that aspects of the industry have to get their house in order. That has nothing to do with this impost which, in its overall effect, is fair and progressive. The amount of money being raised is not large, but it is significant in terms of what can be done in relation to the supply of public services. I commend the Bill to the House.

The House divided on the second reading:

Ayes (23)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon (teller), M.J. Brown, Crafter, Duncan, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne, Plunkett, Slater, Trainer, Whitten, and Wright.

Noes (18)—Mrs Adamson, Messrs Allison, P.B. Arnold, Baker, Becker, D.C. Brown, Eastick, Evans, Goldsworthy, Ingerson, Lewis, Mathwin, Meier, Olsen (teller), Oswald, Rodda, Wilson, and Wotton.

Pair—Aye—Mr Peterson. No—Mr Blacker.

Majority of 5 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Amendment of second schedule.'

**The Hon. JENNIFER ADAMSON:** In researching the background of this Bill, I found it difficult, looking at the amendments to the Stamp Duties Act, 1923, to find any reference in previous debates to increases in the annual licence fee for insurance companies. When was the annual licence fee last increased, and by what amount? I want to ask the same question in substance that I asked in regard to the previous Bill—what analysis, if any, has the Treasury undertaken of the impact of this measure on the insurance industry? In the same way, for example, as a liquor tax will cause a possible temporary drop in the purchases of liquor, did the last increase in the annual licence fee for insurance premiums cause any kind of drop and, if so, what was the effect of that decrease?

**The Hon. J.C. BANNON:** I do not know when the licence fee was last varied. On our calculations, there will not be a great impact.

**Mr INGERSON:** Since workers compensation comprises a fairly large slice of insurance, what percentage of the \$6 million is attributable to workers compensation?

**The Hon. J.C. BANNON:** I do not have that detail. It is possibly of the order of 20 per cent. The whole question of workers compensation insurance really is not affected to any great extent by this licence area. The problem with workers compensation in large part stems from the total inaction of the previous Government, faced with a report on which some work could have been done.

**Mr OLSEN:** The Premier has again demonstrated to the House his total ignorance and lack of concern about doing basic homework on questions on a taxation measure of this kind before the House and his total contempt for the proceedings of Parliament that he is not at least willing to attempt to answer questions. Those questions that he ignores are legitimate questions posed by the Opposition; he just sits in his seat and refuses to answer them. On those other questions that have specific natures on which the Opposition is entitled to get an answer from the Treasurer of the day on a measure of this nature before the House, he merely says that he does not have the information.

**The Hon. D.C. Brown:** As if \$1.5 million additional burden on workers compensation is insignificant.

**The CHAIRMAN:** Order!

**Mr OLSEN:** To clearly demonstrate how *ad hoc* this Government is in relation to its procedures and doing the basic amount of homework, I ask the Premier—

*The Hon. J.C. Bannon interjecting:*

**Mr OLSEN:** What a farce! Quite clearly the Premier is making a farce of the Parliamentary procedures of this State by the way in which he carries on with revenue measures and Budgets of this State. The Premier is not even prepared to answer the questions. He makes no attempt to. He has some basic responsibilities to this Parliament and to the people of this State through the Parliament. It is up to the Chairman to—

**The CHAIRMAN:** Order! The Chair will act all right in a moment. I ask the Leader of the Opposition to come back to the clause.

**Mr OLSEN:** Clause 3 relates to the increase from 6 per cent to 8 per cent. I ask the Premier: what is the effect on the consumer price index in South Australia as a result of this measure?

**The Hon. J.C. BANNON:** The effect cannot be calculated exactly, but it will be very minimal indeed. Look at the amount that is to be raised. I am asked to answer questions and so on. I have with great patience and care attempted to answer those questions which are relevant, but I say again that I will not answer speeches, insults and rhetorical questions; nor is there any point in answering questions for which the answer is already known. That is a joke. It is a farce. I am not going to do it.

*Members interjecting:*

**The CHAIRMAN:** Order!

**The Hon. J.C. BANNON:** I answer the Leader's question by saying that the impact on the c.p.i. will be very minimal.

**The Hon. JENNIFER ADAMSON:** I find it absolutely amazing that the Premier can introduce a measure like this which is designed to raise quite substantial sums of revenue and not be able to tell the Committee when the Act was last amended in respect to insurance premiums. I would have thought that that would be a fairly basic question that any Minister would ask his department when he was aiming to raise additional revenue. When were the people who are going to pay these bills last required to pay additional funds? I have done a little research on this myself—

**The Hon. J.C. Bannon:** So you know the answer.

**The Hon. JENNIFER ADAMSON:** I do not know the answer, but I am going to tell the Premier what I do know and from that he may be able to deduce the answer. If he makes no attempt to do so he is certainly treating the Committee with contempt. According to the notations on the Statutes in this Chamber the times when this Bill has been amended relate to the years 1976, 1977, 1978, 1979, 1980 and 1981. Prior to that, the Act was before the House in 1923, and that was the subject of a consolidation. Having checked with the *Hansard* and having found that those amending Bills in the 1970s and 1980s related to either land or vehicles and, in one case, to the housing industry, I have been able to find no reference whatsoever to insurance.

It was, admittedly, a cursory check. It was not a proper research job as one would expect departmental officers to do. However, from what I could ascertain, no attention has been paid to this particular aspect (insurance premiums) since 1923. In fact, a book entitled 'Insurance in Australasia' dated 1969 says the following in respect of receipts from stamp duty of South Australian insurance and assurance companies:

Rate of Stamp Duty is 1 cent for every \$10 or part of \$10 of the amount of the receipt. Any person carrying on a business may elect to pay the duty in bulk on a return basis.

The booklet then goes on to give the principal exemptions in which insurance offices may be interested. I ask the Premier whether the rate of stamp duty is still 1c for every

\$10 or part of \$10, as it stood prior to this amending Bill? Were there any changes between 1969 and now? If the Premier cannot tell the Committee, I suggest that he is completely negligent as a Minister to come into this Chamber without basic information about when this aspect of stamp duty was last before the House.

**Mr Lewis:** That is a good point.

**The Hon. J.C. BANNON:** I am certainly happy to assist the member's researches and I will obtain a full report on it. However, I fail to see what relevance it has to this measure tonight.

**Mr EVANS:** In imposing this increase on the insurance industry, does the Premier anticipate that the companies will pick up the extra cost, or does he accept that, in the long term, the end result will be that those who take out the insurance policies (the consumers) will have to meet the increased burden?

**The Hon. J.C. BANNON:** It is a fact of commercial life, is it not, that it depends on what the market will accept or bear and where those costs can be passed on and, where it is lawful so to do, they will be passed on. I refer the honourable member to the second reading explanation where reference is made in particular to the impact that it would have on household insurance policies.

**Mr OLSEN:** During the debate, we have referred to the fact that this State now has the highest inflation level of any capital city in Australia. The inflation level was 12.3 per cent the last time it was calculated. That is a pretty unenviable record. In this Bill we have seen some four revenue raising measures brought to the House by the Government. What is important, no doubt, in the Government's strategy over the next 12 months is what the effect will be on the consumer price index. That is important as it relates to this State and other States in order to make sure that our industries have access to Eastern State markets as do industries in other States, at competitive rates; this means that we have to keep that cost advantage.

The Treasurer has refused to answer my questions in relation to the c.p.i. component in the Bill by saying that it is minimal. What he is saying is that he has not found out. Because of the importance of the c.p.i. and South Australia's precarious position relative to the c.p.i. in Australia at present and the importance of it in terms of job protection in the future, I have no doubt that the Premier at least asked the

Treasurer to tell him what accumulated effect on the c.p.i. all four measures before the House would have, including this one. Would he please advise the Committee what that is?

**The Hon. J.C. BANNON:** I suggest that the Leader, if he is interested in the c.p.i., studies the detailed economic information which my Government is prepared to put out frankly and honestly on a regular basis in which we analyse not only c.p.i. movement but a number of other indicators. In regard to the c.p.i., we analyse, using A.B.S. data, why South Australia's rate is at the level that it is, what factors are inflating either faster or slower than the rest of Australia. The question of the c.p.i. rate is not connected necessarily with cost advantage. Over time it has significance, but I can assure the Leader that South Australia's cost advantage remains, and it is the Government's intention that it shall do so.

Clause passed.

Title passed.

Bill reported without amendment.

**The Hon. J.C. BANNON (Premier and Treasurer):** I move:

*That this Bill be now read a third time.*

The House divided on the third reading:

Ayes (23)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon (teller), M.J. Brown, Crafter, Duncan, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne, Plunkett, Slater, Trainer, Whitten, and Wright.

Noes (18)—Mrs Adamson, Messrs Allison, P.B. Arnold, Baker, Becker, D.C. Brown, Eastick, Evans, Goldsworthy, Ingerson, Lewis, Mathwin, Meier, Olsen (teller), Oswald, Rodda, Wilson, and Wotton.

Pair—Aye—Mr Peterson. No—Mr Blacker.

Majority of 5 for the Ayes.

Third reading thus carried.

## ADJOURNMENT

At 1 a.m. the House adjourned until Thursday 1 September at 2 p.m.