

HOUSE OF ASSEMBLY

Thursday 12 September 1985

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

PETITION: TEACHER POLICY ON HOMOSEXUALITY

A petition signed by 13 residents of South Australia praying that the House oppose the South Australian Institute of Teachers policy on teaching homosexuality within State schools was presented by the Hon. G.J. Crafter.

Petition received.

PETITION: UNSWORN STATEMENT

A petition signed by 11 residents of South Australia praying that the House support the abolition of the unsworn statement was presented by Mr Blacker.

Petition received.

NO-CONFIDENCE MOTION: STATE'S FINANCES

Mr OLSEN (Leader of the Opposition): I move:

That Standing Orders be so far suspended as to enable me to move a motion of no confidence in the Government forthwith.

Motion carried.

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

That the time for considering the motion of no confidence be until 4 o'clock.

Motion carried.

Mr OLSEN: I move:

That, in view of the gross mismanagement of the finances of this State which has led to record levels of taxation imposed on the public, an alarming escalation of the public debt, and the use of dangerous and deceptive accounting practices, this House no longer has confidence in the Government and calls on it to announce an election forthwith.

In moving this motion, I ask the Premier to call an election immediately—to advise the Governor to prorogue this Parliament today. An election would be an inevitable result of this House passing this motion today. It should be supported by all members who believe that the principle of Government accountability to this Parliament must be upheld and who believe that the independent authority of the Auditor-General must be protected from attack by this Government.

It is time the Premier put his word and promises to the ultimate test. He refuses to answer through Parliament to the people, so let him answer to them directly at an election. As we are now within weeks of the end of a three-year term of government, we are not calling for an early election. What we want and what this Parliament now needs is an expression of the electors' opinion of a Premier who has broken election promise after election promise, who time and again has tried to mislead the media and the public about his budget strategy and who now refuses to accept what the Auditor-General—the Parliament's independent accounting authority—has confirmed, that under a second term Labor Government taxes would have to rise yet again to pay for bigger government, bigger spending: a bigger borrowing government.

This Premier claimed in this House only a fortnight ago that his Government had reduced the borrowings of the State. The fact is that the Auditor-General's Report now reveals that State indebtedness has increased by \$1 billion

since 1983. This Premier claimed this week that increased resource royalty returns would help offset any budget difficulties next year.

The fact is that over the next two years royalty returns will reduce by some \$31 million. This Premier claimed last month that his industrial incentive scheme would generate 10 500 jobs. The fact is that the actual number estimated by Treasury is only 950. This Premier has claimed that the Government's tax raising measures have only increased its total tax take by 11.8 per cent: the true figure is 37.9 per cent. This Premier claimed in March that home interest rates would ease. The fact is that he is now under pressure to approve the third increase within six months for building societies.

This Premier has often claimed that South Australia is leading the nation's job recovery: the fact is today's figures show a drop in employment in South Australia of 11 300 in August—an increase in unemployment of 2 200 over the month—and total unemployed, 5 500 more than three years ago. Given this record, it is little wonder that this Government is now arguing with the Auditor-General. That report was unprecedented in its warnings about budget strategy.

The Government's response has been unprecedented in its rejection of those warnings. These circumstances demand immediate action—an election—because the interest of all taxpayers—all South Australians—are firmly on the line. They should be allowed to make their own choice now between a Government prepared to mislead, misrepresent, to conceal a failed budget strategy and an Opposition prepared to advocate the hard options to ensure relief from three years of the most savage assault on the living standards of ordinary South Australians by any State Government in this State's history.

Yesterday, the Opposition sought information from the Premier about the serious implications of the Auditor-General's Report. We have become used to the Premier refusing answers when he knows he has been found out. But yesterday, the evasion, the diversions, the Government's deliberate actions to prevent Opposition questions, were a disgrace—an all-time low, in contempt of this House. Yesterday, the Premier took this House on a journey to Birmingham, England, in one of a number of Government-inspired attempts to waste time. Where will he take us today—to South Africa, Iran, Thailand—any trouble spot to avoid his own: the Auditor-General's Report.

This Government has been caught out by an independent authority and is behaving with obvious guilt. It criticises the umpire—the independent authority—the Auditor-General, who has blown his whistle on an irresponsible budget strategy. The Premier says his report does not give the full picture. He is calling for another report from Treasury on the State's indebtedness. The Minister of Health says the Auditor-General cannot do his sums. The member for Hartley, on Tuesday night, questioned the deficit foreshadowed by the Auditor-General.

It is unprecedented for any Government to reject an Auditor-General's Report in this way. But let us face it: the Premier could not tell the truth before the last election about his budget strategy, and he is not telling it now. The Premier will not admit that the budget strategy to which he is committed has only one outcome: more Government spending; larger borrowings; bigger deficits; and higher taxes.

Already, the result of three years of Labor Government has meant that State Government spending is up 52 per cent. The interest bill funded by this budget is \$115 million more than three years ago—it is almost three times higher than the budget allocation to the Police Department, and it costs the average family \$26.43 a week to repay. State indebtedness is up by more than \$1 billion, an increase in real terms of 9.4 per cent. Under the former Government

it was reduced in real terms by more than 16 per cent. State tax collections are up 55.2 per cent. There are clear warnings in the Auditor-General's Report that under a continuation of this Government's budget strategy there would be more of the same after the next election.

Let me analyse what the Auditor-General is saying about the accumulated deficit. He reports that it has stood at a high level since July 1983 and that it is still high: at a level of \$51 million, to use Mr Sheridan's own words, it has a hidden cost to the taxpayer of some \$6 million. Looking at ways to reduce the deficit, the Auditor-General goes on to say that it would be unwise to rely solely on economic conditions to achieve those reductions. Yet, that is exactly what the Premier is doing, and he admitted it on ABC radio as recently as this morning. He claimed that there would be no budget difficulties next year 'provided the current economic scene remains on course'.

In other words, the Premier is relying solely on the taxes, charges, and other revenues he takes from South Australians to bring down the deficit he has allowed to accumulate. He rejects the advice of the Auditor-General that 'stringent control over all expenditure is essential'. He will not reduce Government spending: it is going up in real terms again this financial year. This extra spending will be funded, in part, by the manipulation in receipts which the Auditor-General has highlighted. The \$26.3 million in the transfer from the Highways Fund and the housing moneys, which the Premier could have put into last year's budget to reduce the deficit, will instead go into the Consolidated Account this year to fund even higher levels of Government spending. The effect of this manipulation is to artificially inflate funds available in this the election year.

But, as the Auditor-General has warned, while this may keep the underlying deficit dormant this financial year, it would emerge again in 1986-87 and each subsequent year, and would be extinguished only by a permanent increase in the revenue base, a permanent decrease in the expenditure base, or a combination of both measures. Of course, the point about this warning is that Labor has no strategy for a permanent decrease in the expenditure base. Its whole philosophy is the opposite—more Government spending. This means that the only conclusion this House can draw from the warnings of the Auditor-General about the accumulated deficit is that, under a second term Labor Government, taxes and charges would have to increase yet again: there can be no other outcome.

For the next two years in particular, receipts from the Commonwealth and royalties will reduce. The Auditor-General has made specific reference to the reduction in receipts from the Commonwealth, saying it gives added emphasis to the principle that a permanent level of spending should not be set up that cannot be matched in future years by a similar level of funds.

When initially confronted with the Auditor-General's warnings, the Premier said that receipts from other areas, including royalties, would offset the problems Mr Sheridan identified. However, as I pointed out yesterday, using the Premier's own figures presented in Parliament, this was just another untrue statement by the Premier. Royalties in 1986-87 will be \$11.4 million less than this year, and \$20 million less in the following year.

Those figures were supplied by the Treasurer, from the Treasury Department in South Australia, in response to a question on notice. They are the Government's figures indicating a royalty decline. In the *Advertiser* this morning the Premier is in what one could describe as full blown retreat from this proposition now that he has been caught out. He is saying that he did not mean that and meant something else. He is backing off, because he has been caught out on the figures he tabled in this Parliament several months ago.

It is just one more sorry example of the misleading, the misrepresentation, and the downright untruthful way in which the Premier has dealt with State finances since he has led his Party in this House. He accused the former Liberal Government of being a high taxing government when it, in fact, reduced *per capita* State taxation to the lowest of any State. After the election, to excuse his broken promises, he then accused the former Government of not taxing enough so that it ran up a deficit. In accounting terms one cannot have it both ways. Now, his credibility is exposed yet again for what it is: as non-existent as are his chances at the next election.

The Hon. Michael Wilson: Tax effort!

Mr OLSEN: Exactly. He described it as tax effort. No State Government in our history has applied a greater tax effort to the hip pocket of ordinary South Australians than this Government. Indeed, when the Auditor-General's warnings about shortfalls in receipts are added to the ongoing spending programs of this Government, a massive blow-out in the budget deficit is likely in 1986-87. This is what the Premier has tried to conceal until after the election. This is what he has tried to put to one side. This is what he has tried to conceal with a budget which contains more sleight of hand than one would see at a magicians convention.

The Premier's attitude in Question Time yesterday suggests he fully intends to ignore the warnings of the Auditor-General about the accumulated deficit, as he has already ignored Mr Sheridan's warnings about the way in which the capital works program should be funded. Last year, the Auditor-General said that care must be taken to ensure that the use of borrowed funds did not accelerate the growth of the net impact of debt servicing costs on the Consolidated Account and on taxation. He has repeated that view again this year, but the Premier has taken no notice. This year's capital works program is being funded in part by a massive increase in borrowings from statutory authorities—a 56 per cent increase.

The massive increase is a description from Treasury papers tabled in the State budget. There are more borrowings, to put more burdens on future generations of South Australians. Those burdens show up throughout the Auditor-General's Report: the \$1 billion escalation in State indebtedness with its escalating interest bill; the rising interest bill of the Engineering and Water Supply Department that last financial year went up 18 per cent to almost \$104 million: it is now almost as much as the department has to spend on its operation and maintenance activities; the escalating deficit of the State Transport Authority—up almost \$8 million this financial year; and the massive increase in the cost of workers compensation. The Government's liability has increased three-fold in the past three years. Last financial year claims paid out and outstanding claims amounted to more than \$29 million, compared with the premium income to the Government Insurance Fund of \$17.3 million.

This Government has allowed spending and borrowing to rip, in just the same way as the Hawke Government has done. South Australia's indebtedness is \$3.8 billion. The Commonwealth has an overseas debt of \$70 billion. These traditional financial policies of Labor Governments are a major factor in the new surge in interest rates. In fact, there is no better example of how Labor's economic policies work against all of us than in the area of home loan interest rates. I remind the Premier of the comments that he made in July 1982, when, as Opposition Leader, he presented himself in this House as the champion of the people—some champion, when he has taxed them at 55.3 per cent while expecting people at the same time to abide by a wages pause and the prices and incomes accord. On the subject of home interest rates, he said:

If anyone doubts the urgency of the problem and the social devastation that is being added to the economic problems we have, then they must be deliberately turning their back on it.

I seem to remember some highly emotional outburst from him about the 'cruel hoax' being played on the people of South Australia as they attempted to meet housing repayments. The Premier made all sorts of promises to entice such families to support him at the last election. Sadly, they believed him.

In March this year, he said any increase in interest rates would be precipitous, that it would not be justified. He followed that with a statement the following day that he expected interest rates to subside. On 9 April, he told us that pressure on interest rates was peaking, and that it would ease over the next couple of months. Yet next day, he approved a .5 per cent increase in home loan interest rates for building societies. He had conned the people again. Three months later, he did it again—but this time, by more. He increased the rate by .75 per cent and accompanied that approval with the extraordinary statement that home buyers would now be able to confidently plan ahead, knowing stability was in the home loan market.

Well, we know what has happened to interest rates in the past two weeks. They have gone up again. What does the Premier and Treasurer of this State have to say about it? He says, 'I am still puzzled about why interest rates are climbing'. All I can say is that, if he is puzzled, he ought not to remain in control of our money. The people of this State are having enormous difficulties in meeting the extra charges and taxes with which they have been deluged since Labor came to power. What hope do they have of meeting extra interest charges? For those without homes, and striving to achieve home ownership, it is a dream that is becoming less and less tangible.

In less than one year (and this should be taken into account with the increase in interest rates) the average loan sought by young people from building societies has increased by nearly \$10 000. What about those who have achieved home ownership? Added interest rates combined with a whole range of increased taxes and charges have meant that a savings account is a thing of the past. There is just no money left to save from disposable income.

Despite the Premier's earlier phoney predictions about a healthier economic environment for home owners, he has not stopped his deception yet. This week he has made a pathetic plea to his federal colleagues, supposedly on behalf of South Australian home owners, that they retain the ceiling on home loan interest rates of 13.5 per cent. Perhaps he would like to explain to the average South Australian why the State Bank provides home loans at interest rates of up to 16 per cent. There is just no logic behind his call; it is just another example of hypocrisy from a man who cannot be trusted.

At one time, and I refer particularly to July 1982, State Bank customers paid interest rates lower than charged by building societies—a real interest rate after allowing for inflation of 1.1 per cent. Now State Bank customers who meet past funds support requirements face a real interest rate of up to 6.8 per cent with other State Bank borrowers who do not meet those requirements paying a real interest rate of up to 9 per cent. That is almost nine times the prevailing real interest rate of July 1982, when, to use the Premier's word, the situation for families buying their own homes was 'intolerable'.

I wonder what word he would use to describe the case now, when new home buyers and people with mortgages are paying more on their loans in real terms than they have for over 50 years. Real interest rates are higher than they have been for 50 years. It is time that governments started taking pressure off interest rates and lifting the burdens off

ordinary taxpayers. It is time that governments addressed, in a positive, honest and responsible way, the means to achieve these objectives by limiting their own spending and borrowings, by reducing their involvement in the economy, by deregulation, and by privatisation.

Unlike this Government, my Party is prepared to tackle these challenges head on, with conviction and with consistency. Labor is attempting to wage a campaign of fear about privatisation. It is a campaign of double standards and hypocrisy, because the Government is inviting private sector involvement in the construction and operation of South Australia's next power station.

An honourable member interjecting:

Mr OLSEN: Let me remind the honourable member who seeks to interject that it is a form of privatisation and it was first suggested by me over a year ago. Labor has agreed to transfer the activities of AMDEL entirely to the private sector. Well the Minister of Mines and Energy knows, because he cobbled together a statement about a week after I released that speech. A month or two later the Premier followed it up and supported the principle of the private sector building our next power station. This Government has sold 22 commercial properties of the Housing Trust—that has put them in the private sector. I know that members opposite do not like hearing this, because it exposes their double standards and hypocrisy relating to the question of privatisation.

It is also to sell \$20 million worth of Health Commission assets. Yesterday, the Government announced a proposal to build, jointly with Mutual Community, a hospital at Noarlunga. It is privatisation—policies in the right direction. That is what we are talking about and that is what this Government is doing. There is considerable scope in the State public sector for further privatisation in ways such as that. That is clearly identified in the Auditor-General's Report. For example, the Auditor-General has highlighted the fact that it costs taxpayers 38 per cent more for school cleaning and, if the Minister of Housing and Construction will listen, I will get back to his department and his commercial properties in a moment. If he is giving advice to the Premier, let him wait a minute and I will detail the statistics for him. Highlighted in the Auditor-General's Report—

Members interjecting:

The SPEAKER: Order! Will the honourable Leader resume his seat. This is the most important motion that can be moved in the Parliament. Traditionally, the mover is heard in silence and the response is heard in silence. I ask that that tradition be followed.

Mr OLSEN: For example, the Auditor-General has highlighted the fact that it costs taxpayers 38 per cent more for school cleaning carried out by the Government than it would if the private sector undertook the work. The average cost per square metre cleaned by industrial cleaners is \$6.85. The departmental work force charges \$11.01 per square metre. The Auditor-General believes that the estimated annual savings of \$2.2 million now being achieved by privatising school cleaning could grow by a further \$2 million each year by 1990. He has said that continued emphasis on competitive tendering and its application to other areas of public sector cleaning would also seem to warrant serious consideration.

The recent review of school bus services recommended a similar approach, that up to 50 per cent of bus services be contracted out to the private sector, resulting in potential savings of another \$1.5 million per annum. The implementation of these two recommendations alone would result in a saving of millions of dollars, amounts which, although small in comparison with the State debt run up by this Government, would nevertheless be some relief to taxpayers.

The Auditor-General's Report has also identified the extra cost to taxpayers caused by this Government's policy of building up the public sector construction work force. The report shows that public building projects undertaken by the private sector are costing the taxpayers 30 per cent less. The Auditor-General has also referred to 'a substantial inefficiency and cost to the taxpayer' in the way in which the Government undertakes its construction work from within its own resources. I hope that those were the figures that the Minister of Housing and Construction was taking to the Premier a few moments ago.

This is a matter which has been referred specifically to the Premier by the Auditor-General under section 12 of the Audit Act, following estimates that the extra cost to the taxpayers of this Government's policy is approaching \$7 million a year. Housing Trust figures in the Auditor-General's Report demonstrate the extent to which privatisation—the sale of trust assets to the private sector—has benefited its accounts this year. The Minister of Housing and Construction will acknowledge this because it is in the Auditor-General's Report, unless he joins with other Ministers in condemning, complaining about, and rejecting that report. The net benefit to the trust from the sale of assets was \$13.8 million, which contributed significantly to its overall operating surplus of \$10.5 million.

Mr Speaker, under this Government's double standards, when Labor privatises, it is in the public interest; when Liberals suggest it, it is not: they cannot have it both ways. The facts are as clear as the warnings in the Auditor-General's Report. Yet no Party can honestly present itself to the people of South Australia at the next election with a commitment to tax relief unless it has a policy to limit Government spending which includes a privatisation strategy that can be gradually and sensitively implemented. This Government says it is offering tax relief, but the Auditor-General's Report explodes that myth. The independent umpire explodes that myth.

The Hon. R.G. Payne: Rubbish!

Mr OLSEN: There we have another Minister who is ready to argue with the independent accounting umpire—the Auditor-General. The Premier wants to ignore his advice. It is all part of his financial strategy, a strategy which is now as devalued as our dollar and still going down. It is the broken promises, the record increases in taxes and charges, the record increases in the State's debts and interest bills—today's burdens passed on to tomorrow in the bank-card budget, and now, unprecedented Government rejection of the Auditor-General's Report. This is a financial strategy that no responsible Parliament can continue to accept. It is time the people who have suffered three years of Labor Government assault on their standards of living were given their say. It is time for an election.

The Hon. J.C. BANNON (Premier and Treasurer): Now it comes out: the Opposition wants an early election. That is interesting to see. I know why they want an early election. Faced with the best financial result in a decade of this State's history; faced with one of the most remarkable economic turnarounds since the great depression; faced with the underlying strength not only of our economy but of our public sector finances which it can see stretching before it; faced with another four years in the wilderness. The Opposition is getting desperate, so it demands an early election in the hope of capitalising on the uncertainty and doubt it has helped create over the last few days. However, the facts will out and the results will show.

The pathetic contribution to this debate by the Leader of the Opposition; the botched up figures; the misinterpretation of the Auditor-General's Report; and the classic case of calling someone's name in vain, manipulating what has

been said and what is on the record to Opposition members' own shabby purposes—all that will be exposed when the people consider whom to elect as Government for the next four years. We will go proudly to the people of this State on the basis of our record.

The SPEAKER: Order! I have pointed out that this is the most important and serious motion that can be moved in the Parliament. Tradition is and always has been that the mover be heard in silence and the respondent be heard in silence. I ask that the tradition be honoured.

The Hon. J.C. BANNON: Thank you, Mr Speaker. I can see why the Opposition would be desperate in this area, faced with the record that has been displayed in the budget just brought down. Quite clearly, if the facts are allowed to become too widely known as facts, then the Opposition's whole election strategy is completely undermined.

We are exploding the myth that we are a high tax government, that there is an unacceptable public debt, and at the same time we are maintaining and developing Government services. We are doing that against a background of an Opposition intent on undermining and devaluing our economy at every instance—ignoring the experience of its years in government which taught it nothing. However, fortunately the people of South Australia will remember.

Just consider the result of the 1984-85 financial year. We enabled ourselves, by our financial management, to finish this year with an underexpenditure on our budgeted outlays—the first time that has happened since 1978-79. We managed to ensure that our result was good enough to stop the practice of transferring capital funds to prop up the recurrent budget—a practice embarked upon in a hopeless scrabbling and concealment of deficits that went on under the Administration of which members opposite were part.

We managed to bring down a substantial cut in State taxation against a background of increases in our capital expenditure program because of the strength of our other receipts areas. We have produced a balanced budget. We have restrained fees and charges. Our State tax revenue increases in real terms are, in fact, less than the rate of inflation—7.3 per cent. That reflects the tax package concession that we have introduced.

Faced with that sort of result on both the spending side of restraint and on the receipts side of recovery and tax cuts, the Opposition chooses to focus in on this question of a cumulative deficit and say to us that we are ignoring the warnings of the Auditor-General. Let me remind the House that one of the great achievements of the 1984-85 financial year—an achievement recognised by the Auditor-General in his report—was a 21 per cent reduction in the accumulated deficit; the application of \$13.7 million to reduce that accumulated deficit.

That was done, as well as being able to achieve tax cuts, to produce a balanced budget that still allowed for increased expenditure in vital areas of public service—a truly remarkable financial result and one which the community will certainly applaud, even if the Opposition seeks to pull it down. In fact, we have tackled the problem of the cumulative deficit: we have done something significant about it and over time we will continue to ensure its reduction.

The Leader of the Opposition says that we are rejecting the advice of the Auditor-General. On the contrary, at each and every stage we have indicated that we support the approach of the Auditor-General. For the Leader of the Opposition, who sat in the Cabinet of the former Government, to have the gall to lecture us about rejecting advice on financial management and deficits is quite staggering because, in fact, among those who offered advice at that time was the current Auditor-General, at that stage Deputy Under Treasurer.

It is possibly worth reminding members again of the advice that was tendered to the previous Government—advice which said, in August 1982, that a very tentative forecast by Treasury suggested that there could be a shortfall in funds on the Consolidated Account of some \$50 million by the end of 1984-85, even after allowing for a slowdown of construction programs for filtration schemes, a deferment of the Berri-Cobdogla irrigation scheme, an increase in all fees and charges in line with inflation, significant increases in royalties, and further reductions in departmental and current expenditures.

With all those things taken into account, it is a \$50 million deficit. How many of us remember that being announced? We are told that we are hiding something, that we are covering up the facts or ignoring the warnings. Were the public or the Opposition of the day advised of those warnings to the Government? On the contrary—they were suppressed and kept hidden until we came to office and undertook the investigation that displayed and revealed to the public the parlous state of our State affairs.

What did Treasury suggest in that advice tended by the then Deputy Under Treasurer and Under Treasurer? The position, they said, could only be improved by a substantial inflow of funds such as payroll tax surcharge, a bank transactions tax, Commonwealth funds (such as the continuation of special grants), a substantial reduction in funds for school buildings, waterworks, sewers and irrigation, other Government buildings, housing, marines, harbors and hospitals or a combination of such. That is what they advised, and any member sitting on the front bench opposite (and I do not blame those on the back bench in those days as they were not let into the secret either) who was part of the then Cabinet and knew that that advice had been tended now stands absolutely condemned if they hypocritically say we are attempting to cover up a deficit.

Having said that and having pointed to the situation with which this Government was confronted—a situation of public sector financial crisis—for us to be able to produce the results and the budget that we have in 1985-86 is nothing short of remarkable. That is recognised by those who commented on the budget, and also recognised by such organisations as the Chamber of Commerce and Industry which wrote to me on 12 August commending us for our tax package. It is recognised by the editorials in the *Australian* that referred to the budget blues in South Australia.

I come to the question of the Auditor-General's comments on how we should deal with the cumulative deficit. There are those in the community who say that the first priority of Government should be to eliminate the cumulative deficit. That advice fell on deaf ears in the previous Government, but we have taken such advice. The real question is how quickly we can do it and at what cost. I suggest that the Government would have been irresponsible, in the face of demands of the community for some relief in the increase in electricity charges, and a widespread community demand for some relief in areas such as payroll tax urged upon us by industry—if we had not used some of the benefits of that 1984-85 result to apply to those sectors to maintain the economic confidence and activity in this State which, in turn, will benefit public sector finance. That is what we did.

Of course, we could have put all that into reducing the deficit in one hit, but that would not have bought benefits to either the community or the economy. The reason we did not have to do it in one hit I will come to in one second when we look at the question of our indebtedness, but I again make the point, as I have made in many forums that, faced with a better than expected financial result, the Government has a choice of reducing the cumulative deficit, of decreasing taxation, or of increasing or maintaining services

in essential areas in the community. We have managed to do all three. I know that it hurts the Opposition to see that done. It hurts to see the praise of business and other communities because of our tax package. It hurts it to see a 21 per cent reduction in the cumulative deficit, and it hurts to see the program of expenditure that we have been able to produce.

Let us turn to the question of the Auditor-General's advice, and what he says in his report. First, the report makes quite clear that this budget is a balanced budget and a genuinely balanced one. A number of honourable members opposite have sought, in the present debate on the budget, to totally misrepresent the remarks made by the Auditor-General. He does not predict other than a balanced budget outcome, and he makes that quite clear in his comments on pages 1 and 2.

What he is talking about is a situation that could happen in 1986-87 and beyond those years. Far from ignoring his advice, I accept it. In fact, the Government in framing its budget looks ahead to the predicted outcomes, to the sources of revenue, and to the levels of expenditure and adjusts its budget accordingly. The Auditor-General notes the reduction of \$13.7 million in the accumulated deficit. Again, I stress that that is a 21 per cent reduction, and that compares with \$65 million as at 30 June 1983. It will continue to be our policy to work to eliminate that accumulated deficit.

Honourable members will also notice, as I explained to the member for Light on another occasion, that the Auditor-General notes as well the overall position of our finances in relation to balances in special deposit and trust fund accounts and the position in relation to cash and investments held at the Treasury as at 30 June. Those things are not inconsequential, nor is it inconsequential that the South Australian Government Financing Authority has an accumulated surplus of \$48 million, and in 1985-86 that is expected to contribute \$76 million to our budget—a vastly increased contribution from the year before.

All of these facts point to an underlying financial strength that we did not have a few years ago. That is why we were able to move to cut taxes. That is why we could reduce, to some extent, the accumulated deficit.

Let us turn to the question of indebtedness. The Auditor-General provides data on public debt on page 32 of his report. That data is certainly perfectly accurate as far as it goes. It is from this that the figure of 30 per cent is drawn by the Opposition in talking about increased public debt. It would be remarkable to see an increase from \$3.4 billion in 1983 to \$3.7 billion in 1985 without some sort of explanation.

I again urge members of the Opposition to carefully read all the documents and tables and to try to obtain some understanding of the structure of our public finances before they go off the top of their heads with simplistic and ill-founded judgments. If one looks at that table set out on page 32 of the Auditor-General's Report, one will see that most of the increase is attributable to the heading 'Liability on trust and other funds', which shows an increase from \$96.7 million in 1983 to \$767 million in 1985. That is a very great increase in liability, and a matter that the Opposition says is of terrible concern and dismay.

Surely, even someone untrained in accountancy, even someone trying to juggle a household budget, looking at assets and liabilities and setting them against each other, can understand that one cannot obtain a true picture of indebtedness unless one looks at the assets side of the equation. As I have already said, next week we will be presenting a comprehensive paper on this overall question of indebtedness that has been prepared for some time. I had hoped that we could have brought it forward earlier for this debate.

I do not need to go further on this occasion than to suggest that as well as looking at that table on page 32, honourable members also go to the back of the Auditor-General's Report and look at the various statements contained there, particularly Statement C, 'Funds of the Treasurer as at 30 June 1985'. An examination of that funds position puts the lie completely to the 30 per cent increase simplistic figure that has been used by ignorant honourable members opposite, because that does not take into account Government cash and investment.

Let me put the figures before the House. The total liability as shown in the Auditor-General's Report in 1983 was \$2 898 million, less Government cash and investments (which can be gained from the tables I have just referred to) of, \$523 million, leaving a net liability of \$2 375 million. Let us focus on that \$523 million.

That was the amount of Government cash and investments at that time in 1983. I remind honourable members of how, throughout 1983, in explaining the necessity for the tax package (the package that in fact the Tonkin Government had been advised was absolutely vital if the Government's finances were not to go down the drain), I pointed out that our cash balances and our investments were running dangerously low, and that we ran the risk of being wiped out. Had we not taken the appropriate action, by Christmas 1983 we would have had to go cap in hand to Canberra and to say that we were broke, that we were in a worse position than had been the case in 1931 at the height of the Great Depression. The amount of \$523 million was all there was, and it was rapidly running out.

We took the corrective action, and in 1984 Government cash and investments stood at \$1 004 million—representing a remarkable increase—and in 1985 they stood at \$1 213 million, which was an equally significant increase. So, against the 31 per cent increase shown on the table at page 32 of the report, one can see the Government's investments and cash table (increasing by over 100 per cent), and it will be found that indeed our net liability is 8.9 per cent over two years—an increase of less than the level of inflation. In other words, in real terms, our indebtedness has decreased over that period.

Members interjecting:

The Hon. J.C. BANNON: They are the facts. Members opposite scoff and complain, but I simply suggest that they, as usual, have fallen into the trap of using inadequate and insufficient data, with a total ignorance of accounting principles, and a total misunderstanding of the overall nature of the public sector deficit and its financial structure.

The fact is that our liability, as shown on the table at page 32, must be set off against those figures I have mentioned; and that is not taking into account the value of assets created by capital works, and so on. I am simply talking about cash and investments. The turnaround in that area, the remarkable achievements, particularly of bodies like the South Australian Government Financing Authority, has meant that, against the \$3 797 million liability of 1985, as shown in the Auditor-General's table, can be set \$1 213 million of cash and investments, leaving a net liability of \$2 584, which, as I say, is an 8.9 per cent increase over two years. That is the true figure, so let us have the facts, the correct figure, when we are debating these matters. That is too much to hope for from the Opposition, but I certainly hope that people out there in the wider community can understand this.

Those people who try to understand these things would be scratching their heads and wondering how it is that the economy can be booming, that the State's finances have been turned around, that the Government has reduced cumulative deficits, that the Government has provided tax cuts, as well as producing a balanced budget, while appar-

ently it has got into this horrendous debt position. The answer is that that has not occurred. In real terms, the debt has fallen in the past two years—and the figures are there, and are clearly displayed to those who want to see them.

Incidentally, on this question of sleight of hand information, never in the history of this State has so much information been provided by a Government on its finances. Had the Tonkin Government had the guts to put down a few of the warnings that were issued to it, and show the details of its financial position (and members of the former Cabinet knew it, although I do not blame the back benchers because they were not let into the secret), the true position in 1982 could have been revealed.

For instance, it has been suggested that until the Auditor-General drew attention to this area there had been nothing in the budget papers. That is not true. In fact, in the present financial statement of the Premier and Treasurer every single variation from the budgeted figure is shown in a detailed table. It is completely detailed, with explanations and comments on the variations between the budgeted figures and the actual figures.

In the history of public finance in this State that information has never been available in the same comprehensive way. We lay it out and, if you want to see the two matters mentioned by the Auditor-General in his report, look at page 22 of that table and the explanations attached to the various items. There is page after page of information—it is all there. It can all be found, but does the Opposition do it? Whether it is through laziness, ignorance or incompetence, I am not sure, but they are prepared to take a half-baked view, misrepresent the figures to suit themselves and, ignore the fact that, since the depths of the recession in the first half of 1983, a little over two years ago, this Government has managed, with the economic recovery, to build on that and put our State finances in a healthy state, the like of which it has not had before.

That does not ignore the fact that we must maintain a tight control on expenditure. If we do what we did last year, we will come in under budget. I draw honourable members' attention to the fact that, in some areas, we have imposed deliberate savings on departments in the area of incidentals and things of that nature. Of course, we have increased our capital works program.

The demands are there in the community and, as I have done before, I invite every member of the Opposition to write to me and tell me which projects, schools, hospitals, roadworks, and so on, they would like to see removed from the list in order to achieve a capital works saving. Have we had that? No, not once, and not one proposition. On the contrary, we have had well over \$12 million worth of requests. In just two days in February the Opposition requested an additional \$2.1 million on top of what it had said before.

The member for Davenport had better get his act together with his Leader because, apart from ranging over all the portfolios, they are completely at odds as to how one should treat compulsory third party insurance. The Leader of the Opposition is appalled at the burgeoning deficit of the fund, but meanwhile his shadow Minister of Transport is addressing everyone and saying that there will be no new increases. If he is pressed a little harder, he says that we need a new system like Victoria, which has a \$1 000 million deficit, which is not bad when set off against the \$15 million that is reported here.

This same member was the one who wanted \$200 million spent on a multilane freeway through the heart of Adelaide. He wants \$15 million in fuel taxes to be returned immediately, he says, to local councils for roadworks. The Liberal Party wants to reduce the FID; it wants the preschool funding cuts restored—and indeed we have done that to

make up for the cut by the Federal Government—so it is very good at spending more and in asking for more, but at the same time denouncing a deficit.

It is about time the Liberal Party came clean and took up my invitation. It is time for each and every member to go through the capital works program affecting their area and tell us what they would volunteer to cut. I would be very pleased indeed to hear from them. They can come forward—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON:—and do that and we will look closely at that list. I suggest that, at the same time, they should remember that they had better not ask for more expenditure so that we do actually get some net benefit from it. That is the position. Nothing that the Leader of the Opposition has said in any way detracts from the record of this Government that has been put before the House. I repeat again that we have had a remarkable turnaround. The State's finances are in the best position they have been in for many years. They are so because we were prepared to take the tough decisions. In 1983 we were prepared to listen to the warnings which had been uttered and which had been disregarded by members of the previous Government, many of whom on the front bench sat in Cabinet and hastily hid those memos and dockets and tried to ignore them, because of the forthcoming election.

That is the difference. We took the hard decisions. We have the State finances in order and the total record is there for all to see. Nothing that the Auditor-General has said about the care needed in the future in any way derogates from that.

The Hon. E.R. GOLDSWORTHY (Deputy Leader of the Opposition): Well, Mr Speaker, we are going through the most buoyant financial times since the depression, with the best turnaround that we have experienced; we have botched up the figures and there is some doubt as to what the Auditor-General is saying; and all will be revealed by the Premier come election time.

That was the gist of what the Premier said today. He has suggested that he has been about the business of exploding the myth concerning the public debt. However, the facts about the economy speak for themselves. Let the Premier try to sell his story to the average taxpayer and the average citizen of this State, and he will have a hard job indeed. He suggested that we did not understand the figures on page 32 of the Auditor-General's Report, and said that the fact that the public debt had burgeoned at record speed under this Government resulted from the Government's accumulation of assets. But the truth is that the man in the street has accumulated liabilities to the extent that every week, week in and week out, the average family in South Australia must pay \$26.43 to service the interest alone on that exploded public debt.

When this Government came to office in 1982, the average family paid \$17.40 a week for the accumulated public debt, a debt that has accumulated over the past 150 years of the life of this State. However, that figure has now been blown out to \$26.43, which the average family must pay week in and week out in interest when the State is run on the never never as this Government has run it. That is the fact that is brought home to the man in the street and to the average family. That man understands what it costs him to live: he must pay water rates and ETSA charges. There has been an enormous escalation in the weekly payment that must be paid by every household in this State to service the burgeoning public debt.

The Premier can talk about the assets which he has created for posterity and for the comfort of the community,

but the man in the street is interested in his weekly, monthly, and annual budget. This Government's record is absolutely abysmal. So much for the ranting and raving about our misunderstanding of the increase by over \$1 billion in the public debt during this Government's regime. So much for the Premier's pleas that the public is demanding public services. They are the plain facts. The Premier has cooked the books to give the untrue and misleading appearance of a balanced budget.

Why did the Premier not bring to account last year on his revenue budgets the money that he received from Housing Trust debt servicing, for instance, of \$19 million? Why was the Highways Fund recoup of \$7 million not brought to account last year? I suggest that it was to artificially deflate the revenues that the Treasurer received during 1984-85 so that he could bring them to account in 1985-86. A sum of no less than \$26 million, which should have been brought to account in the last financial year, was brought to account this financial year in order to give the misleading appearance of a balanced budget. This enabled him to drink champagne when he read the press headline 'Government brings in balanced budget'.

However, the fact is that this is a deception. The Premier said that he had balanced his budget. The champagne corks were popping. The news was on the street that he had balanced the budget, but he did not explain that he had failed to bring to account no less than \$26 million which should have appeared as revenue excess last year but which was brought to account this year so that he could tell the public that he had balanced the budget.

How absolutely phoney can the Treasurer of a State get. Here, the Premier is saying that we do not understand his financial manipulations or what he is about. However, we understand what he is about: he wants to inflate his expenditure in an election year and to be all things to all people as the Labor Government wishes to be. So, he cooks the books and hopes to defer the day of reckoning down the track. He says, 'Don't worry about tomorrow. Someone else will pick that up. Don't worry about the burgeoning public debt. Just let's get over this hurdle.'

History repeats itself: we went through this exercise in 1982 when the Premier assured the public that he had accurate financial information and that he understood the book better than anyone on this side. He said that he understood it in 1982, that he had accurate financial information and that he could go to the election confidently, saying there was to be no increase in taxes, no backdoor taxes and no new taxes and that he would put on all the teachers for whom the Institute of Teachers was clamouring; he would restore the Public Service employment level to the 1979 level after the terrible deprivations of the Liberal Administration, which was trying to run a tight ship. In the face of his promise not to increase existing taxes or to create new ones, what has been his sorry record? After deluding the public, he has increased taxes by a record 55 per cent. He has also imposed record increases in charges by Government departments and statutory authorities, and we have seen some of the most cunningly devised backdoor taxes imaginable.

The Hon. Michael Wilson: That's one thing they're good at.

The Hon. E.R. GOLDSWORTHY: Yes. They try to disguise what they are doing, but in time the truth will out. We have all these great crocodile tears about what has happened to ETSA tariffs, but last year the Government imposed a new tax. Because it wanted more revenue from every electricity user in South Australia, it imposed unilaterally a new interest regime on ETSA. The terms of the loan did not change because they were already guaranteed, but at the stroke of a pen the Government said, 'You will

pay this new interest level. The fact that you had favourable loans which saved the taxpayers of this State much money in terms of their ETSA tariffs means nothing. We will impose a new interest regime on ETSA and charge a guarantee fee for loans that are not being guaranteed. The public will not know what that means.' So, another \$14 million was added to the taxation bill of every electricity consumer in South Australia.

The 5 per cent turnover tax is a Labor Party tax. It was to be lifted for one year only so as to get over the election and so that the Premier could make predictions about ETSA tariffs. I understand that the Government is about to sign an agreement on gas prices and that we will get a slight reduction initially in the price of gas from \$1.62 to \$1.52. The Government hopes next week to see the banner headline 'Gas price falls' in the same way as it saw the heading 'Balanced budget'. However, that reduction will be short lived. The Government will need that reduction in the gas price to justify its phoney electricity regime which it has already announced.

As I explained earlier, it is difficult to see how a Government can announce an ETSA tariff regime if that instrumentality does not know where it is to get its fuel down the track, say in two years time, and it does not know what it will cost. The major source of fuel—as natural gas—was to generate 80 per cent of our electricity, yet they do not know where they will get it from or what it will cost. They may have to convert Torrens Island to burn black coal, which is a most uneconomic option, I observe.

Nonetheless, they can confidently predict and announce a cut in ETSA rates. It is like working out what it will cost to run one's car for a week without knowing what petrol will cost. It is about that mentality. So much for their taxation—their backdoor tax. The most biting and surreptitious of their backdoor taxation measures is what they did to ETSA. Now, they are doing it to the E & WS Department too. If one looks at the Auditor-General's Report, one sees that in one of the major areas in which the taxpayer is starting to feel the bite of the increased public debt. The Government is pushing up interest rates on the loans on which the E & WS operates.

At page 96 of the Auditor-General's Report, in reference to a table, we read:

Interest recorded in the recurrent receipts and payments statement increased by \$15.8 million to \$103.7 million, up 18 per cent. Of this increase 15 per cent is attributed to the interest rate and 3 per cent is attributed to the increase in outstanding debt. The above table demonstrates:

- that interest is a significant cost to the department. For the 1985 year, the interest cost was \$103.7 million compared to direct payments for operation and maintenance of \$114.4 million;
- a trend towards an increase in the percentage of interest to payments by the department.

Who is picking up that tab—the average family to whom I referred? If one considers the interest region, one notes that the Premier said in London: 'The economy of the nation is sound: we are on the road to recovery. Come out here and invest your money.' And all these other people, like international financiers, who suggest that there is distinct lack of confidence in the economy of this nation are wrong!

That is what the Premier is saying, and in South Australia he is following precisely the economic pattern of his peers in Canberra. That is what is happening to the interest rate regime of the E & WS Department. In 1981 the department paid 8.6 per cent on its borrowings. This year it is up to 12.4 per cent.

So, any thoughts of trying to pay one's way with operations in Government under this Administration have gone out the window. The story does not stop there. The Premier's claim that we have the best turnaround since the

Depression is quite incredible. I suggest he will be hard pressed to sell that to the long-suffering public of this State. What are the economic indicators he talks about? A flurry of activity in the business sector? We have the poorest record in terms of retail sales in the nation when last recorded this year—the poorest record by far. We have a decline in manufacturing—

An honourable member interjecting:

The Hon. E.R. GOLDSWORTHY: The Government's own budget papers indicate that in terms of what has happened in manufacturing in this State. These much vaunted budget papers of many words but with the significant facts fairly well obscured, I suggest, show that there is a decline in manufacturing, certainly in manufacturing employment. There is a decline in the rural sector. They are two sectors which since the Second World War have provided the most significant fillip to our economy.

The resources sector has also been sadly hampered by the operations of this Government. That is one area in which we could have expanded the economy, but because of the Government's peculiar view about uranium we have lost some very significant opportunities there. So much for the economic indicators showing this turnaround! Members opposite tell the man in the street that this is the best turnaround since the Depression when he knows that his bus fares are up 75 per cent, his minimum water rate is up 68.9 per cent, his minimum sewer rate is up 63.3 per cent, the price of water per kilolitre is up 51.48 per cent and the Government has introduced 188 State charges. I think that you, Mr Premier, would be very hard pressed to sell that story.

Let us look at one or two other things that I believe are of interest to these people. The polls showed that in 1982 unemployment was a significant factor that worried people. All we heard day in and day out in this place was this appalling record of unemployment, this shocking tragedy visited upon the people of this State, particularly the young. What is the Government's record? It is this: at this very moment there are 5 500 more people out of work than there were when the Labor Party assumed office.

Mr Ashenden interjecting:

The Hon. E.R. GOLDSWORTHY: In other words, they cannot keep up. This much vaunted recovery in the economy of the State cannot keep up with increasing demands for work in the community, leaving aside all those people who have given up trying. I suggest that a considerable number of married women and others have just given up trying.

An honourable member interjecting:

The Hon. E.R. GOLDSWORTHY: That is true, my friend, and I suggest that the honourable member examines the figures that were made public today. The fact is that 5 500 more people are unemployed today than on the day that this Government assumed office. That appears to me to be a poor indicator of the best turnaround since the days of the Depression, which most members here cannot remember anyway. Let them tell the public about this.

What about the crocodile tears which were shed on the eve of the election in 1982? Where are the tears now? This sham—this feigned concern about the unemployed! We have spent millions of dollars on temporary make-work schemes, both federally and at the State level, when what should be addressed both here and nationally is the fundamental malaise in this nation at present.

We have the union movement in the federal sphere—the ACTU—dictating financial policy and at the State level dictating what subcontractors will be paid, saying that everyone will be unionised, that people cannot do more work than the union stipulates, and so it goes on. What hope is there for the young when we have this state of affairs, when

a Government is unable to govern without the approval of the union movement?

I foresee, as does the newly installed Mr Crean, turbulent days ahead. That is unfortunate, but nonetheless unless Governments are allowed to govern without the intervention of outside groups, no matter how powerful, then there is precious little hope for this nation. What about the rest of the indicators to the much vaunted turnaround, the like of which we have not seen since the Depression? Let us look at interest rates. What about the crocodile tears that were shed in November 1982, the throbbing heart of the Premier for those home owners who were being forced out of their homes because of increases in interest rates. He was going to play bobsy die: he would fix it.

What has happened? Because of the underlying malaise in the economy of this nation and, on a smaller scale, in this State, interest rates are the highest for 50 years—and one commentator, I note, suggested that they are the highest for 100 years. It does not matter: the Depression was during both those time periods. Members opposite should tell that to the home owners whom the Premier was seeking to con in 1982.

Then we hear this pathetic cry from the member for Mawson: it has been suggested by the Liberals we should deregulate the financial market: we must keep this ceiling on home loans. What is happening? The State Bank has lifted rates to a record level and it is the pace setter. The trading banks are getting around it by suggesting to someone who wants a \$40 000 loan, 'You can have \$30 000 at maximum and \$10 000 on a personal loan at 19 per cent.' And there was a suggestion in the phoney motion put to the House yesterday that we must keep a clamp on these interest rates. Of course, it is phoney. They are getting around that, and they will get around it and, if they do not, if interest rates are not kept high, given the extreme lack of confidence in Australia at the moment by institutions around the world, there will be no funds. They will dry up.

The Government has to attract enormous sums into this country and it must offer high interest rates because of the enormous plunge in the value of the dollar, because people overseas have no confidence in what is happening in this nation. If that does not mean an about-face of 180 degrees and a rethink of Labor Party policies and power sharing in this nation, I do not know what does.

We have the unhappy distinction of being the inflation capital of the nation. I mentioned interest rates. The Premier said whilst in London that everything in the garden was rosy and that interest rates would ease as there was no reason for them to go up. Within a couple of months he had allowed building societies .5 per cent, and within a couple more months he granted them .75 per cent and said, 'No more; don't come again. We've got an election; I'm scared stiff.' They are knocking on his door right now because we cannot turn back the tide of economic reality. Despite what the Premier wants to do, he cannot do that, whatever his skills may be in seeking to delude the public. We are the inflation capital of the nation.

We can tell that to the man in the street. We can tell the man in the street that things are better than they have ever been, but he will know that the CPI for Adelaide went up in the last 12 months by 7.4 per cent—the highest of all States and well above the national average. We can tell the man in the street that food prices in Adelaide went up by 7.2 per cent, while the national average was 6.7 per cent. We can tell him that clothing prices went up 6.9 per cent, while the national average increase was 6.1 per cent.

The Hon. G.J. Crafter interjecting:

The Hon. E.R. GOLDSWORTHY: The Minister may seek to laugh it off, but he may be looking for another job very shortly. These facts will not be lost on those discerning

people in the Norwood electorate. That smart Alec remark by the Minister will not serve him very well come election time, when the Premier has suggested all will be revealed. I agree that all will be revealed come election time, and the Minister may find that that remark was particularly ill chosen. Let me carry on.

The cost of household equipment and operating of the household went up in Adelaide by 6.2 per cent. The national average was 5.1 per cent. I have already referred to the massive escalation in public transport charges: we are still losing about \$100 million, and that is escalating. Transportation costs went up 9.6 per cent in Adelaide, whilst the national average was 8.4 per cent. Health and personal care costs went up 5.8 per cent in Adelaide, whilst around the nation they went up by 5.7 per cent. On all these items, which are indicators important to ordinary citizens—the ones who are fortunate to be in work—they are infinitely worse off as a result of the depredations of the present Labor Administration and its federal counterparts, whose policies have had a rather more rapid, noticeable and significant effect on the taxpayer.

Nonetheless, they are all in the same cart and going the same way as Mr Keating. He tried hard to drag the cart in the same direction, but he had a few passengers who were a bit too heavy to carry. They are all in the same cart: all of them are big spenders and all want to bloat the public sector. They all claim that the public demands these services, and they all go along with the business of buying votes come election time, but in seeking to honour the promises they open the floodgates.

If one detected any significant point among all these significant points that John Leard published in the national media, it was that the floodgates were first opened by the Whitlam Administration and, indeed, we have never recovered. They were subsequently opened again by the Hawke Government. I am talking in terms of government profligacy, government spending sprees and the long term impact on the economy of this nation. That is when the floodgates were first opened in recent decades. They were opened during the 1970s, during the much vaunted Dunstan decade for which we are now reaping the whirlwind. They were opened again by the present Administration in 1982 when it made all these promises and suggested that it did not have to increase taxes. We are now reaping the result of all that.

If one looks at all the indicators one can only acknowledge that Labor Governments here and in Canberra must stand condemned. This Government particularly stands condemned for trying once again to deceive the public on the eve of an election. I am convinced that the day of reckoning is upon them. No matter which alley Government members attempt to dart down, they cannot escape the inescapable, namely, the fact that this Government has visited upon the public of South Australia tax burdens which, along with levels of unemployment and general increases in household charges (significantly water and electricity), have become unbearable. The sooner they get it over with the better; this Government should be prepared to go to the people. The people are fed up with the Government: its record is absolutely abysmal. The motion should have the support of everyone in this House who is prepared to face facts.

The Hon. D.J. HOPGOOD (Deputy Premier): There are those who sit in judgment in this place, perhaps pencils poised from time to time, hoping that some words of wisdom will be available with which they can enlighten their readers or watchers. The significant point of the last half hour is that in that respect this place has become depopulated. The Deputy Leader of the Opposition managed to almost completely evacuate the press gallery. I am not

surprised because, to give him his due, his Leader made some attempt to debate his own motion. The Deputy spent some five minutes on it, shrugged his shoulders, gave up and took us all over the place. The Leader of the Opposition had invited the Premier not to take us on a tour around the world. In fact, the Deputy did something very close to that.

The Hon. E.R. Goldsworthy: Did you enjoy it?

The Hon. D.J. HOPGOOD: In some sort of perverse way I did enjoy it. It was entertainment, and in some respects it was high farce. We got black coal, uranium, the trade union movement, interest rates and the Whitlam Government. We got no analysis whatsoever of the document which, by its lights, the Liberal Party would suggest should be at the base of this debate—in fact, any of the documents which should be at the base of this debate. I invite the House to reject this tissue of deceit in the form of a no-confidence motion. It is a motion put forward by an innu-merate and fiscally illiterate Liberal Party.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. D.J. HOPGOOD: It was a Party weighed and found in the balance on the most recent occasion when it had the opportunity to exercise any sort of fiscal responsibility, apart from the finances of Liberal Party House, and that was during the three years that it was occupying the Treasury benches under Mr David Tonkin. It is important to look at the record and go back to 1979 when David Tonkin woke up with a shock to find that he was Premier of this State. It was soon pretty clear to that Government (most of whom still occupy front bench positions in Opposition here) that it was facing a worsening economic position; one, incidentally, that it was not able to turn around and one which Liberal Party policies exacerbated. If I have time I will return to that point.

What is important is this: what was the fiscal response of the Liberal Party at that time? In times of recession, certain strategies commend themselves to people of goodwill. First, there must be a reasonable level of Government activity in order to be able to stimulate employment. That is well understood these days. There are times when one cannot pull in one's horns because one knows that this drastic reduction in general Government activity will have its effect on employment generally. Government can be a stimulator of employment, both directly and through the purchases it makes through the private sector.

That is one of the strategies one may want to adopt, other things being equal. However, one must have concern for the revenue. The drop in economic activity almost certainly means the drying up of revenue. There are fewer jobs so there is less payroll tax; there are fewer property transactions so there is less stamp duties; land tax revenues do not keep pace with inflation because of the static nature of land values at that particular time. Therefore, one proceeds cautiously because one may have to spend in order to stimulate economic activity, but principally because one knows one's income will be down anyway.

What did the Liberal Government do? It recklessly gave away certain avenues of revenue in a forlorn Micawber-like hope that something would turn up. I well recall the occasions in this place when the Liberal frontbenchers over here, as it was at the time, puffed up and said what it was doing in an attempt to obtain some sort of economic revival. There was no economic revival. There was certainly fiscal disaster for this State: nothing turned up, as it was down all the way.

That led to the lamentable budget of 1983, the final act of the Tonkin tragedy—the tragedy of a Government, most of whose members remain on the present Opposition front benches. I believe that reference to Mr Micawber is quite

apposite in this situation. Honourable members will recall that he was the gentleman who said the recipe for happiness was to have an income of one pound and to spend nineteen shillings and sixpence; and the recipe for misery was to have an income of one pound and spend 20 shillings and sixpence. His conclusion was that a shilling was all that stood between happiness and misery.

Governments are not quite so constrained. However, they are limited to the extent that they are able to depart from that maxim. State Governments, for example, are clearly far more constrained than national Governments in this respect. It is important, nonetheless, that we look at the recurrent result over the past few years. The mover of this motion wants us to concern ourselves with fiscal responsibility. He is concerned about what he calls an alarming escalation in the public debt and the use of dangerous and deceptive accounting practices. Is it not all about, at bedrock, the income and expenditure of this State? Borrowing is what one does if one cannot keep this fundamental equation in balance.

Let us look at some figures which cannot be disputed. In 1981-82 there was a \$61.27 million deficit on recurrent. In 1982-83, the last Tonkin budget, there was a \$108.96 million deficit on recurrent. In other words, over the last two years of Liberal Administration in this State there was a total deficit on recurrent of \$170.2 million. Not a shilling; not Micawber's problem—\$170.2 million.

Let us turn to the three Labor budgets. In 1983-84 there was a deficit on recurrent of \$29.72 million—still a substantial deficit, but a remarkable reduction on the \$108.96 million which had been there 12 months before. In 1984-85, the following year, there was a surplus on recurrent of \$13.7 million. This year (1985-86) we budget for a balance. It is not unreasonable for people to say that one cannot necessarily compare what one is budgeting for with outcomes. Let us set this budget aside for a moment. It does not affect the global picture in any way since we are budgeting for a balance.

Let us compare the last two years of Liberal budget outcomes with the two years of Labor budget outcomes. As I said previously, there was a total deficit of \$170.2 million in those two years. I remind honourable members that in 1983-84 there was a \$29.72 million deficit and in 1984-85 there was a \$13.7 million surplus. This means that there was a total deficit in those two years of \$16 million. Therefore, in two years of Liberal outcome it was \$170.2 million, which compares with two years of Labor of \$16 million—an extraordinary contrast in terms of relative indices of fiscal responsibility of the two Governments.

What is the consequence of all this? I refer honourable members to the table on State public sector finances. In 1982-83, the net borrowings on all other financing arrangements amounted to \$556 million, and in 1985-86 it is budgeted to be \$419 million. If honourable members look at that table in detail, because I do not have time to go through it in detail, they will find that at no stage since 1982-83 has it been necessary to return to that figure. This year is the closest to that figure, and for the most part it has been substantially below it.

The net borrowings and all other financing arrangements in the last two Liberal budgets were \$1 015 million, and the net borrowings and other financing arrangements over the last two years of Labor budgets were \$952 million. They are in cash terms. If one wants to look at real terms, the second figure obviously needs to be deflated at the rate of inflation for each of the years between the first and the two years which are under comparison.

Those figures cannot be disputed. In the light of the extraordinary cash deficits that the Liberal Party ran up it had to borrow to an extraordinary extent. We are still paying

for those bonds. The other quite legitimate index to fiscal responsibility is the cash balances of the State. It is important that we look at them. A table is available showing cash at bank, deposits with the banks, and departmental advances in 1981-82, 1982-83, and the decrease between those two years. This is important. This is a further index of a proper assessment of the facts of the way in which the Liberal Party discharged its financial responsibilities in office.

The cash at banks and deposits with banks in 1981-82 were \$131.558 million. In 1982-83 that declined to \$86.621 million—in other words, there was a decrease of \$44.937 million in that period. Departmental advances did not do anywhere near as badly, but nonetheless, there was somewhat of a decline (certainly there was no increase in order to make up), in which regard in 1981-82 the figure was \$1.950 million, and in 1982-83 it was \$1.483 million. The net balance of accounts works out this way: in 1981-82 from a figure of \$133.053 million, there was a reduction of \$46.949 million to \$86.104 million.

On all the indices I have detailed thus far, one can see the disastrous record of liberalism—with a capital L—in office. The Premier has already dealt with the matter of Government debt. I reiterate the point that he made (without going through the detailed figures) that a net liability increase of 8.9 per cent from 1983 to 1985 is less than inflation in those years, and therefore, in real terms the net liability has declined.

So, what is the overall position? The alarming run-down in our cash balances, the sort of run-down that I have just indicated and itemised, has been reversed. The cumulative deficit has declined. In real terms Government indebtedness has declined, and the fiscally dangerous policy of borrowing to pay for the groceries is at an end—and finally we present a balanced budget.

Of course, there remains the residuum of the Liberal years: a problem that we have addressed to the extent that was possible, consistent with our responsibilities to people right here and now. One cannot stop the world and get off, and say, 'We will stop funding schools, preschools, libraries, and transport facilities, while we wipe off that debt.' It must be worked at while at the same time maintaining responsibilities to the people who have elected the Government.

The Government has been able to do that, but we must continue to be responsible, and we must continue on the course that we have set. We do not need vague assertions of possible savings in the future. That is the mistake that the Liberals made before. When they came to office they assumed that there would be waste all over the place, that they would be able to sail dangerously close to the fiscal wind because 10 years of Dunstan must have produced all sorts of waste all over the place.

However, they did not succeed in this regard, the reason being that the waste simply was not there. The anticipated savings did not eventuate. The best possible construction that we can put on the fiscally irresponsible course of action the Liberals undertook soon after coming to office was that they genuinely believed that, by their very presence, either economic activity would be magically stimulated or, alternatively, that they would be able to find millions, indeed possibly billions, of dollars of waste in the Public Service that would be cut, thus resolving the problem.

The Hon. R.G. Payne interjecting:

The Hon. D.J. HOPGOOD: Well, fingers crossed, prayers, and all those things may have been taken into consideration, but nothing worked. There was no stimulus of economic activity—far from it: there was a continued alarming decline, which affected the revenue base that the Liberals had already eroded because of the irresponsible decisions that had been made. The main point I am making

is that the waste and mismanagement that they had expected to find was not there.

Either the Liberals were grievously misled, or they were telling porkies, in the way in which they approached the matter. Maybe they fooled themselves. However, the same policies that were around the place 3½ years ago are again being touted. At that time most of the members opposite were bidding for public office. The facts have not really altered, except of course we are in a better financial position than when the Liberals lost office.

There has been a series of misunderstandings from what has been said by a Liberal Party spokesman in the past few days. There have been misstatements, and, I have to say, downright mendacity. I have not time to turn to all these matters but, in the light of statements that have been made, particularly by the Leader of the Opposition, I believe that some matters have to be put right.

The first relates to pensioner concessions, and the Leader of the Opposition has berated us about them. He has obviously drawn false conclusions from his attempt to determine the variation, in real terms, in those figures. There is no rationalisation of concessions planned, as he suggests. What he has not taken into account is the real reductions in electricity, water and sewerage rates, and bus fares incorporated in the budget, and the nature of the existing concession schemes, including upper limits, or changes in the number of eligible recipients. These matters have to be taken into account, otherwise you are not comparing like with like and, that, the Leader has failed to do.

I turn now to the matter of the employment and training package, because this is one of the areas which the Opposition believes is sensitive for this Government. It is sensitive to us in terms of our understanding that we have to perform (and perform well) in this area. With the continuing high levels of unemployment throughout this country, all Governments, be they national or State, have to do what they can in these areas. The Commonwealth reduced the CEP allocation from \$33.4 million in 1984-85 to \$22.7 million in 1985-86. Of course, this was referred to in the Commonwealth mini-budget in May 1985. The State Government has increased the amount to be provided in this area through its employment and training package which provides an additional amount of \$3.8 million for 1985-86 and redirects a further \$1 million for this purpose.

TAFE obviously has a major role to play in this package and, after allowance is made for likely wage and salary increases in 1985-86 (something you obviously have to do when comparing like with like), there will be an increase, in real terms, of 1.7 per cent for funding in 1985-86 and not the 1.5 per cent decrease as suggested. If members opposite wish to address that further, I invite them to do so in the continuing budget debate to which we will turn in the space of a few minutes. It would appear that what the Leader of the Opposition is doing is comparing 1984-85 actual expenditures (which include wage and salary increases in that year) with 1985-86 estimates, which do not include provision for wage and salary increases, because they are being provided for in the round sum allowances.

I turn to the size of the Police Force. The Leader of the Opposition claimed a decrease of 46 between 1982 and 1984. It is true that there has been a change in the recruitment procedure from a two year to a one year training program for cadets. In fact, if we leave trainees aside, in the period referred to by the Leader the active strength increased from 3241 at June 1982 to 3279 at June 1984. This budget includes provision for an increase in police strength of 50 for metropolitan policing, organised crime, prosecution, Aboriginal aid, the licensing squad, and communications. I assume that the Leader, in the statements that he made, is also referring to the general position of police resources,

and I would not want it to be thought that I was shying away from that matter, either.

The reduction in real terms, which he alleged, does not take account of the following. First of all, there has been a transfer of police pension costs to the line Treasurer, Miscellaneous of \$7.3 million. That does not mean that the commitment is not being met by this Government, but it is accounted for in a different part of the budget papers. This is something which happens regularly and one would have thought that the Leader's advisers would have been assiduous in their research and would have pointed this out to him. One wonders whether they were deliberately malicious and misled the Leader, who, of course, did not have time to do his own research. There has been the transfer of some forensic resources involving \$167 000 to the Department of Services and Supply and in 1984-85 there were the additional costs of the Roxby protest of \$919 000.

It is important that these facts are brought out, because what we have received over these last couple of days from the Opposition has been a mishmash of misunderstanding and misstatement. All that one can do in relation to the misstatement is to bring up each of these points and refute them as to details. As to the global picture, I am utterly amazed at the cheek of the Opposition, in the light of the figures which are there for all to see: somehow members opposite feel that they can catch out the Government in these particular matters.

I welcomed the opportunity to have this debate and the Government will continue to welcome the opportunity to ensure that the message gets across properly. We have a good message to tell. All one need do is refer to the various figures that I have brought forward today. Compare the budgets of this Government with the budgets of the previous Government; compare the relationship between receipts and expenditure in each of those years; compare the amount of borrowings which have had to be undertaken as a result of that relationship between one and the other; and compare the state of the cash balances as a result of that same disastrous equation in the Liberal years.

Members opposite have called for an election: they will get it in time. In their own interests they should be very, very careful about the nature of the debate which will occur during that election. On all of these measures of fiscal responsibility this Government has nothing to hide and much of which it can be proud.

The SPEAKER: Order! If the Leader speaks he closes the debate.

Mr OLSEN (Leader of the Opposition): Mr Speaker, at the conclusion of the Premier's remarks he said, 'The record is there.' You bet the record is there! It is signed by the Auditor-General, the independent accounting umpire in South Australia, and it exposes this Premier.

Mr Hamilton interjecting:

Mr OLSEN: I can well understand the member for Albert Park interjecting—he chips in every now and again. The most significant contribution he can make to any debate in this Parliament is to interject. However, I do not want to be diverted from the thrust of my rebuttal. The Auditor-General's Report says it all, and all the tactics of this Government to try to take us through a history lesson (and that is what it has really done today) will not remove the facts.

An honourable member interjecting:

Mr OLSEN: We will get to the 'state of the economy', which was another phrase used by the Premier. It was interesting to note, in talking about the praise that the Premier received from various industry groups and sources within the community in relation to the budget, that he started to refer to a letter from the Chamber of Commerce

and Industry, and when I said, 'Read it all out', members might have noticed that the letter went away, because he did not want to read the last two or three paragraphs, which point out to this Administration how the cost effective base of South Australia, compared to that of our eastern State counterparts, is being eroded by the high taxing capacity of this Government. That is why that letter from the Chamber of Commerce and Industry was put away. I invite the Premier to read it out to the Parliament. In addition to that, we received another history lesson from the Premier about, 'Well, we inherited this deficit.'

They have been trying to beat up this story: 'We inherited this deficit from the previous Administration. It has nothing to do with us. It is inherited.' However, I remind members that in December 1982, as recorded at pages 267-268 of *Hansard*, I quoted from Treasury documents, signed by the Under Treasurer, because I could not table them at that time. Those documents, which were legitimately available to us as the Government of the day just prior to the election, demonstrated that the deficit for the year ended 30 June 1983 would have been \$13.1 million, not the \$50 million or \$60 million which this Government has tried to sell over the past couple of years. That is the truth of the matter.

We well understand that we have a doctored budget, and the Auditor-General, by referring to sleight of hand, has clearly stated that it has been doctored. The sum of \$26 million has been taken out of one financial year and put into another financial year to fix up this election year by making the budget look balanced and better than the actual figures would demonstrate otherwise. Indeed, I need not mention the \$11 million that has been put into accruals to carry over for the Electricity Trust this financial year in a one-off payment back to the trust: nor do I need to go into the sleight of hand of this Administration.

The Deputy Premier's example of having an income of £1 and spending either 19/6 or £1/0/6 was a classic overstatement. Indeed, I believe that he should not have used that example today. He described ecstasy as having an income of £1 and spending only 19/6, and misery as having an income of £1 and spending £1/0/6, but the record of this Administration, as demonstrated by the Auditor-General's Report—

The SPEAKER: Order! I ask the honourable Leader to resume his seat. We have only three minutes to go in this debate and, on the whole, every member has abided by the tradition and every speaker has had a fair go. I ask that the honourable Leader be heard in silence for the remaining three minutes.

Mr OLSEN: The Premier said that the South Australian economy was healthy. I suppose that is why interest rates are at their highest level for over 50 years and nine times higher, in real terms, than when this Government came to office. I suppose it is why unemployment has this month risen again: we have another 2 500 added to the unemployment list and 11 000 taken off the employment queue—5 500 more than when this Administration took office. I suppose that is why our indebtedness, as demonstrated by the Auditor-General's Report, has risen by another \$1 billion, where the taxation level applied to South Australia, just to pay the interest bill, is \$26.43 a week for every man, woman and child in South Australia.

I wonder whether that is why the job creation scheme, which was dressed up in a press release from the Premier a few weeks ago as an industry investment and incentive scheme, and which was to create 10 500 jobs, is now, according to documentation tabled by him from Treasury officers, to create only 950 jobs. The Premier is condemned on his own documentation, because there is a great disparity between 10 500 and 950 jobs. We are the inflation capital of Australia simply because this Government has increased

taxes and charges by 55.2 per cent during its period of administration. This is the highest increase of any Government in South Australia's history and the highest increase of any State Government in Australia. That is the record of this Government's administration.

Regarding population trends, we are on the bottom rung of the ladder. Three years ago, this Premier said that people were leaving South Australia and that by the end of the quarter in question Western Australia would have 9 000 more people than South Australia. It is significant that he has not talked of population trends since then, and well he should not, because Western Australia now has 35 500 more people than South Australia. That is the record of this Administration.

The Premier says that the economic health of this State is in good order, that we have good finances, and that the State is in good condition. However, let him ask the voters of South Australia. Let him put it to the test. Opposition members challenge him to do that. He has been issued with a real challenge today, but his Government has shrunk away from that challenge, because it is not prepared to go to the polls. The Government is not willing to put its financial capacity and taxing level on the line—

The SPEAKER: Order! The time for the debate has now expired.

The House divided on the motion:

Ayes (21)—Messrs Allison, P.B. Arnold, Ashenden, Baker, Becker, Blacker, D.C. Brown, Chapman, Eastick, S.G. Evans, Goldsworthy, Gunn, Ingerson, Lewis, Mathwin, Meier, Olsen (teller), Oswald, Rodda, Wilson, and Wotton.

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

Pair—Aye—Mrs Adamson. No—Mr Wright.

Majority of 2 for the Noes.

Motion thus negatived.

At 4.5 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

LEAVE OF ABSENCE: Hon. JENNIFER ADAMSON

Mr OSWALD (Morphett): I move:

That four weeks leave of absence be granted to the honourable member for Coles (Hon. Jennifer Adamson) on account of ill health.

Motion carried.

STATUTES AMENDMENT (ENERGY PLANNING) BILL

The Hon. R.G. PAYNE (Minister of Mines and Energy) obtained leave and introduced a Bill for an Act to amend the Pipelines Authority Act 1967, the Electricity Trust of South Australia Act 1946, and the South Australian Gas Company Act 1861. Read a first time.

The Hon. R.G. PAYNE: 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

When this Government took office it inherited a situation in which South Australia faced considerable uncertainty in relation to its energy supplies. It was apparent that these uncertainties had continued because of deficiencies in the planning structure. The supplying authorities pursued their separate organisational objectives and responsibilities but there was no formal process of coordination between them in those areas in which such coordination would be advantageous.

There were two central planning bodies, the South Australian Energy Council and the Energy Division of the Department of Mines and Energy, but neither of them was properly able to address the major issues which faced the State. The South Australian Energy Council is a relatively large organisation comprised of a mixture of senior executives of energy supply and energy use related organisations, and a number of individuals with a variety of expertise and experience brought together to discuss energy issues. Because of the council's size and its part-time mode of operation, it is not able to deal adequately with the detail and complexity of the energy supply situation facing the State.

The Energy Division of the Department of Mines and Energy is properly placed and contains the type of personnel who could come to grips with the problems at hand, as is appropriate for a section of a Government department devoted to energy planning, energy development, and other energy related issues, but it has no defined coordination or planning role in relation to the other energy supply authorities.

Management consultants, W.D. Scott, were engaged to assess the existing energy planning structure and to recommend new arrangements. However, it was obvious that the very significant planning issues facing the State could not wait for the existing planning processes to be reviewed and the form of the new structure to be resolved and implemented.

The Government established the Advisory Committee on Future Electricity Generation Options to deal with the specific issues. The committee brought together appropriate individuals from the Department of Mines and Energy, the Electricity Trust, the Pipelines Authority, Treasury, and a representative of the United Trades and Labor Council under an independent Chairman. The committee was ably serviced by ETSA and Department of Mines and Energy personnel.

W.D. Scott finalised their review of energy planning processes in January 1984. The report recommended establishment of a Council for Energy Planning under its own separate legislation, reporting to the Minister of Mines and Energy, with an independent Chairman, and consisting of the General Managers of ETSA, PASA and Sagasco, the Director-General of Mines and Energy, and three independent members with relevant expertise and experience. The Council for Energy Planning was to deal with mainstream energy issues including exploration and development, production, processing and power generation, distribution, pricing and utilisation.

The Council for Energy Planning was to be supported by a full-time executive staff headed by a Director of Energy Planning who would attend Council meetings in an advisory capacity. Scott's recommended removal of the Energy Division's functions from the Department of Mines and Energy. Most of its personnel would be transferred to the Director of Energy Planning's support staff. The Department of Mines and Energy would be renamed the Department of Mines and Resources.

Scott's also proposed the establishment of an Energy Developments Forum consisting of a Chairman, who would

be one of the independent members of the Council for Energy Planning, the Director of Energy Planning as an executive member, six members from the public and semi-Government operating bodies but not chief executives, and six independent members. It would provide access to the State's energy planning processes for those who would otherwise not have it, and enable non-mainstream issues to be discussed and developed to the point at which they may be significant enough to make a mainstream energy contribution. Scott's recommended that under these arrangements the South Australian Energy Council be abolished and the State Energy Research Advisory Committee be retained. While their proposals provided the broad outline of a structure which seemed appropriate, the specific arrangements required further consideration.

A few months later the Advisory Committee on Future Electricity Generation Options reported. It presented recommendations which the Government accepted as providing the broad outline of a strategy for power generation development. The recommendations included establishment of the electricity interconnection with Victoria and New South Wales, measures to resolve uncertainties in relation to the supply and pricing of gas, development of a local coalfield for baseload generation, evaluation of the economics of further expansion at Leigh Creek, preparation for a possible partial conversion of Torrens Island to black coal, and placing in abeyance further work on a new black coal fired station pending a decision on a local coalfield. The proposals were sound and the committee had been demonstrated to be an effective model for energy planning. It had completed an enormous amount of work utilising resources mostly from within the Government and ETSA at a cost of only a few tens of thousands of dollars. It was obviously cost effective.

It was decided to see if a similar model could be effective in an implementation rather than a planning role and the Future Energy Action Committee was set up. This also provided an opportunity to test some of the ideas proposed by W.D. Scott's on an interim basis. The Future Energy Action Committee has had an independent Chairman and includes the Director-General of Mines and Energy, the Chairman of PASA, the General Manager of ETSA, the General Manager of the South Australian Gas Company, a representative of the Minister's office and an executive officer seconded from the Energy Division.

The Future Energy Action Committee maintained an overview of work undertaken through a number of subcommittees, each with an appropriate Chairman and membership to pursue one of the main objectives, resolution of the gas supply and price question, coalfield selection, interconnection, and long-term utilisation of South Australia's coals. These subcommittees brought together a larger group of people from the various energy supply organisations, the Department of Mines and Energy and other areas of government to carry out evaluations, coordinate, plan and negotiate commercial arrangements. The subcommittees also obtained advice externally, in particular from a number of financial and technical consultants in relation to coalfield selection.

The FEAC model has proved effective. Agreement has been achieved with Victoria and New South Wales on the interconnection of the three States' electricity grids, coalfield selection has been progressed to the point where Sedan and Lochiel have been defined as the preferred options and negotiations have commenced between CSR, ETSA and the Government to set up joint venture arrangements, assessment of the option of a third unit at the Northern Power Station is nearing completion, and negotiations with the Cooper Basin producers on future arrangements for the

supply and pricing of South Australia's gas supplies are well advanced.

The degree of coordination and consensus which has been achieved demonstrated how long overdue is such a comprehensive and cooperative approach to energy planning in this State. More recently the Government has extended use of this model with the establishment of the Working Party to Review Energy Prices and Tariff Structures. It is being chaired by the Director of the Energy Division, and involves ETSA, Sagasco, the Department of State Development, the Department of Community Welfare, a representative of the Minister's office, and other officers of the Department of Mines and Energy.

As the work of the Future Energy Action Committee is nearing completion it is time to establish long-term arrangements which build on the models presented not only by W.D. Scott but also the practical experience drawn from the planning and implementation phases of the advisory and action committees. Therefore, it is now that the Government brings before Parliament the Statutes Amendment (Energy Planning) Bill 1985 and can advise the House of its long-term arrangements for energy planning in South Australia.

The Bill defines the relationships between the Government and the major energy supply organisations with respect to energy planning. Both PASA and ETSA are Government instrumentalities. Whilst they operate autonomously their major planning and development decisions must be taken in the context of the Government's energy policies. Since this Government came to office these two organisations have consulted with it on major issues and have shown a degree of responsiveness to its policies which is appropriate. It should therefore be recognised that the Government is not taking this action out of frustration.

There are, however, increasingly instances where the management and boards of these organisations must reconcile a variety of competing objectives, for example in respect of tariff policies and the implications of competing energy supply options for the economy of the State. These require consideration of broader issues than are the province of the energy supply organisations alone. Resource utilisation, particularly in respect of natural gas, requires a degree of coordination which can only be effected by Government.

Making PASA and ETSA subject to ministerial direction provides the appropriate mechanism by which these organisations will contribute to a coordinated and comprehensive energy planning process, incorporating broader objectives, such as welfare, environmental protection and economic development in its implementation. It is the Government's intention that the exercise of ministerial control and direction will concern matters of major policy and not the general administration of the undertakings on a day to day basis.

As a private company the South Australian Gas Company is in a slightly different situation. It is already regulated in respect of its shareholding and dividends, as well as being subject to price control. These types of controls are not inconsistent with growing practice world wide in relation to the regulation of privately owned public utilities. However, it would not be appropriate to make a private company subject to ministerial direction as is proposed for ETSA and PASA, particularly in relation to the decision to invest.

Sagasco is a very efficient and well run company providing a high standard of service to the South Australian community. As a major and cost effective distributor of sent out energy Sagasco must have as significant a role in the planning structure as ETSA and PASA. The mechanism by which this will be achieved will be for the Minister of Mines and Energy to be able to officially request relevant information in relation to Sagasco's acquisition, supply and delivery of gas for incorporation in the planning process.

The board's of ETSA, PASA and Sagasco have been consulted on these aspects of the legislation and have raised no objections to these amendments. To maintain the cooperative approach to energy planning and implementation which has been developed through the Advisory and Action Committee the Government will establish a small Energy Planning Executive. It will have an independent Chairman and consist of the chief executives of the energy supply organisations (ETSA, PASA and Sagasco) and other individuals who can make a particular contribution to the energy planning process.

The Energy Planning Executive will be established by administrative means and not under its own legislation. It is not intended to create another statutory authority which after a period would inevitably develop a life and objectives of its own, rather than providing a mechanism for co-ordination of planning, policy advice and implementation between the energy supply organisations and the Government. It will be the responsibility of the Minister and the organisations involved to make sure it remains flexible, addressing relevant issues.

The Energy Planning Executive will be serviced by the Department of Mines and Energy and utilise the services of appropriate individuals in the energy supply organisations as well as other areas of Government. In this way personnel will not be unnecessarily duplicated and the planning function will not consume an inordinate amount of resources. These arrangements have the advantage of improving communication and co-operation between organisations, as well as giving staff broad experience which they could perhaps not obtain working within one organisation.

Experience with the Advisory and Action Committees has demonstrated the importance of the resource evaluation and management functions to the energy planning process and therefore the inappropriateness of separating the energy function from the Department of Mines and Energy as was suggested by W.D. Scott.

It is evident that public interest in energy related issues is considerable. The Government believes that the community, whether from a welfare, consumer, environmental, energy conservation, industrial, rural, transport or some other perspective, should have an effective means of contributing to energy policy. It will therefore establish an Energy Forum consisting of about 20 individuals drawn from a broad range of backgrounds. It will include representatives of the major energy supply organisations, at a lower level than chief executive, who can provide the forum with insight in relation to the operations of those organisations and contribute to the forum's discussions on other issues.

The energy forum will be serviced by the Department of Mines and Energy. It may pursue particular issues, monitor developments in appropriate areas, comment on mainstream energy policy, or respond to requests from the Minister for views on certain matters which he refers to them. Under these arrangements the South Australian Energy Council will be disbanded and the State Energy Research Advisory Committee will be maintained in its present form. The Bill includes a provision to amend the Pipelines Authority Act to permit a member of its board to hold office either under the Public Service Act or as Chief Executive Officer of the Authority. This amendment removes any unnecessary inhibitions in relation to board appointments and executive positions. The latter is a normal commercial practice which in a private company would be accommodated in its articles.

The matter is being dealt with at this time to facilitate personnel arrangements which will expand and strengthen the role of the Pipelines Authority in the commercial aspects of its operations, and in implementing the Government's

initiatives in the area of research and development into coal gasification, as well as in the energy planning process.

Clause 1 is formal. Clause 2 amends the Pipelines Authority Act 1967, by providing that the Authority is subject to control and direction by the Minister. Provision is also made to enable a member of the Authority to hold the office of Chief Executive Officer of the Authority. Clause 3 amends the Electricity Trust of South Australia Act 1946 by providing that the trust is subject to control and direction by the Minister. Clause 4 amends the South Australian Gas Company's Act 1861 by providing that the company must, at the request of the Minister, provide him with such information in relation to the acquisition, supply and delivery of gas by the company as he may request.

The Hon. E.R. GOLDSWORTHY secured the adjournment of the debate.

APPROPRIATION BILL

Adjourned debate on second reading.
(Continued from 11 September. Page 858.)

The Hon. MICHAEL WILSON (Torrens): Tens of thousands of taxpayers' dollars have been spent in publicity by this Government's trying to sell the State budget. It is important to realise that in trying to sell the budget the Government is putting to the people that it is a competent financial manager. However, it has sugar coated its budget for electoral purposes. It does not matter how much sugar coating is placed over that document, the facts are that on close perusal of the budget and the accompanying documents, and latterly the Auditor-General's Report, one finds that indeed the Premier's speech on the budget and the publicity that the Government has occasioned—particularly in the daily press—represents sugar coating only.

It is important that people realise just how much sugar coating there has been. Just before the budget the Premier announced a tax package which he said would be a remission to the public of some \$41 million in State taxation. The reason he brought that tax package out was the enormous pressure under which he had been placed because of his high taxation policy.

In a previous debate today we heard the words 'tax effort' and if ever a phrase applies to a Government, 'tax effort' applies to the present Bannon Government. It was because the people of South Australia realised that South Australia was the tax effort State in this country that the Premier brought out the tax package some weeks ago.

On looking at the figures one finds that it is not \$41 million that is being remitted to the taxpayer but more of the order of \$27 million. There we have the first piece of mendacity in this Government's budget. The Premier made great play in his budget speech that we were returning for the first time in some years to a situation where capital moneys were not transferred to recurrent expenditure: loan funds were not being transferred to prop up recurrent expenditure and keep the deficit down. That was the Premier's statement.

In fact, when one looks at the budget papers, one finds that no loan funds, no capital funds, have been transferred to recurrent expenditure to lower the deficit. However, we find that an extra \$70 million is to be borrowed from statutory authorities in this financial year—a total of \$195 million. There was much play in the Premier's speech about the fact that last year the Government did not have to take up its total borrowings: there was a reduction of some \$26 million in borrowings last year.

To celebrate that fact the Government is to borrow an extra \$70 million this year: that is the second piece of mendacity that applies to the sugar coating on the budget. Further, in the Premier's speech one sees no reference to the public debt. Much has been said in the recent debate about the public debt. It does not matter what the Premier says in justification of the tables in the budget: we find that the public debt has increased by \$1 billion since this Government came to office.

There was a defence of that situation by the Premier recently. He drew attention to comparisons with assets. We find that this Government is suddenly having a register of the State's assets compiled. This register will be with us soon: I understand that we will receive it in a week. I suggest that the Premier's officials have been working overtime to produce this register of the State's assets because the Premier well realises that the public do not believe what he has to say concerning the State's finances. Whatever the Premier says, and whatever register of State assets he brings to this place to be published later, the fact remains that the public debt has increased by \$1 billion during the term of the Bannon Government.

As I understand (and I can be corrected about these figures if I am wrong), during the term of the Tonkin Liberal Government the public debt increased by 5 per cent: during the near three years of the Bannon Government it has increased by 30 per cent. I think that that is a very telling figure.

Over the last few days the Premier, in answer to questions, has made much play in discussing the reduction of the State's deficit. In referring to this budget he has said that, for the first time, he has been able to inject some \$13 million into recurrent expenditure to save that amount to reduce the deficit which he said he inherited from the Tonkin Government—reducing it from some \$63.7 million to some \$51 million. It does not really matter what the Premier says about the reduction of that deficit: the deficit was produced in his own first year of Government.

The Leader of the Opposition has said once again today—and has said continually publicly—that before the previous Liberal Government went to the polls (and I was a member of that Cabinet and therefore know what I am talking about) a Treasury document was provided to us stating that the deficit at the end of that 1982-83 financial year would be \$13.7 million. That is the figure that I saw as a member of that Cabinet on that Treasury document. That was the estimated deficit and the figure we relied upon as being the deficit at the end of that time.

Nevertheless, at the end of the Labor Party's first eight months in Government the deficit had blown out to \$63 million. Let me be the first to absolve the Premier from any blame in the blow-out of the deficit occasioned by the grievous bushfires and floods we had in that year, as that must be placed on the record. The Opposition does not hold the Government responsible for that part of the deficit contributed by those unfortunate events. Nevertheless, they did not contribute anything like the \$63 million. So, it is all very well for the Premier to say that he has been able to knock \$13.7 million off that deficit, but the deficit was of his own making.

The Premier celebrates that reduction in the deficit by borrowing, as I said before, an extra \$70 million from statutory authorities. So, once again, we know how the budget is being financed. We know how the deficit is being financed, namely, from additional borrowings from statutory authorities.

The Auditor-General has had some trenchant things to say about the performance of Government departments and the Government. It is extremely significant that the Auditor-General has been able to say that the deficit could have

been reduced by another \$26 million if the appropriate financial management techniques had been followed as far as the transfer of funds of \$7.7 million from the Highways Fund to general revenue and of \$18.6 million from the Housing Trust deposit account, had they been transferred as they should have been. That would have reduced the deficit by another \$26 million. Why was that money held back? Obviously, it was held back to try to help present that sugar coating on the budget that I mentioned at the beginning of my speech. That, of course, means that the Olsen Government will inherit a \$26 million extra deficit in a few weeks time just as it will inherit a \$30 million deficit on third party insurance funds and just as it will inherit a \$100 million deficit as regards the State Transport Authority.

They will not be easy things to live with—very difficult indeed! I take this opportunity to say, as was mentioned a little while ago in this place, that the only answer to the third party motor accident insurance deficit of the SGIC is to introduce a new third party compensation scheme. The Government is addressing workers compensation. It cannot treat these matters separately: they need to be looked at under the same criteria. Indeed, one of the regrets that I had as Minister was that I was unable to get a no fault third party accident scheme before this Parliament before the election intervened.

It is important because there is no other way of containing what will be a very serious deficit. That \$30 million deficit means that third party premiums will rise, although the Government is not prepared to say it. The only thing to do is to introduce a no fault accident scheme.

One of the reasons why the Victorian scheme is so expensive—and the Premier mentioned this a little while ago—is that it uses a separate statutory body, a motor accidents board, to run the scheme. I am opposed to that, and it is one of the reasons for the real costs and burgeoning deficit in that scheme in Victoria.

While talking of the Auditor-General's Report, I have to mention once again the operations of the Health Commission and, in particular, the Minister of Health. On top of the comments by the Auditor-General on other matters, we have a statement that he has referred the operations of the Health Commission to the Treasurer for investigation under section 12 of the Audit Act. When one takes into account the statements that the Minister of Health has made in another place over the past few days, criticising the Auditor-General, one can understand why the operations of the Health Commission have been referred to the Treasurer under section 12 of the Audit Act. For the Minister of Health to say publicly that the Auditor-General had got his figures wrong, and then to be slapped down by the Auditor-General when he said that he was relying on figures that the Health Commission had provided him with, is an extraordinary indictment on the Minister of Health, who is responsible for the commission.

By the Minister's own statements, he was admitting that the figures supplied to the Auditor-General by the Health Commission were, looking at it in the kindest way, inaccurate and, looking at it in a more severe way, possibly even doctored. I wonder whether we will see the Premier laying before this House the results of his investigations into the Health Commission. I wonder, again, whether the Premier will lay them before the House before the next State election. I leave the answer to honourable members.

I now turn very briefly to one or two remarks made by the member for Hartley in his contribution to the budget debate. He has regurgitated again the same speech that he always makes on privatisation. Nothing said by members on this side of the Chamber will change the member for Hartley's views about privatisation. It seems that he has a

closed mind on the subject. Whether or not he has a closed mind on the subject, I will put a couple of things before him, and I hope he takes notice. In his speech he said:

I was lucky enough to get home to hear the Leader of the Opposition backing off on privatisation and now calling it partial privatisation.

Privatisation takes many forms. I am glad to see that the member for Hartley has come into the House. I will be kinder to him than I was on previous occasions. Nevertheless, I will point out a few very important facts. First, privatisation can take many forms. Dr Madsen Pirie—who was over here recently as the member for Hartley knows, although he called him Dr Pirie Madsen in his speech—went to great pains to point out at that meeting I attended that the Thatcher Government's implementation of privatisation policies contained no fewer than 17 methods of privatisation.

The member for Hartley should realise that privatisation is not just selling off statutory authorities. It seems that the member for Hartley is completely deaf to any reasoning on this issue. He seems to think that privatisation is only one of two things: selling off the SGIC or the State Bank, both of which will not be done by the Olsen Government. The member for Hartley should get that clear from the very beginning. The Auditor-General has recently brought to our attention an example of privatisation that works. As I say, there are many forms of privatisation. The example I refer to is cleaning contracts in the Government. It is plain from what the Auditor-General had to say that large sums of money can be saved by using industrial contracts by tender in the Government service.

Mr Groom: Who loses?

The Hon. MICHAEL WILSON: The member for Hartley is questioning the Auditor-General: he is casting a reflection on him. The Auditor-General said that if the method now used in the Education Department was spread to other areas of Government considerable sums of money would be saved—millions of dollars. The member for Hartley may not consider that important, and with the record of his Government in financial management I can understand why. However, that statement of the Auditor-General that several millions of dollars can be saved in Government service if industrial contracts for Government cleaning are let by tender, is important. The member for Hartley does not realise that that is privatisation.

Members interjecting:

The ACTING SPEAKER (Mr M.J. Evans): Order! The honourable member for Hartley and the honourable member for Todd will please come to order.

The Hon. MICHAEL WILSON: Thank you for your protection, Mr Acting Speaker. The member for Hartley should also realise that the Government has made a grave mistake in rejecting the recommendations of the inquiry into school transport, which recommended that at least 50 per cent of school bus services be let to the private sector.

They estimated that saving to be \$1.5 million. That may not be a large amount to the member for Hartley, but to members on this side it is a considerable amount of money. It is a lot of money that could be spent on schools and hospitals in this State. I believe that the member for Hartley has a one-eyed view of politics and privatisation. I strongly recommend that he has another look at privatisation and does not take such a blinkered view of the situation—the same type of blinkered view that members on his side are wont to take.

I wish to address only one other matter. The Deputy Premier, in a recent debate, mentioned something about TAFE funding (and I will say more about education funding in a grievance debate next week). The Deputy Premier, reading from a document, said that TAFE funding had been

increased by 1.7 per cent in real terms. On my calculations, in 1984-85 there was an allocation of \$85.118 million for TAFE funding, and in 1985-86 the allocation is \$97.750 million. If one compares the two figures, that is a very large increase indeed, and it is far more than the rate of inflation.

As most honourable members will realise, in this budget, for the first time, provision for superannuation has been included in the departmental estimates. One cannot give a reasoned view of the budget or make a reasoned comparison unless one makes allowances for the provision for superannuation. Some \$95 million is included in the Premier's receipts for superannuation from Government departments. Each Government department then has a provision in its own lines for superannuation. To make a correct comparison with the previous year, one must deduct the superannuation provision.

In relation to the Department of Technical and Further Education, we find that the amount is \$6.365 million. Deducting that from the figure I quoted previously leaves a figure of \$91.385 million. When that is compared to the \$85.118 million for last year, there is a 7.37 per cent increase in TAFE funding. In the Premier's speech he predicts the inflation rate on which this budget is calculated to be 8 per cent. That means that there is a reduction in real terms in technical and further education funding of about .7 per cent. That is not an increase in State funding of 1.7 per cent. I place that on the record because the Deputy Premier mentioned it in his reply to the no confidence motion.

It is particularly important, because the Premier announced that 115 additional employees would be allocated to TAFE and the Department of Labour to help with the Government's youth training schemes. I find it very difficult to understand how that money will be allocated when one considers that there has been a reduction in the TAFE budget in real terms—albeit a small reduction compared with some other departments; nevertheless, it is a real reduction in real terms when in his speech the Premier stated that 115 additional employees will be provided to TAFE and the Department of Labour. At this stage I will rest my case. When next I speak to this matter I will canvass education funding in detail.

The Hon. B.C. EASTICK (Light): This is one of the two traditional debates of the parliamentary year: the Address in Reply debate and the budget debate. At this stage I digress to say that I am pleased to see that the Minister of Mines and Energy is back and in good health—we have missed him. Previously we had two debates in relation to monetary matters. The first was a debate on capital works, followed some three or four weeks later by a debate on the true budget. There was an overlap between those two debates, but there has been a bipartisan approach to bring together the financial affairs of the capital area and recurrent area.

However, in bringing together those amounts there has been a fudging in the centre in relation to from which pocket some of the funds will be coming. I make quite clear that this afternoon neither the Leader nor other members on this side of the House were levelling criticism at any member of the Treasury. The Opposition levels its criticism against those people who give the directions. The officers are those who have the responsibility of fulfilling the policy directions which are laid down for them by the Government in power. As clearly explained earlier this afternoon by the Leader, there has been a complete distortion of the facts of the financial affairs of South Australia.

For the 15 years that I have been here, I have never seen a greater intrusion into the true position of the financial affairs of this State than that which applies for the 1985-86 financial year. It is a follow-through of the financial mismanagement which has been so apparent ever since the present Government came to office. This has occurred not

only in the presentation of documents, such as those that we are considering now, but also in relation to those taxation packages which were brought to the attention of the House last year and indeed the year before that. I refer to the spectacle of the Premier of the day, being the person responsible for introducing the first new tax in South Australia for over 10 years, not knowing anything at all about what it was going to do and about the influence that it would have on the people of this State. That is something that those of us who were here at the time will remember for a long time to come.

The Premier was left abandoned by his own people in relation to endeavouring to get the relevant Bill passed. In fact, the Bill was passed, but only after much amendment—the amendments having been initiated by members of the Opposition in this place and in the other place. Those amendments subsequently were accepted by the Government because the Opposition had ably demonstrated then (as it has consistently done since that time) that it had a clear understanding of the influence of such Government action on the hip pocket of every man, woman and child in this State, while the Government stays lost in an ideological fog.

Earlier this week we saw an obvious abandonment of the Government by the Treasurer's own people in relation to the budget document. At the commencement of my remarks I referred to the fact that this is one of the two traditional debates of the parliamentary year, but on this occasion what has occurred? Only one Government member has been prepared to participate in the debate. That participation—

Ms Lenehan interjecting:

The Hon. B.C. EASTICK: I would like to believe that the member for Mawson is going to make a better contribution than the odd interjection. All that the member for Hartley did was drag a red herring across the trail and, as has been identified by my colleague the member for Torrens and other members previously, he misinterpreted public statements made by the Leader of the Opposition and other people of influence in the community. When I say 'influence', I mean in the sense of their ability to project to the community at large the reality of the privatisation package.

On this occasion I do not wish to enter further into the discussion on the privatisation package other than to refer just obliquely to the position in relation to the Minister of Housing and Construction. The Minister of Housing and Construction has acknowledged (as indeed has the Auditor-General) that there has been more than \$13 million production of funds by the sale of Housing Trust property during the past 12 months. We have seen that that \$13 million plus has assisted, quite materially, in improving the financial affairs of the Housing Trust.

Those funds have also been assisted by moneys being transferred out of capital—and that is capital for housing—into the concessional rents made available to that 61 per cent of the community occupying Housing Trust houses who unfortunately, compassionately, and with the support of this Opposition, require that assistance. That \$13 million has gone to help budget the Housing Trust accounts. During 1984-85, \$36 million plus has been made available to supplement the rental of 61 per cent of the Housing Trust population, and that \$36 million plus consists of funds which have been unable to be placed towards new housing development at a time when we have told the Minister (and indeed the Minister has told us) that there is an urgent need for additional housing. We do not dispute that. We are on record as supporting the upgrading that has taken place.

We are also on record in 1983-84 of drawing the Minister of Housing and Construction's attention to the misrepresentations that he made in respect of the number of houses that were built during 1983-84. He claimed in excess of 3 000 houses, but they had not been delivered to his stock.

At least he has the intestinal fortitude (or was it the Treasurer or somebody within the system who had a conscience.) to identify that, this year, they were almost 300 houses behind schedule. That is reflected in the large sum that has already been appropriated from consolidated revenue and that is left in the building fund for 1985-86.

Let us look quickly at what has taken place in the building industry. This topic was raised by the Hawke Government, after it had been promoted by the present Bannon Government and supported by the Liberal Opposition, as an area where there could be a strong recovery in employment in South Australia and, in the global sense, when the Hawke Government came to power, in the whole of Australia. There have been massive increases in the work force directly associated with housing and, also, with providing the materials that transform into housing. There are then the associated benefits that also flow to the whitegood manufacturers, carpet manufacturers, and to salesmen in all those areas. However, because of the intrusion of the Government into the traditional subcontractor home industry organisations, we have seen massive increases, in both the private and public sectors, in the cost of housing.

Certainly, in the public sector the cost of housing has increased over the past three years by 36 per cent, whereas over the same period the cost in the private sector has increased by only 16 per cent. Activities in the public sector are markedly influenced by the Government of the day and, more particularly, by the Minister of the day. In this regard, the present Minister of Housing and Construction in this State must bear the responsibility for that massive blow-out in the cost of public sector housing.

The Minister has sought in recent weeks to misrepresent statements made by the Leader of the Opposition and by me concerning housing in South Australia. In his Address in Reply speech, the Leader of the Opposition raised the matter of housing, as well as many other issues, pointing out that it was predicted that housing production in South Australia would drop to about 8 500 a year. He did not specify when this would happen. However, the Minister made a statement in this place seeking to misrepresent the position by pointing out that, as indicated by the indicative council, housing production for 1985-86 would drop from 14 000 to 11 200, and he asked whence the Leader had got his figure of 8 500.

However, I point out that the Leader did not specify the year 1985-86: he took the information from the indicative council, which stated that about the turn of the century the number of homes built would fall to about 8 500. Therefore, once again the Minister has misrepresented the facts. The same Minister in the same public statement sought to question comments that I had made in the Address in Reply debate concerning the cost of land. He said that the Government had done ever so much to improve the flow of land, and that it was not responsible for the massive increase and the blow-out in the present cost of land.

I draw to the attention of the House information that is available from the quarterly publication produced by the Department of Environment and Planning, entitled 'Estimated production and usage of residential allotments for private purposes—Metropolitan Adelaide (1984-85 and 1985-86)'. I have already referred to other figures that are available quarterly, but this document shows that there has been a massive increase in the cost of land during the time that this Government has been in office. Further, the area of land available for purchase at present has decreased and, as the bank of land has decreased, the cost of land has increased.

The figures shown clearly bear a relationship to the failure of the present Government to get its act together and allow the production of housing block units to go ahead. Government members will cry, 'We're doing it now.' The Opposi-

tion accepts that the Government is doing it now. Indeed, the Opposition is party to having agreed to the Golden Grove Indenture Bill and to certain other proposals that have resulted in action to make possible an increase in the number of blocks in the pipeline. However, for almost two years of their three years in Government, members opposite have markedly decreased the area of land directly available for the market in South Australia.

I will shortly seek leave to have the table inserted in *Hansard* without my reading it. The table illustrates graphically the information that can be extracted from the forecasting and land monitoring reports that show the escalation has been a direct responsibility of this Government and not of the previous Government. For example, the information shows that from 1980 to 1984 (the last time figures were available) there was an increase in the average price from \$10 303 to \$17 389 per block. The 1985 figures are consid-

erably greater. We have seen a percentage increase on a per annum basis travelling at about 1 to 2 per cent in the early 1980s to an increase between 1983 and 1984 of 46 per cent in that one-year period.

At the same time we have seen a decrease in the number of blocks available from 27 500 in 1980 to 17 500 in 1984. As the table will show, it is a decrease of zero in 1980, of 7.3 per cent in 1981, 6.9 per cent in 1982, 10.5 per cent in 1983, and 17.6 per cent in 1984. Those massive double digit figures relate to the time when this Government was in office, and for the Minister of Housing and Construction to come in here and again misrepresent the facts to safeguard his and the Government's position does him no credit. As these figures are so graphic and so important to the record, I seek leave to have them inserted in *Hansard* without my reading the table.

Leave granted.

Land Monitoring Report*, March Quarter 1985

Calendar Year	Average Price \$	Percentage Increase	Allotments available December	Percentage Wage Decrease
1980	10 303	+ 1	27 500	—
1981	10 509	+ 2	25 500	7.3
1982	10 592	+ 1	23 750	6.9
1983	11 951	+13	21 250	10.5
1984	17 389	+46	17 500	17.6

*Department of Environment and Planning's 'Land Monitoring Report'.

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

That the time for moving the adjournment of the House be extended beyond 5 p.m.

Motion carried.

The Hon. B.C. EASTICK: While dealing with this area and in answer to the member for Hartley about the funds that have been generated, I refer to a letter to the Minister of Housing and Construction that I wrote in 1984 asking him to explain the transfer of South Australian Housing Trust land to the Elizabeth council and other councils. You may recall, Mr Acting Speaker, because you were the Mayor of Elizabeth, there was a public statement about parcels of land being made available to Elizabeth, which was a Housing Trust town. There is no argument about that. The trust had been vital in the creation of a number of facilities in the area and, in the belief that the council was adult and able to look after, in every sense, the management of its own properties, the transfer was made.

No indication was given whether there was a monetary consideration or exactly what was the position or whether the land had been made over to the Elizabeth council, and whether similar properties had been made over to other council areas. It was important for that matter to be determined. It took over 12 months to get an answer to that question.

It is interesting to note that there has been a large number of transfers of property from the Housing Trust to a variety of other organisations in South Australia—some for no monetary consideration whatsoever. That applies to the Elizabeth circumstances, as it does in the district councils of Angaston, Noarlunga, and Streaky Bay. In the Gawler and Penola councils there is a small sum of money involved. Such facilities as the Elizabeth Tennis Club, the Elizabeth North Girls Club and the YWCA were all considered.

At 30 June 1984 those last three named properties were still in contemplation for transfer. I cannot clearly identify whether that has taken place at this stage. We find that with

the Highways Department the Housing Trust has recouped some quite considerable sums over a period. As they are statistical details, I ask that this information also be inserted in *Hansard* without my reading it.

Leave granted.

PROPERTIES TRANSFERRED

Highways Department	\$
Lot 731 Honeypot Road, Hackham West CT 4130/682	20 000
Lot 462 Oslo Crescent, Hackham West CT 4130/781	42 000
Lot 368 Pazman Crescent, Hackham West CT 4130/845	40 000
Lot 299 Beach Road, Hackham West CT 4130/910	64 000
Lot 37 Honeypot Road, Noarlunga Downs CT 747/136	410 000
Lot 44 Beach Road, Noarlunga Centre CT 2585/39	300 000
Lot 100 Main North Road, Evanston Gardens CT 4245/527	135 000

The Hon. B.C. EASTICK: In the brief time left to me I again refer to matters which have been canvassed earlier this afternoon and which are ongoing in the context of these budget documents—not misappropriation of funds, because that is never a claim that has been made on this side of the House, nor would it be—to misdirection of funds, yes, because we believe that the Government has directed its officers to change funds around to mislead the public and to perpetrate a mistaken belief of just exactly what are the true balances of the State of South Australia at 30 June 1985. I draw honourable members' attention to the fact that the statements are provided at the end of month and at 30 June (end of year figures). At one stage they always used to be made available publicly and to the Opposition before the end of the succeeding month, but they have been held up over the past six months and, in some cases for more than three months.

Why, if there was nothing to hide, would those documents not be made available to the public as they should? Why

would not those documents be made available at a time when the Government is prepared to claim in July 1985 what the bottom line was? Why were they not prepared to make available the documents which supported that bottom line? Why was it well into August 1985 before that document was made available?

It begs the question, the same as the number of questions which have been asked in this place and in the other place about what can and does happen in some Government departments of doctoring of accounts to fulfil a result that is satisfactory to the Government. I draw members' attention to the very voluminous documents tabled and published in the Upper House in recent weeks. I draw attention to the continuing debate which has taken place this week in relation to the Lyell McEwin Hospital and which shows that there was a falsification of documents by direction.

There was an attempt in the earlier stages to suggest that mismanagement at local level was responsible for the Government's being placed in an invidious position and not having made known to it that there were discrepancies in the documentation of the health costs of the Lyell McEwin Hospital. From the evidence which the Minister of Health has tabled in another place, it is very clear that the falsification has been official.

There is a clear indication from documents available that the staff of the Lyell McEwin Hospital were advised to alter the documents. That material is available for all to see. It begs the question of what other documents have been redirected, reorganised or changed to fulfil the ideological philosophies of this Government, which is trying to make itself look lilywhite in an election context.

Again, let me say that this is not a misappropriation of funds for the purpose of putting it into anybody's pocket: that is not the claim. The claim is about the misappropriation which has taken place and which has sought to mislead the public of this State relative to the true balance of figures—to the true indebtedness of the people of this State at a given rule-off date.

The Premier in his reply this afternoon was keen to suggest that his economic skills were such that he was the only one on his or this side of the House able to truly read economic statements. He missed by a mile, because again he found himself in the position of having told so many untruths in recent days and weeks, relative to the content of those documents and to the activities of his Government, that now he believes those untruths.

It was patently obvious this afternoon that the Premier now believes that the story that he has attempted to tell the people of this State, both in this document to which we are referring at the moment—the budget document—and in the mini budget or the handout referring to \$41 million of funds that he made available in advance of the tabling of this document, involves figures and statements that can be believed.

This has been ably demonstrated as untrue, not only by members of Parliament and by the umpire in this whole event—the Auditor-General—but also by a large number of people in the media who have had time to analyse the situation, and who have been prepared to put their professional integrity on the line. To that extent, I draw to the attention of all members of this House, and those who may follow this debate, the leading editorial appearing in today's *Advertiser*. I believe that the analysis of the situation outlined by the editorial writer puts into true perspective precisely what the situation is today. No wonder the Premier ducked, weaved and ran away from a legitimate challenge this afternoon to put himself, his Government and his budget to the ultimate test. He ran backwards so fast that it was almost impossible to see him. He has only delayed the inevitable.

The people will witness that effort this afternoon along with its public portrayal and the effort that this Party will put into selling the truth of the matter in positive votes whenever the day may be that the Government announces an election. This is a document that I support in the traditional role that I referred to when I commenced: to do otherwise, as the member for Flinders rightly said last evening, would be to seek a no-confidence motion in the Government. That opportunity will come in other ways. Members of the Opposition look forward to the debate that will take place during the Estimates Committees in the near future when the truth of the facts as they have been put to the people of this State, truths which came from the mouth of the Leader earlier this afternoon and some three weeks ago when he spoke in the Address in Reply debate, will be found to be factual and the facade that the Premier and his Ministers have put forward will be shown for what it is.

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

The Hon. H. ALLISON (Mount Gambier): As the Leader stated in his opening address on the budget a few days ago, this is a bankcard budget. It is increasingly obvious, from an intensive perusal of all the documents laid before us (including the yellow books, which became available only yesterday) that, whilst the Premier is claiming to have balanced the State's books, he has done it as any bad family manager would have done it, namely, by living far beyond his means and covering up that fact by going massively into hock. By 'massively into hock' I mean massively into debt.

One only has to consider the very substantial increase in the public debt as shown at page 32 of the Auditor-General's Report. The total statement of public debt and other indebtedness in 1979 was \$2.49 billion. In 1982, when the Tonkin Government left office, it had risen to \$2.76 billion—a relatively small increase in the course of those three years.

We look at the figures from 1982 up to 1985 and find that the increase in public debt rose from \$2.76 billion to \$3.797 billion—an increase in only three years of slightly over \$1 billion which the State taxpayers have to repay, if not in the short term even more distressingly as a long-term millstone around the necks of our children. We are living far beyond our means, yet the Premier maintains that he is balancing his budget. He is doing so by going massively into debt. Although he may decry the conclusions we have drawn from the Auditor-General's Report and although he may question the veracity of what the Auditor-General says, the accuracy and reliability of these documents over the decades have proved to be beyond question. I personally congratulate the Auditor-General for being a man of extreme conscience in printing for the first time in many years precisely what he thinks about the public accounts and for drawing the attention of the present Government to the state of play.

I also refer the Premier to the fact that in December 1982 the former Under Treasurer, Mr Barnes, wrote him a five page letter outlining the state of accounts as the Labor Government then found them after we had lost office and the same pitfalls which the Premier seems to have ignored over the last three years were pointed out to him at page 5 in the concluding paragraph of that letter. I had intended to read the letter, but I do not seem to have brought it with me. I will take the opportunity during the budget estimates debates to draw the relevant Minister's attention to some of the things said back in 1982.

The Premier cannot complain that this is the first intimation he has had of potential problems down the road: he has had those indications for three years from the Under Treasurer and he has chosen to ignore them. Here we have

it: an ostensibly balanced budget which has been balanced by the State being taken \$1 billion further into debt.

We only have to look at interest rates that have been payable over the past seven or eight years. In 1977-78, \$140 million was repayable in interest; in 1981-82 that had gone up to \$211 million; and now in 1984-85 we are up to \$321 million. So, the escalation has been extremely rapid under the present Labor Government. This Government is running the State into bankruptcy and denying it strenuously all the time: it is like a drowning man.

The other matter to which the Leader drew attention hardly needs to be pointed out to the general public: that is, during the past three years we in South Australia here altered from being the lowest taxed State on the mainland to what is now close to being the highest taxed State. At least, we can safely say that the escalation in taxes in South Australia has been more rapid over the past three years than in any other State in Australia. We are terribly over-taxed, and the increase has been from about \$550 million in tax income in 1982 to \$850 million in 1985. Again, in three years we have had an increase of \$300 million in tax.

So the Premier has undoubtedly, while he has been raising far higher taxes from the people, been going deeper and deeper into debt and is balancing his books by sleight of hand. Any household that ran its accounts in a similar way would have been to the bankruptcy court long ago. The Premier can get away with it because he has such tremendous borrowing power, but future Governments will not have that same borrowing power, and certainly will not have the power to repay.

As was pointed out earlier in the day, the Premier's estimate that royalties would begin to get us out of trouble within the next two or three years has also been proved fallacious by his own statement only a week or two ago when he confirmed what we already knew on this side of the House—that royalties would tend to level out, if not decline slightly. Any royalties from Roxby Downs—that massive, world-class ore body that was spoken of scathingly by the Premier when he was in Opposition—are several years away from coming into the State's coffers. That is a project that we all applaud, although some of us more belatedly than others.

I noted with great interest in March this year that the Minister of Community Welfare was telling the world that he thought that South Australia was running even deeper into debt because of the massive subsidies made to people who were living on social security and other benefits—the low income earners of South Australia. He estimated in an address that he made in March that we would be about \$110 million in expenditure in the community welfare lines by 30 June this year. In fact, the Minister's budget came in a little over \$90 million and it seems that the Minister of Community Welfare was terribly out of touch with what his department was doing when he made those wild over-estimates earlier this year. I said that I was interested in his claims because I was just completing my shadow budget and bringing that in at a figure that was far closer to the actual figure that we have in the budget papers. What happened was that rather than have overpayments for pensioners on those lines, which include land tax, stamp duties, E&WS rates, electricity and transport, only one of those lines came in over budget.

That was the E & WS line with a couple of hundred thousand dollars over, probably as a result of the E & WS rates having risen astronomically during the last budgetary period. Every other single line, instead of having over-expenditure, had under-expenditure. The Government appears to have considerably overestimated the amount that would have been necessary to assist the underprivileged in South Australia's society.

I do not propose to go through the community welfare and Aboriginal affairs line in detail during this address, because plenty of time will be allowed for that during the Estimates Committee proceedings. I will give a resume of the problems that have arisen in the life of the present Government. As a result of the dangerous and deceptive accounting procedures of the present Government, the Auditor-General found it necessary for the first time, as an independent authority, to draw to the attention of the Premier and Treasurer the perils of the track along which he was moving South Australia.

The Auditor-General was critical of the Government in many ways—and I believe justifiably critical—because for the past two or three years he has been pointing out that economies of scale could have been achieved by a Government more determined to rein in the finances. The Premier has broken promise after promise, not the least of which were those he made when he bought government in 1982 by making the firm, unequivocal commitment to the electorate that there would be no increases in charges and taxes, and no new taxes, in the life of his Government.

Those promises were broken in a matter of hours of the ALP's assuming office in South Australia, and they continue to be broken at an alarming rate. It is no good for members on the Government benches to come back and say that charges were increased when the Liberal Party was in government. The whole point is that we did not make a firm, unequivocal commitment to increase no charges. The Premier is hoist by his own false commitments. He broke his promises within a very short time of becoming Premier. That is the reason why he is being judged so severely by the electorate today. He is proved not to be a man of his word.

As I said earlier, borrowings are at a record level in an attempt to cover up and balance. The deficit is up \$1 billion since 1982. Royalties are not being returned at the rate the Premier anticipated. The new jobs that the Premier said would be running in the ten thousands during the course of his three years are estimated to be only 950, according to his own statements—an overestimate of 900 per cent. Unemployment in South Australia, according to the *News* this afternoon, is increasing—from 8.2 per cent to 8.7 per cent.

Taxation has risen in South Australia to 37.9 per cent, yet the Premier claims that it has only gone up 11.8 per cent. He seems to be about 200 per cent out. Home interest rates continue to rise. Banks and building societies, one way or another, have been beating the barrier—that nebulous 13½ per cent barrier—either by making people take out separate personal loans, by adding service charges or by some other means, so that many people have been paying much more than 13½ per cent for some considerable time. There is no stability about interest rates. They have risen three times during the last nine or 10 months, with building societies and banks currently straining at the bit to get the Premier to raise the permissible levels even higher.

Jobs in South Australia are down 11 300 since 1982, when the Premier came to office promising a far better employment situation. It is the nature of his promises and his inability to meet them that allows the public to judge him so harshly. According to today's statistics, there are now 5 500 more people unemployed in South Australia since 1982. I keep referring to 1982 because that was when the Liberal Party lost office and the present Government came to power promising so much. Yet, three years down the track the Bannion Government has fulfilled very few of those commitments.

There has been the most savage assault ever on South Australian taxpayers and their living standards. The Premier, rather than answering questions directly, is being

selective in the way he picks a few figures from the Auditor-General's Report and budget statements, instead of looking at the broad perspective which shows that South Australia is massively in debt—never more in debt than now and with no great increase in ability to pay. If members opposite cannot follow the reasoning on page 31, which shows the debt to be standing at \$3.8 billion, perhaps they do not have children who will be living in South Australia for the next 40 years with the millstone of debt repayment around their necks. Those with a mortgage of \$200 000 and earning power of \$20 000 would understand what this is all about.

The E&WS Department, as was pointed out earlier today, is spending over \$100 million on interest, which is practically the same sum that it spends on running the department each year. Half of its money goes on interest bills for past works. The SGIC third party account stands at \$30 million in debt. Once again, I hark back to 1982 when the third party account was handed over with a deficit of only \$200 000. We managed to keep the account on a par or near enough in credit, no matter what the Premier may say. Now it is \$30 million in debt. These figures keep rolling up in tens of millions of dollars as a result of the past three years of Labor Government. If the Premier can deny that there is a massive increase somewhere in the pipeline, he must have a font, or cornucopia of funds that SGIC has not heard about, because it, too, is straining to increase the third party premium.

Mr Klunder: Are you advocating the Victorian problem?

The Hon. H. ALLISON: I am simply advocating that the Premier could have managed the ship, as the Liberals did from 1979 to 1982, when we came out with a balanced third party insurance premium. I do not care what anyone else does anywhere in the world. Under the Liberal Government South Australia became the lowest taxed State after being one of the highest. That is what really hurts members opposite. Let us not forget that three years ago the Tonkin Liberal Government was not defeated by the Labor Party; it was defeated for the same reason that the present Government will lose. It will be defeated by its inability to control mortgage interest rates—the mortgage belt will defeat members opposite.

Interest rates in housing and accommodation have never been higher: they are far higher now than they were when we lost government. Members should listen to what the electors are saying in the marginal seats about interest rates and about E&WS rates, which were supposedly pegged. My E&WS rate has gone up \$30 or \$40 a quarter, even though a member opposite told me that they would be pegged. I did not see any \$2 diminution on last year's account reflected in my ETSA bill; in fact, it seems to have gone up again. Members opposite are kidding themselves if they think that the public will fall for these tricks. ETSA's \$11 million will not bite very deeply into our accounts. It is a pipe dream.

As the Auditor-General has pointed out, if school cleaning and other Government department cleaning contracts had been put to tender, there would have been savings of millions of dollars. The former Liberal Government started to move towards contract cleaning in schools; that met savage criticism from the Opposition of the day, and from unions, but the Government has persisted along the track that we were taking in relation to school cleaning contracts. That was privatisation. The Government decries privatisation, but it is nibbling away at the edges. As a result, over the past 12 to 18 months there has been a saving of about \$2 million. However, the Liberal Government started that privatisation of school cleaning contracts. Similarly, the present Government is now examining the privatisation of school bus services. The school bus system used to run more buses than did the State Transport Authority. What else is happening?

An honourable member: Contracts and privatisation—

The Hon. H. ALLISON: If the honourable member thinks that putting things out to contract is not placing things with the private sector and that it is not privatisation, obviously he does not understand it. For instance, Mrs Thatcher has privatised things in Britain in about 27 ways. There is no standard model—there are many different models. A person trying to put a blanket cover on privatisation does not understand the issues. Half the State Transport Authority has been sold off, in an act of privatisation—well done, boys, that is out of the way! The Minister of Health is anxious to privatise some \$20 million worth of Health Department property so that he can then put the resources back into the hospitals which he promised to build three years ago but which are still in the pipeline.

Mr Becker: He's knocked off 100 beds at QEH.

The Hon. H. ALLISON: He has knocked off 100 beds at the Queen Elizabeth Hospital, so obviously the Minister needs to sell \$20 million worth of stock. It is obvious to South Australians that, however much Government members may scoff, there is no tax relief in sight. By the end of this financial year, an increase overall in taxation of about \$60 million will be evident. The \$40 million might be given back, but there is still that \$60 million more in the kitty at the end of the Government's third year of office. So, you are doing very well, boys, but you are not selling the story.

The debt and interest bills continue to soar and, as I have said, they are the millstone around the necks of our children. That is the thing that hurts most of all. Those kids will suffer for a long while because of what the Government has done. We have the poorest retail sales in Australia, according to figures released only a few weeks ago by the Bureau of Statistics. The State Bank itself, that model of enterprise, has increased its loans on mortgages today. I was telephoned by a member of the public who told me that the interest rate on his State Bank mortgage loan had been increased to 13.75 per cent. That is a turn-up for the books! Of course, ostensibly the rate of 13.5 per cent is the ceiling.

Mr Baker: That's illegal.

The Hon. H. ALLISON: How did the State Bank do it? They classed this gentleman's mortgage as a market rate loan. However, when he took out the mortgage the gentleman concerned was not aware that there were different types of mortgage. Another person might ring the State Bank and ask whether his mortgage would increase to the same rate, but be told that, because his is an earlier type of mortgage, the market rate loan provisions do not apply.

So, the State Bank has a clever way of getting around interest rates. It will be interesting to see how many other banks do the same thing. That 13.5 per cent that people believe is the ceiling is in fact allowing their heads to go through the roof, and members opposite can rest assured that they will hear them scream. Of course, other people with a first mortgages plus a personal loan are paying a much higher rate than the 13.5 per cent.

South Australia is the inflation capital of Australia—there is no doubt about it. Another thing which rankles with people in the South-East (which has a very modest bus service, subsidised at about \$1.75 per head per annum) is the fact that the State Transport Authority has just lost another \$100 million in the past financial year. So, country people look at the city and are somewhat envious of a State subsidised transport system. It behoves the Premier quite ill when he says that the Government is subsidising water and sewerage costs in the country. If one considers the amount of money that the E & WS Department owes *in toto*, that \$101 million in interest, is only the equivalent of \$101 million straight loss by the STA. For that reason I have no qualms of conscience about asking for the Finger Point sewage scheme to be reinstated.

Apropos the Finger Point sewage scheme, I am pleased to see that it has appeared on the yellow pages of the E&WS Department's PPB and, although there is no specific amount stipulated, it is at least there. I read in a couple of lines which have been placed somewhat belatedly in that book that there will be some land acquisition. The land should have been acquired three years ago—we had that in train when we were in government.

Mr Klunder: Why didn't you do it?

The Hon. H. ALLISON: We were just doing it. We had the prices negotiated; we had \$500 000 on the budget, and you took the \$500 000 away and spent it elsewhere—that is the reason.

An honourable member: Didn't you realise that there was an election coming up?

The Hon. H. ALLISON: The honourable gentleman asks did we realise that there was an election coming. The essential difference is that, for the preceding two years, on that restricted paper (I think it is 82/86 E&WS Department) there are the complete plans, specifications, the site location for the lagoonage, for the plant itself, for the two types of sewage plant to be constructed (either the \$6.9 million with the whey or the \$4.6 million without the whey) and all the whey volumes were calculated, so that all the work has been completed. When I read that there will be some replanning, that makes me think that that is a stalling operation if there ever was one. That is why I am saying that we had done all the work; we were all ready to roll, and now I learn that sometime between now and 30 June next year we are going to have another rethink about it. To my way of thinking, those plans and specifications should be handed over to Public Works, they should be approved within a month and the project should be under way within, say, a couple of months from now.

Mr Klunder interjecting:

The Hon. H. ALLISON: We lost government, did we not?

Mr Klunder: Yes, you did.

The Hon. H. ALLISON: We did. And the Cabinet submission with approval is also on the file. I notice that the Premier has never extracted that and does not say that it was never approved. He has never denied that. He has just said that the money was not there, something of which he made sure; he took the money away and spent it elsewhere. The project would have been completed in October 1985.

An honourable member: Yes, everything would have been finished.

The Hon. H. ALLISON: Yes. One more thing will be finished, and that is the present Government. No doubt the honourable member will acknowledge that from another position in private enterprise.

Mr Trainer: Tell us about privatising the Potato Board.

The Hon. H. ALLISON: I do not have to do anything about the Potato Board, because the Minister has already taken the necessary action, with which I concur. If the honourable member is expecting an apology from the member for Mount Gambier for having assisted in the phasing out over the next two years of the Potato Board, he will be waiting for a very long time.

Mr Trainer: How did your colleagues feel about that?

The Hon. H. ALLISON: The honourable member would realise that, as a member of the shadow Cabinet, I had the concurrence of my colleagues to take the action that I did. I admire my colleagues for their pragmatism.

The ACTING SPEAKER: Order! The honourable member for Mount Gambier will address the Chair.

The Hon. H. ALLISON: It is a wonderful group of people to work with. Whilst on that subject, the former Tonkin Government's Cabinet, which served for three years and a couple of months and which was the second longest serving

Government in South Australia's history, had the most stable Cabinet in Australia during that time—the same shadow Cabinet, with one change through the resignation of the member for Victoria, who leaves the Parliament at the next election. That demonstrates quite clearly that there is no split in the Liberal Party. We have a very stable group of fellows on this side of the House. That is most unlike the situation which pertains on the other side of the House. Year after year we see more and more extremely high calibre Independent Labor members sitting on those green seats. I have no doubt that that practice will continue after the next election. I congratulate you, Mr Acting Speaker, upon the manner in which you vanquished those who would have cheerfully seen you elsewhere, despite the loyal service which you had given over the preceding years.

Mr MEIER (Goyder): I wish to express my disappointment about the way in which the budget was presented by the Premier. In the financial statement presented to the House, the Premier stated:

The budget for the coming year is based on a balanced result on both recurrent and capital transactions and of course a balanced result overall.

What do we find? From the third paragraph of that speech onwards we find statements having been made that show hypocrisy and dishonesty. Earlier this week we saw in the *News* late edition, under the headline 'Budget bombshell, South Australia faces \$80 million deficit', the following paragraph:

The South Australian Government probably will be \$80 million in the red by the end of the financial year, according to a bombshell report tabled in the Parliament late this afternoon. This is far from the balanced result predicted by the Premier (Mr Bannon) when he brought down the budget last month.

Today we have seen prolonged debate that clearly showed so many things wrong with the budget. What has hurt me most is that, as a backbencher, I took some of the statements in the budget speech to be factual. In fact, I learned a lesson that I will never forget.

Mr Baker: You just cannot trust them.

Mr MEIER: To say that one cannot trust them is an understatement. After hearing that speech and looking at other statistics, I put out the following press release:

The special Jubilee maintenance program for school buildings during the next three years is one that schools in Goyder should benefit from. I will work very hard to see that the many schools that have substandard buildings have their cases brought to the Minister of Education's attention so that improvement can occur.

Why did I say that? Why did I raise that part of the budget? If one looks at pages 11 and 12 of the budget one will see that the Premier said:

The Government is also aware of the concern that has developed in the community regarding the standard of maintenance of Government assets, especially school buildings. It has therefore decided to increase its efforts in this area through the creation of a special Jubilee 150 maintenance program which will be run over three years, commencing this financial year. The program will involve expenditure exceeding \$90 million over those three years to cover maintenance and minor repair of buildings and replacement of equipment.

It was obviously something new, an innovation of this Government, a significant handout, one that I had been pushing for some time because, if one sees the state of school buildings in my district, one will appreciate that their maintenance is most substandard and the \$90 million over three years is needed.

This new extra injection of funds was needed. So, I praised that aspect of the budget. But, what have I found out since, from a variety of sources? For the purposes of this debate I refer to an article in the *Advertiser* of Saturday, 31 August, by Matthew Abraham, who looked at this very point in the budget. He says:

The budget papers this year had a number of press releases marked under the impressive stamp 'Budget Brief.' One of these

announced a '\$90m Jubilee program to upgrade and maintain community assets,' particularly schools. The 'Budget Briefs' said this \$90m was a three-year guarantee of maintenance funding to address the 'considerable concern about the deterioration of school and other buildings.' It said the plan was a unique commitment and a 'new deal' for building maintenance. Golly, \$90m is a lot of money, isn't it? Every school in the State could get a facelift with that sort of gift.

The brief neglected to point out that the \$90m Jubilee program is a sleight of hand mainly achieved by pulling together the usual maintenance allowances for schools under a pretty Jubilee title. Treasury explained that of the \$90m, a total of \$81m would normally have been spent over the three years, and the actual increase in funding over the three years would be 'around about \$9m.' The increase in 1985-86 would be, wait for it, \$1.5m.

That represents a rise of about 5 per cent for 1985-86. With inflation planned at 8 per cent it means school maintenance funding will be cut by 3 per cent in real terms. The 'new deal' is no big deal. Happy Jubilee 150, teachers and students.

I pointed out earlier that the maintenance program in my district of Goyder, as is I believe the case in many other schools, is behind. I am saddened because the Premier has deceived the people of South Australia in the way that it was couched in the budget. I do not know why he has not got the guts to say the truth at the time and not try to tell untruths.

Mr Mathwin: He's fudging.

Mr MEIER: The member for Glenelg mentions the word 'fudge', which brings back many memories in this House of fudging in earlier days.

Mr Oswald: I call it dishonesty.

Mr MEIER: Dishonesty is another word which could be used instead of fudging.

The ACTING SPEAKER: Order! I ask the member for Goyder to address the Chair and try to ignore interjections.

Mr MEIER: I really feel sorry for the Premier. I suppose I have to apologise to my electorate for misleading them and saying that there is this special Jubilee 150 \$90 million program. I do not know how I will reverse that without some embarrassment to myself. But the real culprit is the Premier. I do not see why he could not have said that for the next three years there would be a \$9 million increase, which is a 5 per cent increase and which means in real terms a 3 per cent cut. That would have been nearer the truth. So be it.

We seem to have come up with other things that look good and positive, but in fact they are not. As the Leader of the Opposition pointed out, it has been indicated that there will be an increase in the size of the Police Force by 50 officers, but apparently what has not been said is that all this will achieve will be to bring the commissioned officers, non-commissioned officers, constables and trainees back to the 1982 level.

Between 1982 and 1984 active police manning levels were reduced by 46, so the figure is being restored to that of three years ago, at a time when we want to fight crime and get South Australia back on to a better and safer keel. This Government says that it had better get back to the figure of three years ago because there is an election coming up. However, it hides the figures in such a way as to make it look as though there is an increase of 50 officers.

The Premier has been shown for what he is—a person desperate to hang on to government at any cost. I believe that it does not matter how long he hangs on to government, whether he goes to the people in the next month, in November, December or, after saying there is no way he can win this year, waiting until next year. The longer he waits, the worse it will get. The people of South Australia have seen through the smokescreen: I do not think that they can be deceived any longer. It is a pity that the vote this afternoon was not carried, because we would be giving the people a chance to get rid of a Government determined to hang on at any cost.

We have heard a lot about privatisation and the fact that the Government has to cut expenditure if it is to stop the continual spiral of tax increases. It was of interest to me to see a headline in a Victorian paper (I am fairly certain it was the *Age*), as follows: 'State Governments urge lift off on airlines free for all.' The article, by Paul Austin, states:

The Victorian and South Australian Governments have called on the Federal Government to abolish Australia's two-airline policy in favour of a highly competitive 'open skies' domestic market.

The article states later:

The Victorian Minister for Transport, Mr Roper, said deregulation would benefit both the industry and travellers. He said the abolition of the TAA Ansett only policy would inevitably lead to lower fares—claiming that they could be slashed by up to 50 per cent on some routes... the Victorian submission, which calls for the total deregulation of the domestic airline industry... For real benefits to flow, the industry must be free to react to consumer demands and face real competition.'

Then, later, it states:

The Victorian Government believed that deregulation would not adversely affect the viability of Ansett and TAA but allow them to abandon unprofitable routes, which could then be taken up by the new entrants.'

Then, later again, it states:

The South Australian Government yesterday indicated support for a deregulation in a strongly worded statement...

If that deregulation is not advocating a greater emphasis on private entrepreneurs coming into the airline industry, I would like to know what is. However, we have heard members in this House this week criticising privatisation type policies when the South Australian Government, according to this article, is seeking it in some areas.

We have heard other examples mentioned today and during this week of where this Government, when it wants to look at privatisation and sees that it can save money, says that it is all right. If we look back at the Auditor-General's Report in relation to the budget it is interesting to see another aspect of privatisation advocated by the Auditor-General. It has been mentioned by a number of other speakers, but I also wish to highlight it. I refer to school cleaning. The report states:

Since 1979 the Education Department has been progressively phasing out, wherever practicable, petty cleaning contracts as they expire. It has sought competitive tenders to replace those contracts.

It then looks at the cost effectiveness of that management change. In regard to those figures it states:

Based on present contracts, the estimated annual savings in using industrial cleaners is \$2.2 million. Continued emphasis on competitive tendering will produce further and substantial savings, possibly as much as a further \$2 million by 1990.

So, the Auditor-General is also advocating that the Government get out wherever possible and let contractors come in.

If we look at the concept of privatisation, we see some very clear examples from an expert on the subject, Dr Masden Pirie. Before going into some of those examples (as time does not permit), I would like to take up a few other concerns that worry me and the electorate of Goyder in relation to economic matters. I refer, first, to water meter readings. For some time now I have been receiving regular complaints that people have had their meters read and that there have been huge excesses of water. The reasons put forward vary: it has been said that a meter has been turned off or that very little water could possibly have been used. Yet, the E&WS is charging large amounts.

The Hon. R.G. Payne interjecting:

Mr MEIER: Yes, the Minister of Mines and Energy, when Acting Minister of Water Resources, did fix up one case and I was very thankful for that.

I refer to the latest example that came to my attention last week. I wrote to the Minister about it only this week,

but I also bring it to the attention of the House. I have a letter from a Mr D.T. Kenny, of Ardrossan. Mr Kenny took possession of a new section of property in February this year. According to Mr Kenny, prior to his purchase apparently there were high readings of water consumption from the meter and it seemed that the people who had owned the property before him used a considerable amount of water.

However, since Mr Kenny took over he indicates that no water has been used in the house on the property as no-one has lived there. He has had the pipes checked and they are not leaking. Yet, the E&WS has sent back a water rating that indicates that something like 1 100 gallons of water was used for every day of the period. He says that that is impossible. When he asked to have the meter looked at, an officer indicated to him that the meter had always read high. Mr Kenny was not terribly happy with that answer. He contacted the local area office and the meter was subsequently removed and a new meter installed.

Mr Kenny was not happy about that either, because he said that the least that could have been done was to check the old meter that went out. What is more, Mr Kenny was not informed that the meter would be taken out. In his opinion, the primary piece of evidence has been removed. Now it is simply hearsay of one person against another as to whether or not that meter was the cause of the inaccuracy. He told me that since the new meter has come in the readings have been what he regards as normal. That matter will be looked at by the Minister, and I will be interested to see the result.

Another matter that I have not taken up with the Minister also involves Mr Kenny: he had a query with another meter on his property. That meter had read 13 kilolitres, according to him, at the time that he took over. When he took over that property he turned off the tap. Six months later he received a notification that he had used during the past six months 13 kilolitres—exactly the reading that had been there six months earlier. Thankfully, Mr Kenny had noted that reading, and he told the E & WS, Department, 'That 13 kilolitres cannot have been used in the past six months, because I had the meter turned off all the time.' I give credit to the E & WS, Department because it acknowledged that fact and will not charge him for it, but if that can happen I wonder how many people who do not take the trouble to read their meters are caught.

Whilst I have two or three other examples, I will not mention each in detail other than that involving the Central Yorke Peninsula Show Society, which matter I have taken up with the Minister, but this time unsuccessfully. The amount of excess water during the last year approximates \$1 000, when there had never been an excess water charge before. I was hoping that the Minister would at least have said, 'All right, various tests were done; we feel that the onus is on the CYP Show Society and we will give the benefit of the doubt by waiting one further year or show, (which is coming up in the next few weeks) to see what sort of reading there is then'. But the Minister has not given that undertaking. Rest assured that I will wait until the completion of the show and until the meter reading is taken to see how much water is used. No matter what is the case: if there is an excess water reading I will report that to the Minister and say, 'Okay, your E & WS Department was probably correct.' Likewise, if it is significantly less I will report that and seek some remuneration for the \$1 000 or so that the society had to pay in the previous year. Whilst talking about water meters, I come to a problem that we are still haggling about: metered water hydrants.

The Hon. R.J. PAYNE (Minister of Minerals and Energy): I move:

That the sittings of the House be extended beyond 6 p.m.

Motion carried.

Mr MEIER: This issue of the metered water hydrants has caused me alarm for nearly two years. I have written regularly to the Minister. The Local Government Association has taken up the matter, and I was firmly of the opinion at the beginning of this year that the Minister would see reason. In fact, the Minister said that I should not concern myself with taking the matter up further because, for all intents and purposes, it was resolved satisfactorily between the Local Government Association and himself. Some things were resolved: for example, the date of introduction was delayed from 31 July 1985 to 1 January 1986; and the cost of rental and the deposit for the readings was satisfactorily worked out. However, the biggest matter was whether or not councils could keep the 50 millimetre water hydrants, because the proposal was for water hydrants to decrease from 50 millimetres to 25 millimetres.

Readings were taken by one council in my electorate which showed that the rate of flow—and these figures were read into *Hansard* in the last session and I will not repeat them—decreased significantly through a 25 millimetre hydrant and the time factor in filling up water tankers for councils increased phenomenally. In fact, the total cost of water for councils to use in road works would have increased by over 450 per cent. Councils cannot afford that increased cost in one jump.

Bearing in mind that I was under the impression that the Minister had resolved the matter—because he told me to leave it alone and that things would be all right—I have now found that there has been an about face and that many people in local government, including the Local Government Association, are disturbed and annoyed with the Minister's action. In fact, the Local Government Association Chairman, Councillor Des Ross, wrote to the Minister expressing his complete dissatisfaction with the way in which the Minister went back on what he earlier said. Part of his letter, dated 11 July, states:

It is with some frustration that after months of quiet negotiation devoid of political intrusion, I now find we have reached a stalemate. Accordingly, I respectfully advise it is my intention to use the full political processes to endeavour to achieve what I regard as a just resolution of the matter for the member councils of the Local Government Association.

It is very disappointing that, after months of negotiation and after a verbal commitment that the matter would be allowed to proceed using the 50 millimetre hydrant, this issue now comes back to base one. I hope that the Minister will rethink his decision. If he is happy to see council costs going up extraordinarily, that is his right, but I believe that this is another classic example of where the Government has mishandled money matters to do with this State. This is a clear cut example of where we could be saving a lot of money in South Australia by lowering rates for electors in local government areas. For that reason I hope that the Government will be out of office soon.

Mr BECKER secured the adjournment of the debate.

ADJOURNMENT

At 6.5 p.m. the House adjourned until Tuesday 17 September at 2 p.m.