

HOUSE OF ASSEMBLY

Tuesday 6 September 1988

The **SPEAKER (Hon. J.P. Trainer)** took the Chair at 2 p.m. and read prayers.

DEATH OF MR L.C. NICHOLSON

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

That this House expresses its regret at the recent death of Mr L.C. Nicholson, former member of the House of Assembly, places on record its appreciation of his meritorious service and, as a mark of respect to his memory, the sitting of the House be suspended until the ringing of the bells.

We have just been advised of the passing of Mr Leslie Charles Nicholson, who as I understand it was known as 'Bob' Nicholson and who was the member for Light in this place from April 1960 to March 1962. He entered Parliament following a by-election in Light caused by the death in March 1960 of Mr George Hambour, who had been the member for Light for the previous four years. At the time that he won the seat, Mr Nicholson was 57 years old. He was a local farmer and grazier, well known in the district of Light. Prior to entering Parliament he had a very strong record of local community involvement which obviously commended him both to his Party and to the electorate in filling the unexpected vacancy.

He spent 36 years as a member of the Eudunda Agricultural Society; 16 years as a member of the Eudunda Area School Committee, including 10 years as Chairman; 13 years as a member of the Eudunda Hospital Board, including four years as Chairman; four years as a councillor on the Eudunda District Council, plus a year as Chairman, and he had a very keen interest in local sport. So, clearly his interests were in matters that involved his district, pastoral, agricultural and fruit growing, but they covered very strong community participation. Therefore, it is probably not surprising that when the opportunity came he entered Parliament.

However, his time in the House was short. He did not suffer from rejection by his constituents or his Party. In fact, he chose to retire: presumably the parliamentary life, he considered, was not for him, and he returned to service in his local community at Eudunda. Sir Thomas Playford—then Mr Thomas Playford, the then Premier in speaking of the retiring member said:

Mr Nicholson has not been in this House long, but he has endeared himself to members. He is kindly and helpful.

The member for Ridley, Mr Tom Stott, reiterated those words when he said of Mr Nicholson that 'he had done short service here but he is a likeable fellow. He likes to sit down and yarn in a convivial way'. I did not know Bob Nicholson but with those kind words from his contemporaries, on behalf of the people of South Australia, I extend to Mr Nicholson's family my sincere regret at his passing.

Mr OLSEN (Leader of the Opposition): I rise to support the motion of condolences on the passing of Lesley Charles Nicholson, known as 'Bob' to his friends. As the Premier has indicated, he was elected to this House on 23 April 1960 on the death of Mr George Hambour. He served out the remainder of that parliamentary term. Whilst his career in this place was brief, he demonstrated an interest in important issues that still concern this House today.

In his only Address in Reply speech Mr Nicholson spoke about the importance of continuing advances in education

and he also called for a more vigorous effort to establish additional water supplies for South Australia, warning that we could not rely on the Murray indefinitely. He also brought before the House concerns of his electorate in relation to roads and electricity supplies.

Before entering Parliament Mr Nicholson had followed up the agricultural pursuits of his family in the Eudunda area. In his later years he lived with his sister at Brighton. About three years ago, when into his eighties, he attended a Commonwealth Parliamentary Association function at Parliament House. That was one of the first occasions on which he returned here since stepping out of political life. Mr Nicholson is survived by four daughters, a son and their 14 children. To his close family I offer my condolences on behalf of the Party that Mr Nicholson represented in this Parliament between 1960 and 1962.

The SPEAKER: I will ensure that the condolences expressed by members and reported in *Hansard* are conveyed to the relatives of our departed colleague, and I ask members to stand in their places and carry the motion in a traditional manner.

Motion carried by members standing in their places in silence.

[Sitting suspended from 2.6 to 2.15 p.m.]

PETITION: HOUSING TRUST RENTS

A petition signed by 50 residents of Penola praying that the House urge the Government not to increase Housing Trust rents above 25 per cent of the net income received in each dwelling was presented by Mr D.S. Baker.

Petition received.

PETITION: ARMED HOLD-UP PENALTIES

A petition signed by 16 residents of South Australia praying that the House urge the Government to abolish parole and remissions of sentences for persons convicted of an armed hold-up offence was presented by Mr Becker.

Petition received.

PETITION: HOUSING TRUST RENTS

A petition signed by 112 residents of South Australia praying that the House urge the Government to limit South Australian Housing Trust rental increases to once a year in line with inflation and not to consider the Family Allowance Supplement and War Veterans Disability Allowances as income was presented by Mr Becker.

Petition received.

PETITION: AUSTRALIA DAY

A petition signed by 19 residents of South Australia praying that the House urge the Government to legislate to provide for the Australia Day public holiday to be observed on 26 January each year was presented by Mr Ingerson.

Petition received.

QUESTIONS

The SPEAKER: I direct that written answers to the following questions on the Notice Paper, as detailed in the

schedule that I now table, be distributed and printed in *Hansard*: Nos 1, 8, 23, 24, 27, 32, 33, 39 and 42; and I direct that the following answers to questions without notice be distributed and printed in *Hansard*.

IMMIGRATION POLICY

In reply to Mr GROOM (17 August).

The Hon. L.M.F. ARNOLD: Further to my response given on 17 August 1988 I provide the following information:

Sources of Business Migrant Families
Settling in South Australia

Cases	1985-86	1986-87	1987-88
Hong Kong/Taiwan	22	48	63
Malaysia	7	6	12
United Kingdom	1	5	10
West Germany	1	3	6
Singapore	5	4	6
Brunei	2	6	5
Syria	—	—	3
Fiji	—	—	2
Korea	—	—	1
Japan	—	—	1
Ireland	—	1	—
Spain	1	—	—
Other	5	2	5
Total	44	75	114
National Totals	456	916	1 852

Background

The majority of business migrants who have settled in South Australia to date have done so resultant from involvement in the State Government's overseas marketing program. It is hoped that with the advent of agency accreditation more business people from the South Australian private sector will become active in marketing the State overseas to prospective business migrants.

PERFORMANCE INDICATORS

In reply to Mr M.J. EVANS (9 August).

The Hon. J.C. BANNON: The Government Management Board and the Department of Services and Supply joint report on performance indicators described the application of performance indicators in the South Australian public sector. Since the preparation of that report, a number of agencies have been refining their objectives and strategies and have been developing performance indicators which will enable them to assess their performance against the defined objectives.

For the first time, the Program Estimates for the 1988-89 budget will include, wherever practicable, program performance indicators. However, there are instances in which it will not be possible to include indicators at this stage. Indicators are the result of a process of gradual refinement over time and the scope of the performance indicators included in the Program Estimates will be progressively broadened.

AUDITOR-GENERAL'S REPORT

The SPEAKER laid on the table the Auditor-General's Report for the financial year ended 30 June 1988.

Ordered that report be printed.

MINISTERIAL STATEMENT: TAFE FEES

The Hon. J.C. BANNON (Premier): I seek leave to make a statement.

Leave granted.

The Hon. J.C. BANNON: Mr Speaker, I wish to make a statement in relation to a matter raised in the budget statement, currently before the House. As members would be aware, the budget allowed for the introduction of an administrative charge for higher education students who are undertaking associate diplomas at technical and further education colleges in South Australia. The cost to students of such a fee would be \$263 per annum, consistent with the administration fee currently charged to university and college of advanced education students. The budget impact would have been \$1.3 million.

During the budget speech I said that such a fee had been considered as an option to partially overcome the reduction of funding from the Commonwealth Government for higher education and avoid the need for general fee increases or general cuts in courses. That reduction was in the order of \$3.8 million. I also explained that the Government had not had the opportunity to fully study the impact of new proposals on funding of higher education contained in the Federal Government's budget handed down two days earlier. I said then that the decision on the administrative fee contained in the South Australian budget could be modified following a study of the Federal Government's budget proposals. The Federal budget provided for a new system of payment by tertiary students to be known as the Higher Education Contribution Scheme. The two exceptions to this scheme were students undertaking TAFE courses and students involved in nurse education.

In the light of the Federal budget decision which exempted TAFE students, the South Australian Government considered it inconsistent to impose a charge on TAFE students. Therefore, the Government has decided not to proceed with the administration fee for students studying for associate diplomas. It is hoped that the shortfall of \$1.3 million will be made up through better budget management throughout the Government. As the Government considers the provision of training courses to be a major priority, it will not be made up through general cuts to TAFE courses.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Environment and Planning (Hon. D.J. Hopgood)—

Planning Act 1982—Crown Development Reports for—Proposed O'Bahn Busway Interchange and Commercial Development at Tea Tree Plaza.
National Parks and Wildlife Act 1972—Regulations—Park and Camping Fees.

By the Minister of Employment and Further Education (Hon. L.M.F. Arnold)—

Roseworthy Agricultural College—By-laws—General.

By the Minister of Transport (Hon. G.F. Keneally)—

Building Act 1971—Regulations—Boarding Houses.
State Transport Authority Act 1974—Regulations—Expiation Fee.
Corporation of Salisbury—By-law No. 3—Garbage Containers.

By the Minister of Education (Hon. G.J. Crafter)—

Supreme Court Act 1935—Supreme Court Rules—Documents, Representation and Interest.
Children's Protection and Young Offenders Act 1979—Regulations—Protection, Infringement Notices and Interstate Transfer.

By the Minister of Health (Hon. F.T. Blevins)—
Medical Practitioners Act 1983—Regulations—Registration Fees.

By the Minister of Fisheries (Hon. M.K. Mayes)—
Fisheries Act 1982—Regulations—
Abalone Sizes.
Fish Processors—Licensed Operators.
Marine Scale Fishery—Corporate Licences.
Lakes and Coorong Fishery—Corporate Licences.
Western Zone Abalone Fishery—Corporate Licences.
Central Zone Abalone Fishery—Corporate Licences.
Southern Zone Abalone Fishery—Corporate Licences.
River Fishery—Corporate Licences.
Northern Zone Rock Lobster Fishery—Corporate Licences.
Southern Zone Rock Lobster Fishery—Corporate Licences.
West Coast Prawn Fishery—Licences.
Spencer Gulf Prawn Fishery—Licences.
Gulf St Vincent Prawn Fishery—Licences.
Miscellaneous Fishery—Licences.

By the Minister of Water Resources (Hon. S.M. Lenehan)—
Fees Regulation Act 1927—Regulations—Water and Sewerage Planning Fees.
Sewerage Act 1929—Regulations—Disconnection and Inspection Fees.
Water Resources Act 1976—Regulations—Fees Various.
Waterworks Act 1932—Regulations—Connection and Meter Fees.

By the Minister of Lands (Hon. S.M. Lenehan)—
Real Property Act 1886—Regulations—Panel Forms.
Lands—
Crown Lands Act 1929—
Surrenders Declined—Return, 1987-88.
Cancellation of Closer Settlement Lands—Return, 1987-88.
Discharged Soldiers Settlement Act 1934—Return, 1987-88.
Pastoral Act 1936—Pastoral Improvements—Return, 1987-88.

By the Minister of Marine (Hon. R.J. Gregory)—
Boating Act 1974—Regulations—Angas Inlet Zoning.
Harbors Act 1956—Regulations—Fees.

MINISTERIAL STATEMENT: SP BOOKMAKING

The Hon. M.K. MAYES (Minister of Recreation and Sport): I seek leave to make a statement.
Leave granted.

The Hon. M.K. MAYES: During the debate on the Racing Act Amendment Bill on 18 August 1988, in referring to the extent of police activity in the area of SP bookmaking, I stated:

Over the past five months, 18 prosecutions have been launched by the Gaming Squad against people operating as illegal SP bookmakers and, over the same period, 11 prosecutions have been successful, one involving a fine of \$10 000.

The above advice given to me was correct in terms of the number of prosecutions and the level of fine; the period, however, during which these prosecutions occurred was one year and five months.

PORT LINCOLN PRISON

The SPEAKER laid on the table the following interim report by the Parliamentary Standing Committee on Public Works:

Port Lincoln prison alterations.
Ordered that report be printed.

QUESTION TIME

SEMI-GOVERNMENT AUTHORITIES

Mr OLSEN: I address my question to the Premier. Why has the Government written off debts incurred by three semi-government authorities worth almost \$30 million and is the Government considering similar action to help other authorities with poor financial records? I refer to decisions revealed in the annual report of the South Australian Government Financing Authority, but not previously announced by the Government, to convert to non-repayable capital debts of \$28.6 million incurred by the South Australian Timber Corporation, the Central Linen Service and the State Clothing Corporation.

At the common interest rate that SAFA was charging Government authorities for loans in the June quarter, these decisions will cost taxpayers more than \$3.8 million a year in interest forgone. These three authorities, which have consistently incurred financial losses on their operations, also are competing directly with the private sector in various commercial activities, which means the decision to write off their debts will give them a further unfair trading advantage.

The Hon. J.C. BANNON: The Leader of the Opposition misinterprets the accounts and the financial restructuring that is taking place in public authorities.

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: Far from these arrangements costing the taxpayer money, they will save the taxpayer considerable amounts of money. In relation to the three agencies to which he has referred—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: —a better application and understanding of the principles of public finance would help discussion of these issues in this Parliament. We have provided an enormous amount of information which is constantly misunderstood, misinterpreted or abused. Be that as it may, I will refer to the three agencies that he has mentioned. In the case of Satco—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: —detailed attention has been paid to its financial structure. In response to a series of reports and queries from the Auditor-General and from the Public Accounts Committee, a select committee of the other place is currently looking into this matter. I think it will be seen that, in that restructuring, the way in which Satco and its finances have been handled has saved a considerable amount of money. Some of the ventures being undertaken by Satco stand to make a considerable amount of money. Be that as it may, the Central Linen Service has been one of the star performers in public sector activity.

Members interjecting:

The Hon. J.C. BANNON: Members opposite jeer, but the fact is that a number of public sector operators have sent people to study the workings of the CLS to see whether they can improve their own performance. The CLS, by the proper application of capital on sound business principles—which ought to be understood by members opposite, but plainly is not—is making a profit, and a good one for the taxpayers of this State. It is an extremely desirable asset of the Government and the community of South Australia. I repeat, very envious eyes have been cast on it by those in the private sector. The State Clothing Corporation has recently entered a relationship with the—

Mr Olsen interjecting:

The SPEAKER: Order! I call the Leader of the Opposition to order.

The Hon. J.C. BANNON: Its performance has lifted very sharply and is in marked contrast to the starvation of capital under the Tonkin Government which resulted in its showing constant losses. Indeed, that induced that Government to try to make a fire sale of it and no-one was interested. It is now a desirable adjunct to or part of the CLS operations and has not only saved the taxpayer money in a conscious sense but in the long run will make money for the taxpayer. Therefore, I thank the Leader for drawing attention to this refinancing and to the way in which this Government has looked at the range of public sector activities. We are putting them on a sound financial basis with a view to their yielding dividends and returns.

Members interjecting:

The SPEAKER: Order! The Premier will resume his seat. I call the Leader of the Opposition to order for the second time for his sixth loud interjection. The honourable Premier.

The Hon. J.C. BANNON: It is interesting that the Opposition makes these complaints when, for instance, one looks at the handling of Samcor by the previous Tonkin Government—not to the same effect—but we had to do quite a lot of work when we came into government. I understand from the Minister that Samcor is now showing a profit. It is a profitable operation as a result of some financial restructuring that took place. That is how we are tackling these enterprises. I thank the Leader for his question, and I ask him to look at the detailed financial information and try to understand it a little better.

The SPEAKER: Order! I call the member for Hayward.

TAFE

Mrs APPLEBY: Thank you, Mr Speaker.

Members interjecting:

The SPEAKER: Order! The member for Hayward will resume her seat. For the third time I call the Leader of the Opposition to order.

Members interjecting:

The SPEAKER: Order! The Chair is not entering into debate. The Chair is calling the Leader of the Opposition to order. The honourable member for Hayward.

Mrs APPLEBY: Thank you, Mr Speaker. Can the Minister of Employment and Further Education inform the House on the possibility of further cuts in TAFE's central office? Following the State Government's decision not to impose a fee on TAFE students studying associate diplomas, the Opposition spokesman on education has suggested that the \$1.3 million shortfall in funding would be made up by further cuts in TAFE's central office. Mr Lucas has suggested that there has been a 300 per cent growth in the cost of central office since 1974 and that there are significant opportunities for savings.

The Hon. L.M.F. ARNOLD: I have heard the Hon. Mr Lucas make these statements. When I heard them this morning the thought occurred to me that I was trapped in a time warp, as I recall hearing identical comments at the same time last year. I can just imagine what happened to the Hon. Mr Lucas this morning when the *Advertiser* came out with the report by the Government that the fee for associate diploma students in TAFE would not be charged. He was probably telephoned by the media, rushed to the telephone, and floundered around for the press releases that he was going to quote from for this. He would have said

to his wife, 'Grab the press release file' and she picked up the wrong year—she picked up last year's press release file—and he grabbed the one on 'TAFE central office' and quickly read out the statements that he made last year, because they are a carbon copy of the statements that he made last year.

Last year he told us that there was a 300 per cent growth in the TAFE central administration from 1973 to last year. He also said that that fat should be cut out. On that occasion, I indicated that he was comparing chalk with cheese, and that, when he was taking the 1973 figure, he was not taking into account those public servants employed in the Education Department who were servicing the Department of TAFE for payments of accounts and salaries and for other administrative purposes: they were not in the base figure upon which he built his percentage.

Likewise, he had not taken into account the amount of money spent by the central office on maintenance and other expenses that are related not to the central office but to the 21 colleges in the TAFE system. In other words, those costs could be truly attributable to the colleges and not the central office budget.

The other point he did not take into account is that which was made clear last year during the budget proceedings, and I would have thought that, as someone who purports to be a responsible shadow Minister, he would study and analyse these figures assiduously. He did not understand that a significant cutback in the central office budget was built into the 1987-88 budget with flow-on effects into 1988-89. I have some statistical data about those cutbacks which I seek leave to have inserted in *Hansard* without my reading.

Leave granted.

SUMMARY OF CENTRAL OFFICE BRANCHES AND RESOURCE

4.6.1 Central Office 1987-88 Budget Savings Strategy

An analysis of approved savings strategies for 1987-88 and the full year effect is shown in the following table 1.

TABLE 1

Branches	Target 87-88	1987-88	Budget Achieved		Strategy Total	F.Y.E. of Strategies \$'000
			Del Budget \$'000	Salaries \$'000		
Equal opportunities	88.0	0.0	68.0	68.0	85.0	
Internal audit	2.0	2.0	—	2.0	2.0	
Policy support (2)	72.0	4.5	67.2	71.7	147.0	
Publicity	21.9	22.0	—	22.0	24.9	
Physical resources	48.5	—	48.0	48.0	78.0	
Information systems	10.0	10.0	—	10.0	10.0	
Occupational health and safety	2.0	2.0	—	2.0	.0	
Supply	20.0	3.0	17.4	20.4	29.4	
Administrative resources	72.1	20.0	62.8	82.8	103.0	
Finance and account- ing	44.5	5.0	55.0	60.0	37.0	
Personnel services (4)	—	—	—	—	—	
Organisational serv- ices (4)	—	—	—	—	—	
Administrative serv- ices	33.0	3.0	36.0	39.0	90.0	
Personnel unit	30.0	30.0	—	30.0	30.0	
Staff development	53.0	14.0	48.5	62.5	92.0	
Learning resources	22.0	—	22.0	22.0	22.0	
College operations (2)						
(3)	78.7	10.0	58.2	42.9	130.3	
Curriculum	145.0	56.0	89.0	145.0	180.3	
Directorate-General	23.0	23.0	—	23.0	23.0	
Total	745.7	204.5	572.1	751.3	1 085.9	

Notes:

(1) Assumes delegated budget reductions in 1987-88 are permanent

- (2) Assumes savings from redeployees are achieved
- (3) Strategy incorporates special services
- (4) Savings incorporated into administrative services cost centre

The Hon. L.M.F. ARNOLD: Members will see that those figures indicate that in 1987-88 there was a cut of over \$750 000 in the running costs of central office, representing a 10 per cent cut in budget for the central office. The effect this year is a further 3 per cent cut in the cost of central office, making over the two years a cut of \$1.3 million.

That is a cut of over 13 per cent in the central office of the Department of TAFE. That is brought about by many efficiencies within that department and also built on the efficiencies developed over recent years. Mr Lucas should also have remembered that we appointed an independent chairperson to chair a committee to consider further savings in the central office administration, a former Auditor-General, Mr Tattersall. His report, now received, says, among other things, that there are other potential savings to be had, but he makes this point: few of those total identified savings to be had are available in the immediate short term; they are achievable over time. The reality of that is that we have already taken out \$1.3 million, and there is not that much room to move in the short term.

Obviously, Mr Lucas is also very short of hearing or short of memory, because the Public Service Association, on behalf of officers employed in the central office, concerned as they were about the mischief that Mr Lucas sought to make in respect of the central office, went to see him to put him correct about the situation by telling him what the facts really were about central office costs and to point out this chalk and cheese argument that he insists on promoting. They put him right on that but, again, that was not good enough for him, and he had to bring out a carbon copy of last year's press release. I guess that means that next year we will see a carbon copy brought out yet again from someone who is so bereft of ideas that the best he can do is to hark back to the themes of the past.

SEMI-GOVERNMENT AUTHORITIES

The Hon. E.R. GOLDSWORTHY: Will the Premier explain what is meant by the following statements, the first appearing in the Auditor-General's Report, under 'State Clothing Corporation', as follows:

Attention is drawn to the operations of the State Clothing Corporation. The corporation incurred an operating loss of \$496 000 for the year. The cost of goods sold exceeded sales revenue.

At page 25 of the SAFA report, the following statement appears:

Debt previously provided by SAFA to the State Clothing Corporation (\$0.6 million) was converted into a non-repayable capital provision by SAFA, with the future rate of return to SAFA subject to the profitability of the organisation. A similar conversion of the Central Linen Service's \$7 million debt to SAFA is close to completion.

The SPEAKER: Order! Before calling the Premier, in so far as the Auditor-General's Report was placed before the House only 10 minutes ago, although I cannot suggest to the Deputy Leader how he should ask his question, it might be helpful if he quoted the page on which the words appear.

The Hon. E.R. GOLDSWORTHY: I quoted from page 14 of the SAFA report and from page xii of the Auditor-General's Report.

The Hon. J.C. BANNON: The Deputy Leader has asked me to explain those statements but I think they stand by themselves. They are a financial description, and they reinforce the remarks that I made a minute ago in response to the Leader of the Opposition. In order to ensure that we

are getting a proper return on taxpayers' expenditure and that these services to Government are provided on an economic basis, the decision has been made to convert certain amounts of debt into equity. Therefore, the return will come as the operations move into profitability. In the case of the Central Linen Service, that is happening.

Members interjecting:

The SPEAKER: Order!

The Hon. J.L. Cashmore interjecting:

The SPEAKER: Order! The honourable member for Coles continued to interject at the very moment the Chair called the House to order, and that is highly disorderly. The honourable Premier.

The Hon. J.C. BANNON: I did not intend (and if that was the impression gained by members opposite I will correct it) to suggest that the State Clothing Corporation was at the same level of development as the Central Linen Service. I said that intensive work had been undertaken and, in particular, the Central Linen Service had now taken over a much clearer management role in the State Clothing Corporation factory. So, essentially it is an adjunct to that operation. Indeed, it dovetails in very well with the Central Linen Service and its operations. Therefore, in time we will see that, rather than the State Clothing Corporation requiring support or subsidy as part of that overall operation, it will in fact move into profitability.

The Deputy Leader is quite right to quote the figures: those are the operating results. In fact, major capital upgrading is taking place in both institutions. In fact, the State Clothing Corporation has a number of contracts and arrangements with the private sector (to which reference has been made) which have greatly increased its throughput and, in time, one would hope, its profitability. The end result will be very distinct extra advantages to the taxpayer.

I repeat: both of the bodies referred to are set up for the public benefit and, indeed, that has been proved. The savings to the hospitals system of having a Central Linen Service are enormous. If it is being suggested that we should close down those bodies, let the Opposition stand up and say that. This is very odd because the Opposition is suggesting that they are hopeless businesses which are overburdened with debt and that they are unprofitable; and how are we going to sell them? If the logic of members opposite is correct, they are not saleable. Of course, members opposite know that the truth is that they are very saleable indeed. In fact, people are looking at the Central Linen Service. If that is what members opposite want, they should stand up and say it.

Members interjecting:

The SPEAKER: Order! I ask honourable members to come to order.

The Hon. J.C. BANNON: I would like the Opposition to also advise the hospitals about the increased cost structure and increased charges that will be imposed as a result of that. That is also very interesting. I will ask my colleague, the Minister of Health, to do a little exercise to find out what will be the Opposition policy in relation to the Central Linen Service. The Opposition health spokesman is daily urging us to spend millions and millions of extra dollars on our health system when his colleagues in the Lower House, led by the Leader of the Opposition, are suggesting that we should put arrangements in place that would impose an even greater cost on the hospitals system. The Opposition should get its act straight and then the people of South Australia will better understand what it is on about.

O-BAHN INTERCHANGE

Ms GAYLER: Will the Minister—

Members interjecting:

The SPEAKER: Order! If the Chair has to again call the Leader of the Opposition or the Deputy Leader to order, they run the risk of being named, regardless of their status as senior members of their Party. The honourable member for Newland.

Ms GAYLER: Will the Minister for Environment and Planning advise the House whether planning approval has been granted for the \$3 million O-Bahn busway interchange at Tea Tree Plaza, which is proposed in conjunction with Westfield's \$50 million retail expansion and new office development? My constituents are enthusiastic about the completion of the O-Bahn to the plaza by the middle of next year.

Members interjecting:

The SPEAKER: Order! The Deputy Premier has the call.

The Hon. D.J. HOPGOOD: I can confirm that, under section 7 of the Act, this project has been given approval. Of course, a condition of the section 7 mechanism was that the local government authority be consulted, and certain advice that was tendered by the local government authority was taken on board in relation to the approval that was given. I think it is a very important development. In a sense it might even be regarded as a sort of mini version of the ASER development in that it will take advantage of air space associated with the interchange.

In fact, what we see here is a three level office building which is associated with both car parking and the transport interchange (which is the interchange and the terminal of the O-Bahn bus service). As a result of the one development there is this important provision of additional office and commercial space at what is, after all, the focus of community activities in the Tea Tree Gully area.

Also, a pedestrian overpass is to be incorporated from the interchange to the TAFE college and, as the honourable member has pointed out, there is also the very important extension of the Tea Tree Plaza complex itself. The O-Bahn development is proceeding and this construction will be a very important part of ensuring that the services that it provides to the people of the north-east can be provided in the most efficient way possible.

SOUTH AUSTRALIAN TIMBER CORPORATION

Mr OSWALD: My question is addressed to the Premier. Is it the Government's intention to amalgamate the operations of the Woods and Forests Department and the South Australian Timber Corporation? The Auditor-General has revealed in his report to Parliament today that he has recommended this amalgamation to the Premier. Mr Sheridan says, 'It is a matter for urgent consideration.'

In his report, he has again drawn attention to certain financial aspects of the operations of the department and the corporation. He has said that 'a substantial turnaround' in the New Zealand operation of the corporation is essential 'if further taxpayers' funds are not to be placed at risk', and he has criticised financial arrangements involving SAFA and the Woods and Forests Department to compensate SAFA for interest foregone from the South Australian Timber Corporation. The further comments of the Auditor-General about these operations call for urgent decisions from the Government.

The Hon. J.C. BANNON: I congratulate the honourable member on not only his reading but also his typewriter.

Members interjecting:

The Hon. J.C. BANNON: Yes, a very impressive overture to have it reproduced so quickly. It is a very important question that the member raises and it is one that has been under active investigation for some considerable time. The Government has taken the view, and I have expressed this personally to the Auditor-General when he has raised this matter, that while we still are dealing with some of the operations, in particular the International Panel and Lumber (Holdings) operation—and there are a number of other commercial activities of Satco subsidiaries or investment—all the energies of the department's chief executive and others of Satco involved as well (and remember that the position of CEO Woods and Forests is also the position of the Chairman of Satco, I think) should be directed to dealing with those issues. It was only when they could say that things were under control, that all the appropriate steps were well in hand, that we could turn to the larger question of how best to organise our forest operations, one proposal of which is this amalgamation between the department and the Satco operation.

Now that my colleague the Minister of Forests has taken over the portfolio, he will certainly be directing his attention to this issue, but he is working on the same basis that his predecessor did, that we must reserve all our energies and attention to solving these problems. In that respect, the report that we expect shortly from the select committee in another place will be a very useful part of that exercise, and obviously we will be able to give that consideration as well as a number of other activities that have been undertaken. I might say that in the interim we have not simply been doing nothing: the Satco board has been restructured; we have introduced some very high level private sector expertise into that body; and a number of other matters are in train which I hope my colleague shortly will be in a position to announce more fully. So, I believe that we are on the right track. I personally acknowledge the Auditor-General's views on this matter, but also put my alternative view that the time is not yet right for us to take that sort of step.

SOUTH AUSTRALIAN MANUFACTURING

Mr HAMILTON: Can the Minister of State Development and Technology provide the House with a break-down of recent announcements on private industry manufacturing investment in this State which would support the view that we are seeing a resurgence of manufacturing in South Australia?

The Hon. L.M.F. ARNOLD: I can advise the House of a number of announcements that have been made in recent times. In fact, within the past 24 hours, an announcement was made by Mitsubishi that it has confirmed its plans to invest \$200 million in the next generation Magna. It is also planning to boost output by approximately 20 per cent and the company will recruit for a further expansion of employment of 150. Members will recall that the company recently started to export fully built-up station wagons to Japan. Likewise, in the past 24 hours M.S. McLeod's timber interests have been greatly expanded as, through its subsidiary B.J. Walters, that company has taken over ACI's timber interests. That represents a South Australianisation of a significant timber resource in this State.

In addition, last week we had the \$570 million Remm development, the \$25 million expansion by SA Brewing Holdings and the extra 150 jobs at Dudley Park as a result of Email's decision to relocate to South Australia from Orange its stove/cooker production, bringing its total

employment in South Australia when that is fulfilled to about 3 200, compared with 1 700 at the Orange facility. South Australia is now clearly the major production point of Email with respect to appliances. In addition, Adelaide Brighton Cement announced final work on a feasibility study to spend \$50 million on expansion of production at Birkenhead. Those projects are in addition to other things that I have previously canvassed in this House.

These are indicators of the resurgence that we are seeing and provide the corporate face for the growth in manufacturing employment that we have seen in this State. It is not what I believe we are likely to hear from the Leader of the Opposition today in his response to the budget speech, when no doubt he will continue to talk down the economy, when no doubt he will continue to say that the South Australian economy is not poised for growth elements, and when no doubt he will do whatever he can to highlight the negative and not try to promote a positive developing climate in this State. The Tsars of Russia had attributes put alongside their name: Peter the Great and Ivan the Terrible. In this House we have Olsen the Moaner.

SOUTH AUSTRALIAN TIMBER CORPORATION

The Hon. J.L. CASHMORE: My question is to the Premier, and I refer him to page 414 of the Auditor-General's Report. In considering the future of the South Australian Timber Corporation, as recommended by the Auditor-General, what is the Government's attitude to the future viability of the corporation's investment in the IPLH group? Page 414 of the Auditor-General's Report reveals that the IPLH group is bankrupt. The group has a shortfall of assets over liabilities of between \$900 000 and \$2.6 million. Other information in the Auditor-General's Report makes clear that this is a result of the continuing losses in the New Zealand operations of IPLH.

The Hon. J.C. BANNON: I refer the honourable member to a statement made by my colleague the Minister of Forests, I think on the opening day of Parliament. His quite comprehensive statement dealt with all of the matters raised by the Auditor-General. Rather than my attempting to summarise them, I refer the honourable member to that reference.

KIDMAN PARK COMMUNITY CHILD-CARE CENTRE

Mr FERGUSON: Will the Minister of Children's Services inform the House whether he is prepared to support the Kidman Park Community Child-Care Centre in its endeavours to apply for sales tax exemption on goods related to the establishment of the centre? I have received correspondence from that centre explaining that the management committee has applied to the sales tax office for exemption from sales tax on the goods that it purchases. It is the view of the committee that the care of children from the age of nought to five years is not merely child care but also an educational experience. The committee is of the opinion that the interpretation of education should be so widened that the Taxation Department would recognise that there is a need to provide tax exemption for child-care centres.

The Hon. G.J. CRAFT: I am pleased to give the assurance that the honourable member seeks. On a number of previous occasions I have made representations to the Commonwealth Government with respect to this matter. I believe that there is an anomaly in the interpretation of the

taxation laws which finds child-care programs, play groups and other similar programs outside the exemption provisions; that is, those organisations are regarded neither as providers of education services nor as charitable organisations. This is a growing area of activity, its importance is now well established in the community, and it is part of the life opportunities for many children in our community. I will once again make representations to the Commonwealth Government on this matter.

GOVERNMENT VEHICLES

Mr INGERSON: My question is directed to the Minister of Transport. Why is the Government replacing official registration plates on Government cars allocated on a permanent or regular basis to public servants to travel between work and home? The Opposition has been informed that the State Government registration plate which signifies that vehicles are Government owned is being replaced on many vehicles with the normal plate used by private citizens. This decision coincides with an increasing number of reports from members of the public that Government owned cars are being seen in suburban shopping centres and other unlikely locations at weekends, often carrying children.

Members interjecting:

The SPEAKER: Order!

Mr Tyler interjecting:

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

Mr INGERSON: The change will make it impossible for members of the public to report the improper or unauthorised use of these vehicles. It could apply to well over 1 000 Government vehicles. Information obtained last year by the Opposition showed that 1 434 cars were allocated to public servants for permanent or regular use outside normal working hours.

The Hon. J.C. BANNON: As I understand, the honourable member is referring to a recent decision to provide chief executive officers (CEOs) of various departments and agencies with a motor vehicle with private plates. It is purely a condition of employment.

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: The Government undertook an examination of all areas of the public sector of Australia and found a major anomaly in that, in all other places—with the exception of Canberra, where chauffeur driven cars are provided on call to agency heads—in every other Government agency generous arrangements apply in relation to private use of motor vehicles. It is becoming increasingly difficult to justify wide anomalies between conditions in the South Australian Public Service and others.

I think that members, particularly those who have some connection with private enterprise, will realise the problems involved, but I can assure them that there is no change in our overall policy in relation to Government plates on Government cars. Indeed, that policy is quite rigorously enforced; any exceptions have to be fully justified. They may involve security instances in the case of the police and one or two others like that.

This situation is entirely different; it is a conscious decision made ahead of certain claims that are being lodged to provide a particular condition of service to those individuals under the new arrangements of the Government Management Act which provide for five year contracted persons as opposed to the old concept of a permanent head. The

anomaly in comparison with the other Government services in Australia could not be sustained any longer.

HOUSING TRUST TENANTS

The Hon. R.G. PAYNE: My question is directed to the Minister of Housing and Construction. Will the Minister take up with the Housing Trust a proposal that options other than transfer be available to trust tenants requiring improved or larger accommodation? A not uncommon reason for transfer by trust tenants who are my constituents is a change or increase in the family group. If the trust could undertake additions and/or alterations to the main structure where the provision of external free-standing room is undesirable, the tenants concerned could continue to reside in situations where they have already in place family and other support links.

The Hon. T.H. HEMMINGS: I thank the honourable member for his question and I congratulate him in that, as he is now no longer in the Ministry, he obviously has more time to address the problems of housing in his own area and in the State as well. Once again, I am really saddened that I have to hear that kind of question from an honourable member on my side of the House.

I would like to think that there would be a few questions emanating from the Opposition. I will certainly take up with the South Australian Housing Trust the matter of providing additional accommodation. The member for Mitchell makes the point that many tenants who find that their existing houses have become too small do not wish to just transfer to another house: they prefer to remain in the same neighbourhood where their children may be attending a school they like and perhaps because other members of the family are based in that area.

The honourable member will obviously be aware that we have a 'sleep out' program, although I do not think that is the basis of his question. Certainly, I will discuss this matter with the trust because the cost of transfers, maintenance and refurbishing houses when tenants move out and others move in is increasing and causing the trust and the Government some concern. I will take up the matter with the trust and bring down a reply as soon as possible.

CAFHS

The Hon. D.C. WOTTON: Will the Minister of Health confirm that the Government has earmarked for closure a number of suburban offices of the Child, Adolescent and Family Health Services, formerly the Mothers and Babies organisation? Just two telephone calls to the Opposition have identified the imminent closure of CAFHS centres at Warradale, Hawthorndene, Glenelg North, Lobethal, Lenswood, Woodside and Oakbank. This would suggest that any rationalisation program of this Government with regard to the CAFHS operation must mean the closure of quite significant numbers of these vital centres throughout the metropolitan area.

The Hon. F.T. BLEVINS: I thank the honourable member for his question and I will get him a full report.

MV TROUBRIDGE

Mr PETERSON: I direct my question to the Premier, although perhaps it is appropriate for another Minister to

answer it. Does the Government have a continuing interest in the *MV Troubridge*?

Members interjecting:

Mr PETERSON: Let me explain my question. The *MV Troubridge* was sold, as we all know, for about \$400 000 when the *Island Seaway* was put into service. It has been brought to my attention that considerable interest has been shown in this vessel by Government officers. On several occasions Government employees have boarded and inspected the ship, and this has raised considerable speculation about its future. Can the Premier clarify the Government's position?

The Hon. G.F. KENEALLY: Mr Speaker, I hesitated on rising to answer this question because I thought that the Minister of Marine, who would also have an interest in this subject, might have wished to reply. The Government does not have any financial interest or other interest of which I am aware in the *Troubridge*. The *Troubridge* was sold at the market price: the Government called tenders for the vessel and it was sold to the highest bidder, which is something for which I would have thought the Opposition would applaud us. The company which purchased the *Troubridge* is a Queensland company and, for reasons that are certainly outside the Government's control, the *Troubridge* is still at Port Adelaide.

Frankly, I wish it was not because, while it is there and not in operation, it is obviously deteriorating. It is an eyesore, but that is a matter for the company, the owners of the vessel, to determine. Certainly, I am not aware of any Government officer going aboard the *Troubridge*. If that was the case, it would be for reasons other than seeking to have a financial or controlling interest in the *Troubridge*. That is the last thing on the Government's mind. If there is any minor detail that needs to be looked at, I will talk to my colleague the Minister of Marine, and I am sure that between the two of us we will be able to put at rest any fears that the honourable member may have about Government ownership of the *Troubridge*—there is none.

PENSIONS

The Hon. B.C. EASTICK: I direct my question to the Premier. Because the South Australian population has a greater proportion of pensioners than any other State, and up to 5 000 pensioners in this State could lose some of their pension as a result of changes in the Federal budget to pension income tests, will the Premier seek an immediate review of the impact of these changes? The Opposition seeks this review as a result of the widespread distress and worry that the retrospective nature of these changes has caused to thousands of South Australian pensioners, as evidenced in talk-back radio programs and letters to the Editor.

The Hon. J.C. BANNON: I am aware of the concern expressed about this matter. In fact, I was approached by representatives, I think of the Council for the Ageing, the other day seeking to explain their concerns. Certainly, representations are being made about this matter to the Federal Government. I am advised that the Federal Minister, Mr Howe, has indicated that a review is taking place and certainly I, in association with appropriate Ministers, will be attempting to ascertain the progress of that review. It has been suggested that some of that concern has come about through ignorance of its impact and that there are many people who believe they will be affected adversely when that is not the case. Of course, that has occurred in the past and I hope that that is the case now. If there are major problems, obviously the Federal Government should pay

heed to what is being said by pensioners in such organisations and our State Government will certainly attempt to assist them in that regard.

DUNTECH INTERNATIONAL

Mr RANN: Does the Minister of State Development and Technology believe there is commercial potential for an anti-air collision system being developed for aircraft by Duntech International, an electronics company established at Technology Park? I understand that patents for the system, known as the aircraft collision threat assessment system, have been lodged world wide and that it is technically superior to alternative systems available in the US and elsewhere. I am informed that each unit would cost between \$5 000 and \$10 000 compared to about \$200 000 a unit for the latest US design, I understand the device identifies other aircraft, determines their altitude and whether they are on a collision course, and automatically screens out aircraft that are not a threat.

The Hon. L.M.F. ARNOLD: I can certainly confirm that Duntech International is doing exciting research and development work in this area, building upon the exciting work it has done to date in areas of high frequency products and audio speakers—both product ranges which have achieved international pre-eminence. A third division of the company is now developing this anti-air collision system, for which I believe there is considerable commercial potential once further development work and further evaluation of the product have been undertaken.

The honourable member is correct in saying that patents have been lodged by the company's patent attorneys world wide. We can also advise that the system, which is still undergoing conceptual development and simulation, is technically superior to a system developed in the United States. The Duntech system was reviewed by a group of experienced independent Australian scientists and engineers during 1987, and at the end of a full day of rigorous testing none of those scientists or engineers could find fault with it.

Because more work has yet to be done, it is not easy to give exact prices for the product before the hardware and software requirements are completely established. However, on the basis that the Duntech system is considerably simpler than the system developed in the United States of America, and potentially uses existing transmitter/receiver hardware already installed in all aeroplanes—whereas the other system in the USA does not do that—the implication is that it will be considerably lower priced. The major significance of the price differential would appear to be that the Duntech system looks as if it will be within the range of general aviation light aircraft, whereas the USA system, at a price of over \$100 000, is well and truly beyond the price capacity of the owners of such light aircraft.

There are many instances throughout the world where light aircraft are involved in mid-air collisions and any system that can help avoid such collisions must be a major safety plus as well as providing a commercial benefit for the company. There is still a long way to go before the product is ready to be put on the marketplace, but the research and development expertise that has gone into that product up to the present clearly indicates that yet again Duntech has scored another piece of technological excellence that has potential in the marketplace for years to come. The Department of State Development and Technology is prepared to help the company in whatever ways it can realistically to achieve full market potential for that product.

PRIME MINISTER

Mr S.J. BAKER: In view of his consistent criticism that the Hawke Government is forcing the States to bear an unfair share of cuts in public spending, does the Premier believe that South Australia would be better off under a Government led by Mr Keating and, if he does, does he support Mr Keating's bid to take over as Prime Minister before the next Federal election?

The SPEAKER: Order! I rule the question out of order as it is not the responsibility of the Premier—

Members interjecting:

The SPEAKER: Order! The honourable Deputy Leader.

The Hon. E.R. GOLDSWORTHY: Mr Speaker, I ask you to reconsider your ruling in view of the ruling that you gave when the Premier was asked a Dorothy Dix question about the possibility of Mr Howard's becoming Prime Minister.

The SPEAKER: Order! The Chair does not accept that as a point of order. The honourable member for Murray-Mallee.

Mr LEWIS: In view of your ruling, Mr Speaker, on 17 August 1988 (at page 293 of *Hansard*), in respect of a question addressed by the member for Bright to the Minister of Education, that the Minister could not be asked to comment on matters outside the State altogether, how is it that you can direct that the question now asked by the member for Mitcham is out of order, where it would appear simply to be politically embarrassing?

The SPEAKER: Order! If the honourable member for Murray-Mallee believed that the Chair gave an incorrect ruling on 17 August, he should have challenged it at that time.

Mr Lewis: We did. We challenged it four times. One rule for you and one for us.

The SPEAKER: Order! I call the honourable member for Murray-Mallee to order for reflecting on the Chair. I ask the honourable member to withdraw that remark before we can proceed further with any points of order.

Mr LEWIS: I did not reflect on you, Mr Speaker. My remark was directed at the Government.

The SPEAKER: Order! Regardless of which geographic direction the honourable member's remark was directed, it nevertheless clearly reflected on the Chair and on that basis I ask the honourable member for Murray-Mallee to withdraw it so that we can deal with the points of order.

Mr LEWIS: Under your direction, Mr Speaker, I withdraw.

The SPEAKER: Order! The honourable member for Murray-Mallee has drawn to my attention a ruling that I gave on 17 August on a question asked of the Minister of Education, that is, whether he intended to follow a policy line that had been followed elsewhere. That question was clearly in order. However, the question directed today to the Premier asks about his preference as to who should be Prime Minister of the country. I would draw the attention of all honourable members to the fact that the choice of Prime Minister of this country is not that of our Premier but of the people of Australia.

OILWELL

Mr DUGAN: Can the Minister of Mines and Energy indicate the significance of the James I exploration well drilled by Santos in the State's Far North-East which was reported in yesterday's *Advertiser* as producing 1 400 barrels of oil a day during testing?

The Hon. J.H.C. KLUNDER: I can give the House information that was not in yesterday's *Advertiser*.

Members interjecting:

The Hon. J.H.C. KLUNDER: I have just told the House that I am about to give members information that was not available in the *Advertiser*.

Members interjecting:

The SPEAKER: Order! There is far too much audible conversation in the Chamber and I cannot hear the honourable Minister.

The Hon. J.H.C. KLUNDER: The honourable member for Mitcham was too busy interjecting to listen to what I was saying. In reply to the member for Adelaide—

Members interjecting:

The SPEAKER: Order! I ask the honourable Premier not to interject. The honourable Minister.

The Hon. J.H.C. KLUNDER: I think that at this stage I should reply with what could best be called cautious optimism. The James I oilwell, which is situated about 150 km north-east of Moomba, has just reached final depth and the operator, Santos, is now running wireline logs. Depending on the outcome of the logging, the operators will decide whether to run additional tests on other zones in the well both above and below the zone which on Saturday flowed oil at a rate of 1 400 barrels a day. However, a number of positive things can be said about the James I discovery. First, in common with the producer's other recent successes in the Lake Hope block (which is almost 200 kilometres to the south-west), the James I find has enhanced the prospectivity of areas a considerable distance from that currently being looked at by the Cooper Basin producers. These finds are likely to provide the necessary encouragement for the partners to intensify exploration in localities which so far have been very lightly explored.

Secondly, I am advised that the oil flow recorded in James I came from an upper triassic unit toward the base of the Eromanga Basin sequence which has not previously produced significant oil. In addition, the size of the flow has allayed earlier indications that sands in this locality might be tight. The size of the reserves tapped by James I is a matter still to be determined and will depend on the results disclosed by the logging. Although the structure is thought to be relatively small, there are a number of others in the area.

I note that in the *Advertiser's* coverage of this discovery yesterday, the Deputy Leader of the Opposition said that more exploration had to be undertaken, and I agree with him. However, I should not want the Deputy Leader to think that he can get away with creating an impression that little is happening in this State at present, because that is far from the truth indeed. So far this year, the Cooper Basin producers have drilled, or are drilling, 36 exploration and appraisal wells in PELs 5 and 6 and by the end of the year this total is expected to reach 77. Six drilling rigs are currently working and the department informs me that this is likely to rise to eight in the months ahead.

When wells outside the Cooper Basin are included, the State's total for the year is expected to reach 89 exploration and appraisal wells, with most of the other activity centred on the Otway Basin in the South-East and the Eucla Basin in the Far West. Earlier this year, the Commonwealth predicted 190 onshore wells would be drilled in Australia this year. If that prediction is accurate and our target is reached, South Australia will have contributed close to 50 per cent of the nation's onshore exploration effort this year.

ISLAND SEAWAY

The Hon. T. CHAPMAN: Will the Premier accede to the formal request from the District Councils of Kingscote and Dudley that he visit Kangaroo Island in order to gain first-hand knowledge of economic difficulties facing businesses on the island resulting from continuing delays and interruptions to the *Island Seaway* schedule? The Premier has received a letter from the district councils in which they express their 'anxiety' that—

Members interjecting:

The SPEAKER: Order! The honourable member for Alexandra can manage without the assistance of the honourable members for Mitcham and Eyre and the honourable Minister of Water Resources. The honourable member for Alexandra.

The Hon. T. CHAPMAN: The letter states:

The quality of life for residents and visitors to Kangaroo Island has been dramatically reduced since the commissioning of this vessel into the Port Adelaide-Kingscote shipping route.

The councils have also despatched to the Premier complaints from 45 individual businesses and community groups on the island which stress the effects on them of unreliable shipping arrangements. Many cite a considerable downturn in sales, spoilage of perishable stocks, a decrease in tourism, tension between suppliers and their customers, additional expense through airfreighting and problems with staff rostering and overtime payments.

In conclusion, I draw to the attention of the Premier some quotes from those reports. The Vivonne Bay Outdoor Education Centre claims that 'the story of the *Island Seaway* is such that the State Government has killed Kangaroo Island's progress'. A supermarket claims that it 'takes two weeks to recover from one late sailing'. A pastoral company—and this is not one of our farmers, who are often criticised by the other side—

Members interjecting:

The SPEAKER: Order!

The Hon. T. CHAPMAN: A pastoral company indicates that it has 'grave concern for the—

Members interjecting:

The SPEAKER: Order! The honourable member for Alexandra has the floor, not the honourable member for Eyre or the honourable Minister of Transport. The honourable member for Alexandra.

The Hon. T. CHAPMAN: I go back, Mr Speaker. A pastoral company indicates that it has 'grave concern for the welfare of stock'. A food supplier points to fruit and vegetables arriving 'wilted, mouldy and slimy'. The fish export market could suffer expensive losses between November and May when up to 60 tonnes of live and frozen fish will need to be regularly transported. A pharmacist says that delays in the sailing of the *Island Seaway* 'may cause a major crisis' because certain medications are not permitted to be airfreighted in the absence—

There being a disturbance in the Chamber:

The Hon. T. CHAPMAN: It's just hit the Birkenhead Bridge again. No, it is only the member who represents West Lakes; she is upstream. I go back again: a pharmacist says—

Members interjecting:

The Hon. T. CHAPMAN: This is serious. The mirth from the other side—

Members interjecting:

The SPEAKER: Order!

The Hon. T. CHAPMAN: A pharmacist says that delays in the sailing of the *Island Seaway* 'may cause a major crisis' because certain medications are not permitted to be airfreighted in the absence of the shipping service.

The Hon. J.C. BANNON: I doubt whether that latter point is correct, Mr Speaker. However, I certainly concede that there have been problems as a consequence of the *Island Seaway's* sailing pattern and the controversies that have surrounded it. The honourable member referred to what he said was our 'mirth'. In fact, we were responding to what I thought was a mirthful comment from him, of the type constantly made by members who want to treat this vessel as some sort of joke. I remind the honourable member of what he said when dealing with these serious matters—and I concede that they are serious—when an incident occurred in the House. He said, 'It's bumped into the Birkenhead Bridge again.' Then, he criticised members on this side of the House—and he could well have criticised everybody else—for laughing at his humorous riposte. I suggest that that is typical of the way that this whole issue has been taken.

The honourable member wrote to me yesterday (and he was good enough to advise me that he was going to ask a question in consequence of that letter, which I have seen only today) and enclosed a submission on this point that was prepared by the Kangaroo Island District Councils of Kingscote and Dudley. I am happy to look at it in association with my colleagues, but, as he would understand, I have not yet had a chance to do so.

Let me say this about this whole controversy: one of the reasons that this is occurring is the fact that the *Island Seaway* has had to be operated with what I would call an excess of caution and under the glare of a spotlight that has encouraged industrial and other problems every inch of the way. I make this point before the honourable member leaps to his feet in high dudgeon and says, 'It wasn't me.' In fact, in his letter he says that he neither resiles nor apologises for his own efforts and determination to secure a safe and reliable service. Before he jumps to his feet let me say that in the early stages he definitely was not part of this push to ensure that the vessel was seen as being unworkable; it was a number of members along the Opposition front bench. I am disappointed that the member for Alexandra, whose constituents—

Mr D.S. Baker interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: —have been put at risk by this behaviour, was not able to have better control in that early stage over people like the Leader, the Deputy Leader, the member for Coles, the member for Mitcham (who chatters like a parrot unstoppable), the member for Eyre (who was cranked in on a couple of occasions), the member for Chaffey, and the member for Bragg. They all joined the hunt and they made up funny phrases. At every point they looked at the rosters and the changes and it was brought up as a matter of great moment and concern in this House. It received the fullest publicity. Then, the honourable member for Alexandra says, 'We are concerned about these problems.' The excess of caution which has had to be introduced into this because of the disgraceful behaviour of the Opposition has resulted in these problems. I feel very sorry for the people of Kangaroo Island. Not many of them vote for the Labor Party—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: —but they deserve a hell of a lot better than they get from members of the Liberal Party. It is a productive and important area of South Australia and in its commitment to building the *Island Seaway* (to replace the *Troubridge*) this Government showed that it proposed to do something positive. At every point the

Opposition determined that it was not going to be satisfactory.

The member for Bragg attended a meeting in Kingscote. The minutes of that meeting, which I have seen, show that he advised them, 'How about stirring up a bit of political trouble on this? This is the way to approach it.' The earnest citizens of Kangaroo Island, expressing reasonable concerns that they wanted to put to the Government, were being told that it is better to do it by political agitation, and that the Liberal Party would oblige. Well, it has obliged so thoroughly that it has actually caused a lot of problems to the Kangaroo Island economy.

I regret that, in this recent incident—this disgraceful bringing in of a personal tragedy—headed by the Leader of the Opposition, the member for Alexandra has joined in as well. I was disappointed in that because I felt that at least he was trying to be objective in this instance. We have not attempted to hide the problems. On the contrary, despite the fact that we do not operate the vessel and despite the fact that there is no direct ministerial control, my colleague has worked very hard to ensure that something happens.

Members interjecting:

The Hon. J.C. BANNON: There we are again, Mr Speaker, the laughter; it is a joke to the Opposition, a political game and a political football. At some stage I will visit Kangaroo Island where I will talk intensively to people and express my concern.

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: I might say that it is a part of a pattern, a pattern begun by the member for Coles, who, to get a cheap headline in the holiday silly season and to try to drum up a bit of tourism notoriety, set up a scare story about the shortage of water supplies on Kangaroo Island. It did not happen to be true.

The Hon. J.L. Cashmore: Oh!

The Hon. J.C. BANNON: Yes, she says, 'Oh' and well she might. It resulted in a massive tourism slump on Kangaroo Island. That is what happened. It was a good throw-away line—to try to obtain a nice little headline—attacking the Government's tourism effort. It resulted in the tourist trade on Kangaroo Island suffering badly, and it has been struggling to recover. From that nice little summer story about the shortage of water to the disgraceful series of attacks on the *Island Seaway* one would believe that the Opposition really had it in for Kangaroo Island, and I feel very sorry for the people there.

ESTIMATES COMMITTEES

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

That the Sessional Orders for the establishment of the Estimates Committees contained in the schedule which has been distributed be adopted.

With the indulgence of the House, I shall not read the Sessional Orders because of their length, but they are in a familiar form.

Mr M.J. EVANS (Elizabeth): I realise that this motion is in the same terms as that which has been moved for many years; it is in the traditional format. I support it in that context. However, I draw attention to one aspect which I believe is setting a continuing and unfortunate precedent in parliamentary government in this State. I raise this matter not as a criticism of this motion but to place on the public record my concern for the future in the hope that the issue can be looked at by the Government, the Opposition and

perhaps some appropriate parliamentary committee, be that the Standing Orders Committee or whatever. Ultimately this process will have to be formalised in a permanent way rather than being the subject of an annual resolution.

Regarding an Appropriation Bill, the primary focus of parliamentary and public attention is quite properly upon the amounts of money which are set aside in that measure. Also, item 26 of this motion provides:

Upon the completion of consideration of reports of Estimates Committees A and B, the question shall be proposed and put forthwith without debate—'That the remainder of the Bill be agreed to'.

That obviates any opportunity to discuss individual clauses of the Bill or, alternatively, to amend clauses which deal, in the main, with matters of law and not necessarily with matters of specific appropriation which are very much a Government issue. It also prevents any proposition to amend any of those provisions.

I realise that this practice has continued for some time, but I also believe that it is a wrong principle in the long term for Parliament to approve Bills when it does not have the opportunity to comment in the sense of an amendment to particular clauses. The Estimates Committees can only raise issues; they are specifically prohibited from suggesting any variation or amendment, and this House precludes itself from suggesting any amendment to those Bills. I do not consider that that is in the long-term interests of parliamentary government, and I hope that the Parliament as a whole will examine that matter closely for future years.

Motion carried.

SITTINGS AND BUSINESS

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

That the time allotted for the second reading and noting of grievances of the Appropriation Bill be until 6 p.m. on Thursday.

Motion carried.

ELECTRICAL PRODUCTS BILL

Returned from the Legislative Council without amendment.

ADVANCES TO SETTLERS ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

RURAL ADVANCES GUARANTEE ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

LAND TAX ACT AMENDMENT BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Land Tax Act 1936. Read a first time.

The Hon. J.C. BANNON: 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

Land tax revenues have increased quite significantly in recent years. The main reason for these increases has been the rate at which land values have been rising. Land values are essentially the product of demand for land which is heavily influenced by perceptions about the return which can be generated in particular locations. If the market for land is working properly, increases in liability for land tax reflect increases in capacity to pay land tax.

Of course, land tax is levied on a progressive scale, which means that, as land values rise, liability for tax increases more than proportionately. It also means that, as landowners acquire more land, they move into a higher tax bracket. This characteristic of the land tax scale attracts frequent criticism but what the critics overlook is that the only way to remove this characteristic entirely is to remove the generous exemption now provided to small landowners and to tax land at a flat rate.

The Government does not consider this to be an appropriate response to the circumstances. However, it does favour a much simpler tax scale as a means of relating tax increases more closely to increases in value while retaining the exemption for small landowners.

The Bill proposes a reduction in the number of steps in the land tax scale from six to three. The new scale is also more generous than the old scale in that, at all levels, it produces a lower liability for tax. However, the Government proposes also to retain the 25 per cent tax rebate which was provided last year on the first \$200 000 of the value of land owned by all taxpayers. A further rebate will be provided to larger landowners equal to 5 per cent of the tax otherwise payable on the value of land in excess of \$200 000. Some examples of the effects of these changes are shown in the following table:

Value	Old Tax	New Tax	Saving
\$	\$	\$	\$
100 000	210	150	60
200 000	1 410	900	510
500 000	8 760	7 883	877
1 000 000	21 010	19 520	1 490

These measures will reduce estimated land tax revenues by about \$11.5 million from about \$75 million to about \$63.5 million.

Clause 1 is formal.

Clause 2 provides that the measure will be deemed to have come into operation at midnight on 30 June 1988. It is noted that land taxes imposed for a particular financial year are calculated as set at midnight on the thirtieth day of June immediately preceding the relevant financial year according to circumstances then existing.

Clause 3 amends section 12 of the principal Act in two respects. A new table of rates for land tax, consisting of three steps, is proposed. No land tax will be imposed in respect of land up to a value of \$80 000. Over \$80 000 and up to \$200 000, the rate is to be 1 per cent. Over \$200 000, the rate is to be 2.4 per cent. The metropolitan levy will still apply in relation to land in the metropolitan area with a taxable value in excess of \$200 000. In addition, a partial remission of land tax is to apply during the current financial year.

Mr OLSEN secured the adjournment of the debate.

PAYROLL TAX ACT AMENDMENT BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Payroll Tax Act 1971. Read a first time.

The Hon. J.C. BANNON: 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

Together with Queensland, South Australia is the only State or Territory which does not impose a payroll tax surcharge on large employers. The maximum rate payable in South Australia is 5 per cent. This is reflected in Grants Commission comparisons which demonstrate that payroll tax is much lower in South Australia than in the other States.

Nevertheless, the Government is conscious of the fact that the exemption level has remained at \$270 000 for two years, and accordingly a two stage increase in the exemption is proposed. From 1 October 1988, it is proposed to increase the exemption level to \$300 000 and from 1 April 1989 to \$330 000. These measures are estimated to reduce payroll tax receipts in 1988-89 to about \$4 million below what they would otherwise have been. In a full year the increase to \$330 000 should benefit taxpayers by about \$8 million.

Clause 1 is formal. Clause 2 provides for the commencement of the measure. It is proposed that except for the statute law revision amendments, the measure will be deemed to have come into operation on 1 July 1988.

Clause 3 proposes an alteration to the prescribed amount of wages under section 11a. Payrolls under the prescribed amount are effectively exempt from payroll tax and payrolls over the prescribed amount are entitled to a deduction of the prescribed amount less \$1 for each \$4 by which the amount of taxable wages exceeds the prescribed amount. The prescribed amount is presently \$22 500 per month. It is proposed to increase this to \$25 000 per month from 1 October 1988 and to \$27 500 per month from 1 April 1989.

Clause 4 amends section 13a of the principal Act and is consequential on the alterations to the prescribed amount proposed by the previous provision. Section 13b of the Act allows an adjustment to be made to the liability of an employer under the Act when it appears that the employer has not paid the correct amount of tax over a financial year. Section 13c of the Act allows an adjustment when an employer ceases to pay wages during a particular financial year. The formulae set out in the amendments relate to the imposition of the tax over a particular financial year and are necessary to ensure that alterations to the prescribed amount under section 11a are taken into account in any relevant calculations and that adjustments are based on the number of days in the year in respect of which the employer paid or was liable to pay wages. The formulae are consistent with the manner in which the prescribed amount is applied under section 11a of the principal Act.

Clause 5 lifts the level (expressed according to the rate of wages paid per week) at which an employer must register with the Commissioner for the purposes of the Act. The increase is consequential on the increase to the prescribed amount under section 11a.

Clause 6 amends section 18k of the principal Act in a manner similar to the amendments proposed under clause 4, except that these amendments relate to the grouping provisions. The amendments are relevant to the operation

of section 18l relating to annual adjustments and section 18m in cases where the members of a group do not pay taxable wages or interstate wages for the whole of a financial year.

Clause 7 revises section 21a of the principal Act. This section allows the Commissioner to refund any tax overpaid as a consequence of any specified amendment to the Act. The practice has been to amend this section each time that the Act is amended. It is now proposed to provide that section 21a applies in relation to any amendment to the Act, thus avoiding the need in the future to amend section 21a on each occasion that the Act is otherwise amended.

Clause 8 and the schedule provide for statute law revision amendments to the Act. These amendments are intended to bring the principal Act into conformity with modern standards of drafting and to delete obsolete matter from the Act. The amendments will be included in a consolidation of the principal Act and will be brought into operation at the time that the consolidation is ready for public release.

Mr OLSEN secured the adjournment of the debate.

APPROPRIATION BILL

Adjourned debate on second reading.

(Continued from 25 August. Page 578.)

Mr OLSEN (Leader of the Opposition): In assessing the budget, members need to ask themselves three basic questions: Will the budget strategy make South Australia better off? Will it make South Australians better off? And, depending on the answers to the first two questions, what alternative strategy could be pursued to give South Australia and South Australians a better go—a fairer go? I intend to explore each of these questions this afternoon.

But before I do, I make clear that there are some aspects of this budget which the Opposition welcomes. We believe the extra spending for tourism promotion is important, and an appropriate, if not long overdue, response to the opportunities this State should be exploiting in this challenging and highly competitive area. We support the capital spending proposed for the submarine project. We continue to welcome the budget allocations for infrastructure for the Roxby Downs township. Spending priorities like these are directed at promoting investment and job creation in South Australia. Accordingly, they have our full support.

However, in assessing the budget and its impact on the State and South Australians, the House must look beyond the activities funded through the Consolidated Account. It must look at State public sector activity as a whole. And it must consider the impact of this activity and the Government's economic and social priorities on the wider State economy.

On the Sunday after the presentation of his budget, the Premier had inserted in the *Sunday Mail*, at taxpayers expense, a 'Lift Out' guide to the budget. The first page of that guide carried a signed note from the Premier in which he stated:

The annual budget is the most important statement of the Government's Finances, its economic and social policies.

I agree that this is what the budget should be but this budget does not meet the standard that the Premier has set.

There is no explanation of the Government's economic policies. There is no vision in this budget. There is no open and frank admission of the current state of the South Australian economy, and what the Government can and should do to improve our prospects. In terms of social policies,

there is no admission of the plight of the rising numbers of poor and unemployed in the community. The social justice strategy is a pretence at caring, but it is not a practical, long-term solution. I make the point, in fact, that the strategy involves \$4 million only of new State spending, not the \$20 million implied by the Premier. The Government cobbled together a few programs.

Nor is this budget an adequate statement of the Government's finances, for there is an attempt to conceal much more than is revealed. In short, with this budget an already weak South Australian economy will get weaker; we will continue to have low levels of population growth, low levels of employment growth, continuing high levels of unemployment, real rises in taxation and charges, falling retail sales, declining private sector construction activity, and declining new motor vehicle registrations.

In my speech, I will give figures to show that, on virtually all of these key economic indicators, we are being outperformed by most if not all the other States. I will prove that under this Government, over the last six years, South Australia has had the worst sustained economic performance since the Depression of almost sixty years ago. We have been falling further behind.

Twenty years ago, South Australia was a growth State, a great State. But under Labor, we have become a losing State. We are losing out on employment—on economic growth. It is about time South Australia, and South Australians, started to win again. The Premier will say that the Liberals are being negative. But is it negative to be concerned that South Australia has more poverty than any other State, more unemployed, fewer new job opportunities, and declining consumer confidence? Is it negative to call for new policies which will give South Australians a better education, more jobs and higher rates of economic growth, and, therefore, more hope and a better quality of life in which fewer people, in frustration and desperation, turn to crime and drug abuse?

This budget does not address these fundamental issues of economic and social concern to all South Australians. The heat is on the Premier's economic performance, and he has squibbed. The right policy prescriptions are not in these documents. The Premier refuses to listen to the Liberal Party's expressions of concern about the direction in which this State is heading—or, rather, its lack of direction. But he would be very unwise to ignore the editorials of our two daily newspapers. On the day after the budget was introduced, the *Advertiser* said that the Premier had been 'disappointingly conservative in the imaginative leadership needed for developing the State and its economy', while the *News* described it as 'a modest little budget from a modest little Government'. I could almost add a few words to that, but I will not.

This is not a budget of responsibility and restraint, in the way the Premier tried to package it. It is a budget of reluctance and risk. The Premier is reluctant to look at the bigger picture and project a vision for South Australia, for the priorities of this budget are much shorter in time frame. The budget risks a great deal on some heroic assumptions about economic growth during the next 12 months to underpin the Premier's election timetable. He framed this budget to give him the option of an election next March or April.

The budget maintains real levels of spending, for there can be no major budget cuts in sensitive areas in a potential election year. But with current depressed levels of economic activity, higher levels of spending cannot be sustained without either higher rates of taxation or a blow-out in the budget deficit. As the Premier could not keep his election options open if he also increased tax rates in this budget or

admitted that his increased spending would run up an underlying deficit for future years, instead, he has chosen some very rubbery economic growth figures to justify his budget projections.

The balanced budget projections are based on a real rise of 3.5 per cent in gross State product this financial year. Mr Keating is promising no more for the national gross domestic product. In other words, the Premier believes that, this financial year, South Australia will have the same economic growth rate as the rest of Australia when, over the past three years, our economic growth has averaged only 2 per cent compared with growth in the national economy of 3.8 per cent. This is not the only reason the Premier's economic growth projections are, at best, rubbery and, at worst, deliberately exaggerated to try to hide the real results of his budget strategy.

The Premier forecasts that overall State economic growth will be the same as for the national economy when employment nationally is forecast to rise by 2.75 per cent, but by only 1.5 per cent in South Australia. We cannot have lower levels of employment growth and still assume that South Australia's economic growth will keep pace with that in the rest of Australia.

What the Premier's budget figures really attempt to do is disguise the fact that current levels of Government spending cannot be sustained into the future without a very significant rise in rates of taxation. This would be the inevitable risk of another term of Labor Government and it is one reason why, at the next election, South Australians will reject that option.

Mr Tyler interjecting:

Mr OLSEN: The member for Fisher will be one of the oncurs in this House. Let him be clear and sure about that. I turn to the outcome on the Consolidated Account for 1987-88. The Premier claimed that, 'We have created a Consolidated Account surplus.' What he should have said was that South Australians created that surplus. They have already paid for it through tax collections, which exceeded budget estimates by 18.3 per cent. They will go on paying for it through interest on the additional borrowings made last financial year, which also helped to create the surplus. The real outcome of the budget last financial year was an excess of spending over receipts of \$309.8 million. This deficit was funded by borrowings of \$344.2 million, leaving the cash surplus of \$34.4 million. It also needs to be emphasised that this outcome was not achieved by any expenditure restraint. Departments exceeded their budget estimates by almost \$14 million.

I also refer to the Premier's boast about reducing debt. He again implies that it has been achieved as a result of restraint and good management by his Government. However, the only reason he has been able to claim a reduction in debt in absolute terms is through a paper revaluation of SAFA shares in Sagasco Holdings Limited. This is revealed at page 59 of the Premier's financial statement. It shows that this revaluation reduced net indebtedness by \$60 million at June this year, based on a market value for the shares of \$93 million. However, their current value is almost \$20 million less than this. In any case, this dip in indebtedness will be short-lived. The total public sector financing requirement for 1988-89, to be funded by a combination of borrowings and asset run-downs to the tune of more than \$600 million, will see to that.

I turn now to the budget forecasts for this financial year. The most significant balancing item this financial year will be the growth in the contribution from SAFA. The budgeted contribution for SAFA is \$374 million; \$300 million will be generated by SAFA during this financial year. The bal-

ance—the \$74 million—was earned last financial year. The Premier was able to defer bringing this amount into the budget until this financial year mainly because of his tax windfall in 1987-88. The total SAFA contribution to the budget in 1988-89 is 82 per cent higher than it was last financial year. The magnitude of this increase raises a number of important issues.

The authority will have to run down some of its liquid assets to enable it to make loans to the Government this financial year. This is because the Government will run out of borrowing power under the global limits agreed in Loan Council. As a result, SAFA's earning potential will be diminished. Its potential to contribute to the Consolidated Account also will be affected by anticipated lower interest rates, which will reduce return on its investments. Last financial year, the Auditor-General had something to say about SAFA's contribution to the Consolidated Account. I note that he has again made reference to it in his report this year. Even though for 1987-88 it had been budgeted at only \$240 million, the Auditor-General said that this figure, 'gives further emphasis to the growing dependence of the Consolidated Account on SAFA'. Accordingly, SAFA's budgeted provision this year gives these comments even more force. The Auditor-General observed that:

Last year in my report, it was pointed out that, if recurrent expenditures became locked into a level of contribution from SAFA, care should be taken to ensure that it is within SAFA's longer-term financial capacity to sustain that level of contribution. To the extent that SAFA could not sustain its contribution, then it would seem that consideration would need to be given to reduced expenditures, increased taxes or charges or a combination of both measures—or a resultant deterioration in the overall financial position of the Consolidated Account.

Given that SAFA's contribution to this budget is so much higher than last year and that almost 20 per cent of it is a deferred contribution from 1987-88, members are entitled to ask whether it is within the authority's capacity to sustain this level of increased contribution into the future. There must be serious doubt that there is that capacity.

The Hon. R.G. Payne interjecting:

Mr OLSEN: I have. If the honourable member had been listening instead of reading his *News*, he would know that that is exactly what I have been talking about for the past five minutes. As a result, the prospect increases of the alternatives raised by the Auditor-General (and perhaps the honourable member will put his paper down and read the Auditor-General's Report; he might then get an insight into what we are talking about in the House)—reduced spending, higher taxes or charges, a combination of both or a blow-out in the deficit.

The Auditor-General last year also proposed the establishment of a reserve out of the profits of SAFA so that it could be used to 'even out' any temporary shortfall in SAFA's contribution to the budget or to provide a cushion in the event that SAFA was called upon under any guarantees or indemnities it has given. However, an examination of SAFA's accounts reveals that no allocation was made to this reserve last financial year. This is despite the fact that one very good reason why there should have been an addition to this reserve last financial year was the guarantee SAFA has given to South Australia's investment in a New Zealand timber venture.

SAFA's annual report reveals that this guarantee exposes the authority to a liability of up to \$50 million in New Zealand dollars. If any part of any Government guarantee is called upon, it is likely to be this one. However, the Premier has ignored the need for the sort of prudent budgeting measures suggested by the Auditor-General. He has, instead, used SAFA to build up levels of spending which

cannot be sustained into the future without further severe cost to taxpayers.

There are other reasons why the House must seriously question this strategy. This is clear from a close reading of SAFA's annual report. I refer in particular to the report's revelations about the activities of South Australian Finance Limited. This arm of SAFA has recorded a loss of more than \$16.8 million as a result of currency fluctuations.

Previous annual reports by the authority have stressed that liabilities arising from foreign currency dealings were always covered by assets in the same denomination. Time and time again the Treasurer has reassured the House during Question Time that it is all okay. He has hedged and said that there is no problem. We now have the truth coming home in the report; in fact, \$16.8 million has been lost.

The Premier will have to explain, therefore, why the authority's 1987-88 annual report refers at page 22 to 'accounting losses' made by South Australian Finance Limited 'amounting to roundly sterling 8 million . . . which have been taken into account in SAFA's results'. These losses are compounded by the fact that the Premier is unable, at this time, to precisely quantify them. SAFA's annual report puts them at 'roundly 8 million pounds sterling'. However, it also reveals that 'audited statements are not available for its latest reporting period ending 17 December 1987.'

This state of affairs cannot be accepted by the Parliament. This is the second year in a row in which we have been told that audited reports of the financial activities of arms of SAFA—activities which expose taxpayers' money to risk—are not available. Not only are the audits of the arms of SAFA not done by the South Australian Auditor-General, as Mr Sheridan made a point of telling the Parliament last year, but they are not done promptly. As a result, this House is presented with inadequate information about financial activities which occurred up to two years ago and which have resulted in significant losses to SAFA. This is an entirely unsatisfactory state of affairs. It must be remedied by bringing the activities of the arms of SAFA under the purview of the Auditor-General as soon as possible.

In analysing the activities of SAFA, the House must also take account of the significant increase in the authority's gearing. At 30 June 1987, the authority's equity was 32 per cent of total funds; it was 76 per cent geared. In other words, total liabilities in the balance sheet were equal to 76 per cent of total assets. However, at 30 June this year SAFA's equity had fallen to only 20 per cent of total funds and it was 80 per cent geared. This increase in gearing exposes the authority to greater risk of failure in the event of unfavourable interest rate trends or further capital losses.

The Premier said in his budget speech that recurrent spending would rise by about 1.4 per cent in real terms this financial year. This would be real growth of 2 per cent if the Premier had followed Mr Keating and used a CPI forecast of 5.5 per cent for this financial year. It is in fact even higher if account is also taken of one less public service pay day in 1988-89.

Spending this financial year has not been contained to take fully into account a lower call on the wages and salaries component of departmental allocations. It is the equivalent of 1 per cent of recurrent spending. To help fund continuing spending growth, tax revenue is budgeted to rise in real terms by almost 5 per cent. This demonstrates the Premier's cynical disregard for the problems that individuals and businesses are having with rising Government imposts, even if the final budget outcome will, as I have suggested, be

somewhat less due to exaggerated forecasts of economic growth.

The amount of revenue forgone through the payroll and land tax measures will return only one third—30c in the dollar—of the unbudgeted tax revenue that the Premier collected in 1987-88. Payroll tax is budgeted to rise by 10 per cent, or 4 per cent real on a comparable basis; business franchises by 6.5 per cent in real terms; stamp duties by 3.3 per cent in real terms; and, land tax by 12 per cent in real terms. The Premier's promises of land tax relief are nothing but a sham. This financial year it is estimated that the average bill for all those liable for land tax will be \$2 935—a 12 per cent rise.

Since this Government came to office, State taxation per head of population has risen by 109 per cent. This is the highest of the mainland States. It is, for example, 39 per cent higher than the rise in Victoria. Under this Government, the favourable tax gap, which has traditionally existed between South Australia and the larger mainland States, is being steadily eroded. The Commonwealth Budget Paper on Financial Relations with the States, compares recent trends in revenue raising by the States.

The Hon. J.C. Bannon interjecting:

Mr OLSEN: The Premier might interject. If he listens to what I am saying it will prove the point. It shows that average real per capita growth in total State budget revenue since 1982-83 has been 3.3 per cent in South Australia—the highest of all the States. Total revenue as a percentage of gross State product has averaged 19.5 per cent; higher than in any State except Tasmania. This is the Commonwealth budget paper comparing the States; they are clear and accurate figures. This is because over the same period current outlays as a percentage of gross State product have averaged 16.8 per cent—again the highest of the mainland States.

I have already provided figures to the House which show that this Government has also increased major State charges at a faster rate than elsewhere. For example, public transport fares have risen by 42 per cent in real terms, Housing Trust rentals by 16 per cent in real terms and electricity charges by 13 per cent in real terms. The transport rises are the highest for any capital city since this Government came to office. The power and Housing Trust increases are the second highest of those in capital cities since 1982. The average rise for all State charges is 57 per cent in Adelaide, compared with 44 per cent for the average of the eight State capitals in this period.

One reason that the Premier consistently gives for increasing State Government revenues is that they are needed to offset Federal funding cuts. However, an analysis of Federal and State budget papers shows that, over the past two financial years and again this year, the Premier has more than offset the impact of the Federal cuts with the expansion of revenues in other areas. While in real terms over this period Commonwealth funding had declined by just over \$337 million, revenue from all other sources, including State taxation, has risen in real terms by almost \$345 million.

This means that the Premier has hijacked Mr Keating's policy for restraint in Government fiscal policies. The restraint has not been borne by governments. It has been paid for through the declining living standards of the average South Australian. After the tax takes of Mr Keating and the South Australian Government this financial year, the average wage earner will be \$7 a week worse off even after the two national wages rises due this month and next March.

The Hon. B.C. Eastick interjecting:

Mr OLSEN: Indeed, it is. The cost factor into the kitchen, in the homes of average South Australians is such that we

can well understand why poverty in this State is higher than any other State in this country. The erosion of living standards hits hardest at those the Premier wants his social justice strategy to help. The problems to be addressed by this strategy are very real ones. I do not question that.

They are real problems out there in the community at the moment. People are struggling to make ends meet. I really do not know, as I have said previously, how someone on the basic wage, educating a couple of children, and buying their own home can make ends meet. That defies logic. No wonder there is real pressure being applied to household budgets out there in the community. But what I do question is the practical effect of the Government's response to the need out in the electorate. Real increases in electricity tariffs, bus fares, and water rates can be least afforded by those who have to get by on average or below average incomes. The extent to which these imposts eat into their weekly earnings needs to be measured against the level of funding provided in the social justice strategy.

While at the time it was announced, the Government sought to establish the public perception that it was investing \$20 million in the strategy, this is not \$20 million of new funding at all. Only \$4 million represents a new commitment. The other \$15.6 million is being taken out of existing programs. The relatively small amount of new money involved, when measured against the magnitude of the problems this spending seeks to address, brings into focus the cost of wasteful or unnecessary spending of taxpayers' money on projects like the New Zealand timber venture.

As a matter of principle, Liberals believe that the Government would have more money to invest in social justice programs for the genuinely in need if it had not made a foolish decision to invest in an industry it has no business being in, and if it had not followed this up by throwing more good money after bad.

While increased tax revenue and the much higher contribution from SAFA will reduce the projected finance requirement of this budget, this must be balanced against the increased deficit and the financing requirement of the State public sector as a whole. This is projected to blow out from \$341 million last financial year to \$606 million in 1988-89 which will significantly increase interest repayments in future years.

This is not the budget strategy of a Government interested in shouldering its fair share of restraint. There has been no genuine effort in this budget to find savings in spending which will reduce the need for escalating tax revenues. On this point, I refer again to the report last year by the Auditor-General. He raised the level of administration and support service costs which are not allocated to programs in the budget. He noted that this level appeared 'high in relation to the direct program costs of those agencies'.

He suggested a detailed examination of the relevance, need, and extent of all the functions and activities and other factors contributing to those costs. However, nothing has been done to look for these savings this financial year. The amount of spending which is not allocated to programs remains above \$200 million this financial year. This must offer very significant potential for savings and elimination of waste, but it took this Government more than two years to respond to concerns first expressed by the Auditor-General in 1984 about administration costs in the Health Commission. A review by the Housing Trust also identified opportunities for significant savings in its administration, and last year's report by the Auditor-General highlighted the need to review administration costs right across the board.

Yet there has been no serious attempt by the Government to reduce spending on items not specifically allocated to programs. A notable offender is the Premier's Department. Thirty-seven per cent of this department's proposed spending is unallocated to programs—that is more than 2 per cent higher than last year. The Premier has ignored the Auditor-General. Where these costs cannot be allocated directly to programs, which serve and benefit the public, their justification must be questioned. This is just one area in which there is the potential to save taxpayers millions of dollars.

In closing my analysis of the budget, I want to comment about the presentation of the papers themselves. Last financial year there was a change in the budget accounting system. However, by detailed analysis of the budget papers, it was possible to pick up the effect this change had on expenditure and revenue and so make proper comparisons between the 1987-88 forecasts and the actual spending and revenue for the previous financial year. But again this financial year there has been another accounting change and we know why.

Although it is possible to pick up the adjustments with 1987-88 to make fair comparisons, no proper reconciliation is included to allow a single time series to be constructed for spending and revenue over the past two years. If they were fair dinkum they would put that time series in. If they want to be fair dinkum and wanted to be totally honest and frank and laid all their cards on the table, it would be included. It is deliberately not included. It is about time the Government stopped producing papers suitable only for its own consumption and started considering the responsibilities of this Parliament and the public to analyse its financial policies.

This Government's priority in presenting the budget is not to give the Parliament and the public full information on which a detailed analysis can be made. Instead, it is more interested in setting perceptions within the media. As a result, the democratic process is further diminished. In summary, the budget strategy put before the House proposes an expanding State public sector in a declining State economy.

I turn now to a detailed consideration of the overall State economy. In doing so, I invite the House first to consider some of the economic forecasts that the Premier has made in presenting his previous budgets. This is relevant to a consideration of the question I have already posed about the economic forecasts upon which this budget is based, but equally importantly, it allows the House to examine the economic credibility of the Premier and the performance of his Government since it came to office.

I refer first to the Premier's general assessment of the economy for this financial year. He says:

The outlook for the South Australian economy is more encouraging than it has been for some time.

I wish members could accept the Premier's confidence at face value.

Members interjecting:

Mr OLSEN: We will get to that, we will take a look at that. But can they, when they measure the Premier's previous forecasts against actual economic performance? If we go back to the 1983-84 budget—I note that the Premier is leaving; he does not want the words of his introducing previous budgets repeated because they would be an embarrassment to him—we find the Premier suggesting that 'there are a number of positive signs emerging nationally that suggest that production and employment will pick up.' The following year, he said:

Production and employment growth in South Australia in 1984-85 is expected to closely match continued improvement in the Australian economy as a whole.

In 1985-86, an election year where a bullish forecast was a political imperative, the Premier promised:

Further satisfactory growth should continue during 1985-86 in the Australian and South Australian economies.

The Hon. B.C. Eastick interjecting:

Mr OLSEN: Indeed, that is a very accurate assessment of the performance of this Premier in this place. The 1986-87 budget coincided with Mr Keating's declaration of the banana republic so that the Premier's forecast was somewhat cautious, given that set of circumstances. His optimism returned the following year when he said for 1987-88:

The outlook for the South Australian economy in the medium term is moderately encouraging.

The common thread in the Premier's forecasts was that South Australia was holding its own—we were keeping in step with national growth. According to the Premier, we were certainly not falling behind. The reality, however, is very much different.

Let us first look at employment. Between June 1982 and June this year, growth in total employment in South Australia was 10.2 per cent—the lowest of all the States, and virtually all of this growth has been in part-time work. Of particular and serious concern, is the lack of full-time work for the traditional family breadwinner. The number of males in full-time employment in South Australia has increased by only 1 000 over the past six years—or by less than 14 full-time jobs a month.

Compare this with the performance in the other States. In New South Wales, the rate of growth in full-time male employment has been almost 16 times South Australia's; in Tasmania, 17 times; in Victoria, 24 times; in Queensland, 32 times; and in Western Australia, 46 times. Tasmania, with a population only a third of South Australia's, has created 5 500 full-time jobs for men in the same time it has taken this State to create 1 000. Obviously, more and more men are giving up trying to find any sort of a job in South Australia. South Australia's participation rate for men in the labour force is easily the lowest of all the States. More than one in four are not even looking for a job.

Ms Gayler: What about the women?

Mr OLSEN: I will get to that in a minute, but the overall performance of this Government on the bottom line is that we are going down the tube, according to every economic indicator, and it will be seats like Newland that will throw out the local sitting member because people are concerned about their standard of living and their job prospects. All the talk and all the hype of Labor members in their electorates will count not for one jot when the people get their next opportunity at the ballot box to change the Government in South Australia.

The Hon. J.W. Slater: Hope springs eternal.

Mr OLSEN: The honourable member may say that, but I remind him of the Adelaide, Port Adelaide and referendum results. Certainly there is the prospect of change, because every time the people have had the opportunity to exercise their right at the ballot box over the past nine months they have gone against the Labor Party and supported the Liberal Party. Indeed, there is a new direction in politics in the community. The member for Gilles may sit back in self-satisfaction because he is retiring and therefore is not concerned about the future, but a few of us are worried about job opportunities and the future of the economy in South Australia.

The ACTING SPEAKER (Mr Duigan): Order! The honourable Leader is out of order. He must direct his remarks to the Chair.

Mr OLSEN: Although the outlook for women is somewhat brighter, South Australia's performance here also lags behind all the other States. The number of women in employment in South Australia has increased by 23.5 per cent in the past six years but, again, this is the lowest rise for all the States. The member for Newland is now silent. She no longer interjects because the South Australian figure for women is the lowest of all the States, and there was no sign of these trends improving during the past 12 months. Total employment in South Australia grew by 1.5 per cent in 1987-88, less than half the national rate of 3.5 per cent. All of this growth was due to increased female employment. Male employment actually declined for the second successive year. As a result, for the three months ended June, the number of unemployed in South Australia increased by a further .4 per cent at a time when it went down 4.6 per cent nationally.

At June this year, the number of South Australians out of work was 11 200 more than six years ago. So, there are 11 200 more people unemployed today in South Australia than when the present Government took office, and that is against the national trend of employment growth and opportunities in Australia.

The Hon. B.C. Eastick: Take the one in four not registered and the position is worse.

Mr OLSEN: Yes, that would certainly exacerbate the position. Job opportunities have been lost in manufacturing industries in particular. The Treasury Department's survey of employment in major South Australian businesses shows that employment by South Australia's 87 largest manufacturers has fallen by 14.7 per cent over the past six years. Across all businesses in the survey, the fall in employment is 5.8 per cent. These were trends which the Premier, when he came to office, promised would not develop. There were to be many more jobs, much less unemployment, and fewer families in financial difficulties. However, the Premier has failed. Under his Government the South Australian economy has gone into a slide which continues to accelerate.

The plight of the unemployed, the plight of the poor, has got much worse. Under his Government, South Australians have been stuck with fewer new full-time jobs and higher unemployment than anywhere else in Australia. With a higher concentration of employment in manufacturing, South Australia should have been improving its position against the other States with the more favourable exchange rate for our exports, but other States have lifted their output and employment trends much faster than we have.

Last financial year, the rise in the value of our exports was only 3 per cent—well under half the rise for all States of 7.9 per cent. Our share of the total value of Australian exports was 5.8 per cent. It should have been almost 3 per cent higher on a *per capita* basis. With much less favourable job prospects than elsewhere, it is no surprise that under this Government South Australia's population growth has been falling behind. Between March 1983 and March this year, the South Australian population grew by only 5 per cent—easily the lowest of the mainland States. The consequences of a contracting population base compared with the other States are showing up in a range of other indicators.

In retail sales, there was a real decline of about 2 per cent in the value of South Australian retail sales in the three months to May this year. In the same period, nationally, sales were up 2 per cent. At June 1983, South Australia had 8.99 per cent of total retail sales in Australia. Currently we

are down by more than 1 per cent at 7.93 per cent. In motor vehicle registrations, the number in South Australia last financial year declined by 1.5 per cent compared with a national rise of 6.4 per cent. Currently, South Australia accounts for 7.2 per cent of total registrations in Australia—again well below what our share should be on a *per capita* basis. When this Government came to office, our share was 8.26 per cent.

In engineering construction, the value of activity in South Australia was down 6 per cent in real terms in 1987-88. We accounted for only 6.2 per cent of the national value of this activity. It is to be hoped that there will be a significant pick-up in this area with the submarine project. This is one bright spot on the economic horizon. Another is the Roxby Downs project. I noted the Premier's statement in the economic paper that he presented with the budget, as follows:

As the Roxby Downs project commences as a functioning mine from mid-1988, there will be a dramatic rise in the value of mineral production from 1988 onwards giving a major stimulus to the South Australian economy. Royalty payments to the State Government will be substantial.

This mirage in the desert, as the Premier once called Roxby Downs, has become an oasis in a general state of stagnation.

The Hon. E.R. Goldsworthy: They called it the oasis in the desert.

Mr OLSEN: Indeed, it is an oasis in the desert.

The ACTING SPEAKER: Order! Interjections are out of order.

Mr OLSEN: Roxby Downs was delivered by a Liberal Government, the same as Technology Park, O-Bahn, and the International Airport, and the list goes on. The previous Liberal Government achieved more in substantive new development projects in this State than this Government has achieved in six years. That statement is based on fact and the record cannot be disputed. It is there in black and white. Unfortunately, we now have a general state of stagnation, and it is time that the gloves came off in this economic debate. South Australian Labor Governments over the past 20 years have undone all the progress made under Liberal Governments in the previous 30 years to develop South Australia, to keep us ahead of the other States, to diversify our economy, and to attract a growing share of employment, population and overall economic growth. They were the goals of the previous Liberal Administration, and those goals were achieved.

Once South Australia was an economic pacesetter, but now we are becoming an economic backwater. Again, the Premier will say this is negative, but he is the negative one because he has no vision. He has no clear direction for South Australia.

The Hon. E.R. Goldsworthy: Norm Foster was right.

Mr OLSEN: Norm Foster was the only one in the Labor Party who had a vision and we saw what the Labor Party did to him because he had that vision and was prepared to stand up and be counted. They sacked him from the Party.

The ACTING SPEAKER: Order! The member for Light continues to interject and interjections are out of order. I ask him to stop interjecting. The honourable Leader of the Opposition.

Mr OLSEN: There is nothing in this budget to arrest that trend and to reverse the rate at which we are falling behind the other States. A budget with real increases in spending and taxation is totally inappropriate to the circumstances in which South Australia now finds itself. The budget emphasis is on more Government control and, hence, less individual initiative and enterprise. The rate at which this Government is placing more controls on South Australians can only further discourage investment and employment growth.

Over the past two years alone an extra \$1 million has been outlaid for union controlled occupational safety; corporate affairs activities are swallowing up an extra \$500 000; while enforcement of tax legislation is costing an additional \$2.3 million. Through this budget the Government is, even to invest \$1 million, on a program to improve productivity. Why is it necessary to outlay money to achieve this? Why cannot the Government, by example and leadership, improve efficiency and work practices in the Public Sector without throwing money at this issue as well? It means only one thing. The longer this Government is in office, the more it is hidebound by the demands and directives of union officials.

In public transport, in health, in the provision of power and water, the South Australian community is being forced to pay more and more because some union officials dictate the policies and the work practices to be followed. Let members consider, for one moment, the situation within the Electricity Trust. Currently it employs almost 650 wage and salaried staff at two power stations which contribute only just over 1 per cent of the State's power requirements. Figures I have obtained through Questions on Notice show that the Osborne Power Station employs 193 wage and salaried staff, and has done so for the past three years, even though it contributes only .03 per cent to the trust's total generation of power.

Members interjecting:

Mr OLSEN: Well, they cannot do anything about it.

The ACTING SPEAKER: Order! Responding to interjections is out of order.

Mr OLSEN: The old Thomas Playford Power Station at Port Augusta contributes just 1.3 per cent of our power, yet it employs 455 wage and salaried staff (according to the latest trust figures). Its work force has declined only marginally despite the fact that its input to the trust's needs has been significantly scaled down. The trust has retained high and wasteful levels of employment at these two power stations because union officials have refused to allow de-manning and de-commissioning procedures to be undertaken so that employees can be transferred to other areas of the trust's productive operations. These practices are a major reason why power costs in South Australia are the second highest in Australia. They are one reason why we are falling behind the other States.

Once, we had the lowest industrial power costs in Australia. Now, we rank with the highest. We will fall further behind if the Government continues to buckle to pressure from power union officials. There is another major issue in this area. Major contracts are now being let to allow commissioning of the third unit at the new Northern Power Station in 1996. However, it is becoming clear that this extra generating capacity may not be needed until the end of the century.

The Hon. E.R. Goldsworthy: If then.

Mr OLSEN: If then. The Treasury paper entitled the *South Australian Economy* released just before the budget admitted that 'total energy demand growth is now unlikely to exceed 1.5 per cent per annum in the foreseeable future'. But the third unit at Port Augusta was planned when growth projections were much higher. If the Government slows the construction timetable in response to these changed forecasts, this can help to limit increases in tariffs which will have to be imposed in the meantime to contribute to the capital cost of the unit. There is no point in incurring costs for excess capacity. However, there are disturbing signs that the Government is being directed by some union officials to proceed with this project as quickly as possible.

A number of union officials have been complaining to the Government about its decision to proceed with the interconnection of the South Australian power grid with Victoria and New South Wales. They claim that this interconnection will cut jobs in the construction and operation of additional power generation facilities in South Australia. For example, the interconnection, as well as cutting down on output from South Australian power stations, will also allow a significant reduction in the mining of Leigh Creek coal. However, this interconnection is now well underway and will add to the capacity of the South Australian power system.

This is one reason why construction of the third unit at Port Augusta can be slowed. Another is the slower growth in demand for power. For example, in 1983 the Government endorsed forecasts of summer demand for electricity which have turned out to be up to 20 per cent higher than actual demand.

Because of South Australia's faltering economic performance, electricity demand between 1983 and 1987 increased by an average of less than 1 per cent a year—half the Government's original estimate. However, installed capacity has been rising over the same period at an average annual rate of 7.3 per cent. Last year, peak demand for electricity was 59.6 per cent of installed capacity, compared to 76.2 per cent in 1982. Our energy planning must better balance likely demand with the ability of consumers to pay for the installation of new generating capacity. It is no use having the third unit completed by 1996 if it is not going to be needed for at least another four years after that. This will only impose unnecessary tariff increases on consumers in the meantime.

If some union officials are critical of the Government for proceeding with the interconnection, the Government should bring this issue into the open and debate it honestly and strongly. However, it must not submit to union demands to build the third unit earlier than is needed. The Government must put the long-term interests of South Australian power consumers before the short-term demands of some union officials. If the Government ignores this responsibility, our power costs will only get further out of kilter with the other States. Hence, the ability of our industries to compete will be further eroded.

I have referred to our high cost of power for industrial purposes. The latest figures for domestic costs also show that we are at a disadvantage. South Australian consumers are paying more than any other State, except Western Australia, for power in the home. We pay over \$111 a year more than residents of Sydney, and over \$71 a year more than residents of Melbourne. This is the price of union controlled Government; the price of deals at Trades Hall. Another was struck three weeks ago at the ALP convention. It is the reason why this budget has no vision and why the Premier cannot give a lead in economic policy.

Less than a year ago we heard the Prime Minister extolling the benefits of privatisation—three years after the Liberals had the guts to put the issue on the agenda. And last year we saw the Premier, in Mr Hawke's slipstream, trying to change the structure of Government activities in those areas where union officials would allow it; for example, I cite AMDEL. But privatisation is now suddenly off Labor's agenda.

The Hon. E.R. Goldsworthy: Sagasco.

Mr OLSEN: The Sagasco restructuring was another and the selling of the STA Roadliner buses was another.

An honourable member interjecting:

Mr OLSEN: The Housing Trust was another. When we proposed those privatisation policies in 1985, the unions

and the Government took a big stick to them but, when the Government was re-elected, it did not take it long to implement those policies. The hypocrisy of this Government is outstanding.

An honourable member: Two-faced.

Mr OLSEN: Indeed, it is two-faced.

The Hon. B.C. Eastick: They are quite dishonest in their criticism.

Mr OLSEN: The Government is prepared to be dishonest in order to gain in the ballot box. Because privatisation is now suddenly off the agenda, I feel that an election is in the offing. The Prime Minister and the Premier have been rolled. When the heat came on, they were gone, but we have become accustomed to that: whenever the heat is on, the Premier is gone—he never fronts up.

An honourable member: The invisible Premier.

Mr OLSEN: Yes, the invisible Premier, that is dead right. The issue was removed from Labor's agenda not by the Prime Minister or the Premier, but by order of those faceless union officials interested only in preserving their own power base. A motion was passed by the recent South Australian ALP Convention which included the following direction to this Government:

That it be ALP policy not to privatise, contract out or deregulate (except where such deregulation is coupled with reregulation which is agreed to by relevant unions).

What this means is that the Premier can do nothing to change the structure of the public sector; he can do nothing to improve its efficiency; and he can do nothing to reduce its costs. This effectively locks South Australia, under a Labor Government, into a program of higher Government spending and higher taxes and borrowings to fund that spending. There is to be no other way.

This Government will entrench the sort of corrupt practices which give anonymous people at Trades Hall the right to veto all Government construction contracts, for example. It will entrench practices—costly practices, wasteful practices—which require public servants virtually to spy on workers on Government contracts to ensure that they are paid up members of a union. It will entrench union power at the expense of fair and efficient Government administration. It will increase the potential for corruption in official and private circles.

My Party is not prepared to surrender the cause of good government to this sort of inflexible rule. We are not prepared to allow trade union officials to decide how much our electricity will cost, or how much our bus fares will be, or our water rates. This is the situation South Australia has reached under Labor, and the Premier goes along with it. So, he will join with his union mates in trying to misrepresent the policies of other people who are not prepared to cop this; who believe that there are alternatives, and who believe that South Australians deserve better from their Government than just more of the same—more taxes, more regulations, more controls.

Already, we have seen some trade union officials trying to misrepresent, again, the motives of privatisation. They say that it is an attack on public servants. Let me say this to the Public Service: it has been under previous Liberal Governments that the South Australian Public Service has been encouraged to do its most creative and constructive work. Here I refer to the public sector's involvement in spreading water systems through the driest state in the driest continent; to the generation of power from coal which most would not even try to burn because it is so low in quality; to the establishment of the Housing Trust; and in more recent times, to the development of Technology Park, O-Bahn, the Torrens Linear Park and the negotiation of the Roxby Downs and Stony Point Indentures. This record

demonstrates the faith of former Liberal Governments in the integrity and ability of the South Australian Public Service. Those earlier achievements occurred in times when South Australia was developing basic infrastructure to encourage economic development. Fifty years ago, this involved a big role for Government, for South Australia had few obvious attractions to investors.

History records that it was a succession of Liberal Governments which was able to secure the cooperation of all sections of the community in getting the job done. Today, that job largely is done. We have the basic infrastructure to support economic growth. Today, the challenge is to manage that basic infrastructure in a way which continues to encourage economic growth. Under Labor, this is not happening; our economy is falling behind, while the declining standard of basic service delivery in education, in health, in public transport, in ensuring community safety, is causing widespread public concern. The situation demands some basic changes in the role of Government.

Labor Governments have taxed too much to do too much—to take more and more control over the economy and our daily lives. Just as 50 years ago the times demanded more government, today, in South Australia, they demand less. And less government will be better government, for it can concentrate on those areas of vital service delivery which the public demands, while its call on taxes will be less to increase personal disposable incomes and enable existing businesses to create more jobs and attract new investment to South Australia. This vision for good government has as its starting point the recognition that South Australia has to fight harder to attract investment. We have always faced that challenge. But today, the role of Government in helping to meet that challenge is very much different from what it was half a century ago.

Labor has only one way—high taxes and big borrowings to fund high Government spending and more Government control dictated by union power. The Liberal alternative asserts that power and responsibility must be shared as widely as possible in the community. Only in this way will everyone be encouraged to play a full part in overcoming the problems and meeting the challenges South Australia faces.

I return to the questions I posed at the beginning of this speech. South Australia and South Australians will not be better off with this budget. It is a no chance budget. There is no vision for the future. There is only more of the same from Labor—more falling behind the other States and a declining quality of life for all South Australians. This is the Labor negative. It is why the Liberal positive will return good government to South Australia after the next election.

The Hon. E.R. GOLDSWORTHY (Kavel): I refer to the three documents distributed by the Treasurer, and I will make some comments about what they contain. First, to soften up the public for the coming budget, there was the distribution of two blue covered documents entitled 'The Finances of South Australia' and 'The South Australian Economy'. Not putting too fine a point on it, they paint about the rosier picture one could imagine in what is really a pretty desolate state of affairs. I shall refer to them later. Next came the formal budget papers, which are rather more matter of fact and certainly far more informative if one wanted to determine the true state of the economy. I shall refer to economic conditions and the budget in a little more detail.

We also have the glossiest of the glossy publications that have come across my desk for many a long day—'The South Australian Government's Financing Authority Annual

Report'. The Government Printer (Don Woolman) has really excelled with this publication. I opened it up to a picture of what appeared to be a modern day Christ with his disciples, but I found that it was only Bert Prowse with eight of his officers. I knew that something was wrong because I could count only eight disciples. I saw this figure in the front with the light shining on his head and eight men behind him, and I thought, 'Good Lord, I have a modern translation of the good book.' Then I put my specs on and could see only eight men. I have never seen anything quite like it.

I looked through it and my first impression was that these people were certainly happy in their work. When I read it, a number of questions came to the fore. I will return to these documents as I make a few points about the very depressing scene which confronts us in South Australia under the economic management of the current Treasurer. As has been pointed out by the Leader, we see a budget of more taxes and more debt. That sums up this budget: more taxes and more debt. I refer first to the glossiest of the glossy and one or two things which sprang out when I read it. In his report, Mr Prowse states:

During the first years of SAFA's operation there had been a steady increase in the cost of SAFA's debt, and hence its lending rates, as earlier cheaper debt matured and was rolled over into more expensive debt.

That should not surprise any of us when we realise that interest rates in recent years under Labor Administrations have gone through the roof. There are also some very disturbing factors with respect to the profile of State debt in this other soft sell blue covered book which came out prior to the budget. There are some disturbing implications in terms of the State debt and what happened to interest rates. SAFA's debt has gone up very substantially. The report continues:

As a result of SAFA's policy of borrowing predominantly on a short-term or floating-rate basis at that time, and reflecting the general decline in interest rates more recently, the common rate charged to agencies on the total stock of their debt was able to be reduced from 13.7 per cent per annum in the December quarter of 1987 to 13.3 per cent per annum in the June quarter of 1988.

SAFA has really got it made. It has swallowed up every Government instrumentality, and ETSA is a classic case in point. I wonder how the people at ETSA are enjoying having their teeth completely drawn by the Government—unless they are tame cats on the board and in management. I wonder how they relish the fact that they have been placed under ministerial control and their finances have been completely swallowed up by this new wonder group of SAFA. They have!

The Hon. J.W. Slater interjecting:

The Hon. E.R. GOLDSWORTHY: What's wrong with it? If I was running ETSA or if I was on the ETSA board and I wanted to keep expenses to a minimum to help the public of South Australia, I would not have been very chuffed when the Government took over ETSA's long-term loans at about 5 per cent, which were swallowed up by SAFA, and SAFA decided to charge 13.7 per cent for the trouble. That was a direct take from the public of South Australia. Here is SAFA, having swallowed up all the Government instrumentalities, charging them what interest rate they see fit. I ask you: what organisation would not have it made?

Suddenly out of the goodness of its heart, SAFA decided to reduce interest rates from 13.7 to 13.3 per cent. By golly! I bet that the people at the ETSA of old would be thrilled to bits at losing complete control of ETSA's finances! ETSA has just become a tool for SAFA to flog off its assets in some fancy leasing deals which the Premier does not understand and claims are commercially confidential—he cannot

tell the public what these fancy leasing deals are all about—where the money raised in those deals is swallowed up by SAFA and licks are given out to ETSA as it requires. I was interested to read that, at one stage of the game, ETSA was handed out a \$100 million gift by way of transfer to cheer it up.

The Hon. J.W. Slater: I've heard all this before.

The Hon. E.R. GOLDSWORTHY: You will hear it again, too. It is not quite the same because this report was not to hand then. Members have a pretty short memory. I have not made these points before because I have never talked about SAFA before. Here is SAFA, with this great pool of money from swallowing up organisations such as ETSA, doing just what it likes with them in terms of finance. I ask members to listen to this passage from page 12, as follows:

SAFA is now the source of capital funds for most of the authorities. In 1987-88, the Government proclaimed ETSA as a semi-government authority pursuant to the provisions of SAFA's legislation. ETSA has been a major borrower of funds in its own right.

Now, of course, it is not. The report continues:

Its inclusion in the centralised borrowing arrangements administered by SAFA is seen as a major step towards completing the rationalisation of borrowing by the State's public sector. These arrangements will result in improved overall efficiency and subsequent cost savings for the authorities including ETSA.

Who is kidding whom? Before I press on to some other documents, I will refer to another interesting passage, which was mentioned in Question Time and which tells us that SAFA has decided to let off the State Clothing Corporation from its debt. It also decided to let off the Central Linen Service from its \$7 million debt and convert it to a capital grant. Have you ever heard such nonsense? I recall the defrocked Minister of Health saying what a wonderful and efficient operation this Central Linen Service was. He said that it could beat the private sector hollow, and here is SAFA, which swallowed it up, letting it off a \$7 million debt.

Let me press on to what I believe was the softening up document relating to the finances of South Australia—the so-called educative document before the budget. A valiant attempt was made to try to paint the State's debt in the most favourable light. At page 53 this document asserts that we have relatively low net debt levels, which in turn is consistent with low net borrowings by the State over a period of years. I look at the table on page 53, which I read with interest, and see that the gross debt has increased from \$3.2 billion in 1979-80 to \$6.99 billion in 1986-87, yet I see a reference to relatively low debt levels and relatively low borrowings by the State.

Then there is some interesting accounting practice on page 54, where reference is made to net debt. We do not worry about gross debt because suddenly our assets have miraculously gone up in leaps and bounds. This is what I call a bit of progressive accounting. This document claims that the net debt has not gone up by anything like the more than 100 per cent increase in the gross debt. It claims that suddenly the State's financial assets have taken an enormous leap, and one of the great contributors to this leap is the liquid assets of SAFA of over \$1 billion. I found that quite interesting, although the accounting is very difficult to explain. Even if one looks at the so-called net debt increase, using their figures one sees that that is quite a significant leap year in year out. The increase in net debt in the last two financial years has increased by \$276 million and \$292 million respectively.

I was also interested to see how this document claimed that the financial assets during the life of the Liberal Government were static but suddenly took an enormous leap of \$400 000 in 1983-84. I would like to see more explanation

of those figures which appear in this document and which involved an attempt to soften up the public prior to the budget.

The budget papers themselves tell a completely different story. Let me run through the indicators which show where the State is going. There are some interesting comments on page 8 under the heading 'Economic Conditions'. It refers to the national scene, and urges some caution. It also talks about the South Australian economy failing to share in some of the resources boom, and then goes on to the real crunch of what is happening in the State. If one looks at the graphs on page 9 headed 'Household income per capita', one sees that they are declining quickly in South Australia. Looking at the slope of the graph for 1986-87, one sees that household income per capita is declining more quickly in South Australia than in any other State, except possibly Western Australia, where the decline is at about the same rate. Referring to labour market trends, under the heading 'Employment', the report states:

According to the ABS labour force survey, South Australia's employment growth rate picked up from .5 per cent to 1.5 per cent in 1987-88.

Have a look at what happened nationally. The report continues:

These were both, however, lower than the national growth rates of 1.9 per cent in 1986-87 and 3.5 per cent in 1987-88.

We have had far less than half the growth in employment in South Australia than the rest of the nation. We have had the worst record of any State in the nation. During the last year our employment went up by .4 per cent. Nationally it went up by 1.6 per cent. That was one-quarter of the growth rate in the past 12 months. According to the budget papers, the rate of full-time employment in South Australia rose by .9 per cent after declining slightly in 1986-87, but remained well below the national growth rate of 3.1 per cent. Our share of full-time employment in Australia is declining. According to the table on page 10, our percentage of full-time employees continues to drop.

Let us look at the next indicator in this budget paper which shows the real picture after the softening up process. On page 12 we see the number of employed wage and salary earners. It is interesting to see that there has been a slight decrease in the number of Commonwealth Government employees, while there has been an increase in the number of South Australian Government employees. About 30.3 per cent of the work force in South Australia is in Government employ of one sort or another.

The next table shows that the rate of Commonwealth Government employment is 29 per cent. So, South Australia has more people on the Government payroll than the rest of Australia. That is an interesting facet of a State which is struggling. At page 13 there is a table showing the employment, unemployment and participation rates. It shows that the unemployment figure for South Australia is the highest of that of any of the mainland States, well above the national average. The Australian unemployment rate for 1988 is 7.6 per cent; for South Australia it is 8.7 per cent, well above the national average.

The next indicator in this book refers to demography, that is, population trends or what is happening around Australia in terms of population. South Australia has the worst level by far of the mainland States in terms of increase in population. The increase in population over the past 12 months for South Australia was a miserable .97 per cent—less than 1 per cent—far below the increase in the other mainland States.

Mr S.G. Evans interjecting:

The Hon. E.R. GOLDSWORTHY: Yes, South Australia has dropped behind Western Australia in terms of popula-

tion and it is dropping behind the rest of the nation. South Australia is the worst of the mainland States. I remember the crocodile tears of the Premier in 1982 when, knocking hell out of the State in an attempt to paint doom and gloom, he said that we were losing our most valuable resource—our people. All I can say is that we are losing our position far faster under the present Administration than between 1979 and 1982. The explanation of this table tells us that the South Australian population at the end of March 1988 was estimated at 1.4 million, an increase of .97 per cent; the national population rose by 265 000 or 1.64 per cent, but South Australia's population rose only a fraction.

Page 20 refers to other indicators of economic activity. South Australian retail sales in the three months to May 1988 were only 4.2 per cent higher than in the corresponding period a year earlier, in current dollars. This translates into a decline of about 2 per cent in real terms. National sales rose by 8.7 per cent. In terms of retail sales, South Australia has achieved less than half the growth rate of the rest of Australia.

The number of new vehicle registrations in South Australia fell by 1.5 per cent in the last financial year, and that is well below the national average. South Australia had the lowest ever percentage of new motor vehicle registrations in Australia. Our percentage of national registrations under this Government has fallen from 8.5 per cent in 1984-85 to 7.2 per cent, down from 7.8 per cent last year—the lowest ever as a percentage of the Australian total. It is certainly well below our population share considering the total Australian population. The number of new dwelling approvals fell by a further 2 per cent during 1987-88, following falls of 17 per cent in 1986-87 and 27 per cent in 1985-86. However, the number of private sector approvals rose by 4 per cent in 1987-88, but the 23 per cent fall in the number of public sector approvals more than offset this increase.

If we look at the graph showing the number of private sector new dwelling approvals, we see that South Australia is well below the Australian average. If we look at the table which illustrates this point we see that there was a decline of 1.9 per cent over the past 12 months. South Australia's share of the total value of Australian non-dwelling approvals fell from 6.9 per cent to 6.6 per cent. So, we slipped back in that regard. Engineering construction is well below our share on a population basis. South Australia slipped back to 6.2 per cent of the national value of work done, which is well below what our share should be. Things would be worse if we did not have that mirage in the desert which is now turning into an oasis.

The ACTING SPEAKER (Mr Duigan): Order! The honourable member's time has expired. The honourable member for Davenport.

Mr S.G. EVANS (Davenport): I am about as enthusiastic about this budget as the Premier was, and we all know that he was not too enthused although he tried to stir up his troops and give the impression that it had some great benefit for the State. I am concerned about land tax. I find it amazing that some members of the media actually promoted the idea that there was some great benefit in the land tax provisions of this budget for the average land holder in relation to other than residential properties, to which land tax does not apply. The Premier said (page 570 of *Hansard* of 25 August 1988):

In discussion of land tax it is important to analyse the factors which lead to increases in the revenue raised. The most important of these by far is rising land values. Rising land values are essentially the product of demand, which is heavily influenced by perceptions about the return which can be generated from land in particular locations. Thus, the factor which gives rise to increases in land tax also influences capacity to pay land tax.

I stop at this point and make the following comments. I am one who believes that much of the foreign investment in this country in the purchase of developed real estate has helped to increase the cost of living quite dramatically. Although foreign ownership of our developed projects has not occurred so much in this State, it has occurred to some degree. If four of us who reside here, whether or not we are originally from another land, go to an auction to buy a property, there may be present three other people from other parts of the world where low inflation rates and low interest rates apply, such as Germany, where interest rates lie at 4.5 per cent and there is a deflation in the cost of living by .8 per cent—in other words, no inflation. Those people can move into our land, buy our prime developed real estate and thereby affect our cost of living quite dramatically. Although they can do that, I hope that our Premier does not believe that land tax should be tied to the high inflation rate resulting from the action of those who live outside our shores.

I would like to know how much Australian real estate the Americans, the Germans or anyone else owns, because I am sure that those people would know how much of their country I or any other Australian owned. That would apply to many countries, if not all. I ask the Premier not to feed us that sort of garbage, that that is the reason why land tax is a burden. The reason why land tax is a burden is that the Government chooses to impose a burden upon those who own land other than residential land. The Premier then went on to say:

There are, of course, other influences which require the impact of land tax to be reassessed from time to time. These include the progressive tax scale, the principle of aggregating all holdings in one ownership, and the fact that tenants are frequently at a disadvantage in negotiating leases with landowners.

Against this background the Government considers it appropriate to restructure the land tax scale for 1988-89 and to provide a rebate of some of the duty which would otherwise be payable.

Some of the media let out with a great story that a substantial land tax benefit would be handed back by the Government in this budget to the people who own land. However, I give credit to those sections of the news media who saw this suggestion for what it was—a sham. There was no rebate in it—none whatsoever. The Premier said:

It is not feasible to eliminate the effects of aggregation without removing the generous exemption now built into the tax scale and taxing land at a flat rate. The Government does not consider this to be an appropriate response to the circumstances. However, it does favour a much simpler tax scale as a means of relating tax increases more closely to increases in value; this will involve reducing the present six steps in the scale to three. Moreover, it proposes a generous rebate of the tax calculated in accordance with the new scale.

These measures will reduce estimated land tax revenues, by about \$11.5 million from about \$75 million to about \$63.5 million. Overall, the land tax revenues in 1988-89 should increase at a rate closely in line with increases in land values.

Let me come back to that increase in land values. Again, the Premier is saying that he is not out to seek land tax increases in relation to the rate of inflation within this State. He wants to tie it to the increase in the value of land. If people from other places come and push up the cost of our land dramatically as has been happening in the Eastern States then people who are trying to run small businesses and renting from corporate bodies will be in a much worse position than they were in last year.

Let us not forget that. There is nothing in this measure for small business whatsoever, or for big business either, except that the Government has said that, instead of ripping people off for an estimated \$75 million, it will be about \$63.5 million. Only a few years ago when this Government came into power it derived \$17 million from land tax. Members should compare \$17 million with \$63.5 million.

So, to the media who were awake to that sham, the disguise and the deceit in that proposition, I give credit. To the other members of the media who belong to the rat pack which follows the Government regardless of what the cause or policy may be (or even how much truth may be in what is being said), I say, 'Thanks for nothing', because that is the tradition that you practice and we have learnt to accept and understand it.

I refer to the Auditor-General's Report in regard to sick leave and rostering practices in one section in particular, although no doubt it happens in many other Government departments. I refer to page vi of the report headed 'Sick Leave and Rostered Practices', under which the Auditor-General states:

Since reporting on the Institute of Medical and Veterinary Science—

he was referring to concerns about some practices to which he referred last year and which have been rectified to some degree—

my officers have completed a review of sick leave absenteeism of the porter and medical orderly staff at the Royal Adelaide Hospital. For comparative purposes, information was collected also at the Queen Elizabeth Hospital and Flinders Medical Centre. Three main issues arose out of the review—the trend and the pattern in sick leave absenteeism; the absence of adequate management information and the effectiveness of the current manual rostering system.

Further comment is made as follows:

Sick Leave Absenteeism:

The following table shows the increase in the incidence of sick leave absences of porter and medical orderly staff employed at the three major metropolitan hospitals over the last three years. The data from which the table has been prepared excludes long-term sick leave absences.

The average number of sick days per person are then given as follows: for the Royal Adelaide Hospital, in 1984-85, 8.3 days and for 1986-87, 10.6 days—an increase of 28 per cent. For the Queen Elizabeth Hospital, in 1984-85, 6.4 days and for 1986-87, 10.7 days—an increase of 67 per cent. It is hard to accept that as a reasonable proposition. For the Flinders Medical Centre, in 1984-85, 7.3 days and for 1986-87, 8.5 days—an increase of 16 per cent. The increase in that case was not so dramatic. The report further comments:

A review of the sick leave trend at the Royal Adelaide Hospital identified that: in many cases, the leave taken was of a single day duration, associated with weekends, public holidays and rostered and programmed days off.

I think we can all read something into that, in that perhaps a bit of manipulation was going on. It continues:

... a disproportionately higher amount of sick leave was taken on weekdays compared to weekends and public holidays, when higher penalty rates are payable.

In other words, sick leave was not taken when the high pay was around but was taken on days when just the average pay applied. The Auditor-General asks us to reflect on the fact that there seems to be something a bit unusual about it. Perhaps it is a practice in which the Parliament, and particularly the Government of the day, should start to take some interest. The report continues:

On the face of it, this leave pattern raises serious questions as to whether sick leave is being taken for genuine reasons in all cases. There is also a concern with respect to the substantial costs that can be involved. Because of the nature of the work, the people on leave frequently need to be replaced, involving additional costs, including penalty payments.

I think it is fair comment that we should be concerned about the costs in that area. Then in dark type the Auditor-General states:

It must be stressed that the apparent use of sick leave for what appears to be for other than genuine purposes does not apply to all porter and medical orderly staff at the Royal Adelaide Hospital. On that staff, 39 per cent took less than six days leave in 1986-87.

The Auditor-General's officers have not carried out research in all the other hospitals, but one could assume a similar pattern in the case of Queen Elizabeth Hospital. However, in relation to the Royal Adelaide Hospital the Auditor-General, in all fairness, makes the comment that 39 per cent of the staff have not been involved in any practice that causes any great concern. I am sure that he is also saying that a percentage of people involved in the figures would have been in the genuine category. However, it would be fair to assume that about 50 per cent of people are not in the genuine category. I am not just applying this to Royal Adelaide Hospital staff, as I have no doubt that this is occurring throughout sections of the public service. The Auditor-General has a very difficult task in trying to look at the whole area. I think that as a Parliament we must concern ourselves with this matter also, and that applies to the Government in particular.

In relation to the financial position of the South Australian Timber Corporation, I was interested in the Auditor-General's comment (at page 414 of his report) that he is not thrilled with the way the corporation is going. Then, on page 415 he states:

I believe that the most effective and efficient use of the State's most valuable timber resource would be best served by an amalgamation of the Department [Woods and Forests] and the Corporation—and the determination of an appropriate corporate structure, capital structure and management for the amalgamated body. It is a view that I have expressed previously to the Treasurer.

The Auditor-General has previously said to the Treasurer, 'There is really a better way of doing this.'

The Auditor-General is independent of Parliament, and particularly of Government, and can make that assessment. He further states:

It was a recommendation of the merchant bank which reported on the debt/equity structure of the Corporation. It is a matter for urgent attention.

He said that it was for urgent attention and not a matter that could be put to one side with nothing done about it. I hope that the Government, whether or not it fronts up to an election, will accept that suggestion.

Referring to the Woods and Forests Department, I was interested to note on page 235 a statement on the commercial operations of the department's sawmills at Mount Burr, Mount Gambier and Nangwarry, as follows:

As illustrated in the following tables, notwithstanding a sales volume increase of 29 400 cubic metres, increased earnings of \$12 million and a price rise during the year, the commercial division continued to operate at a loss. After allowing for an abnormal cost item of \$875 000 for accrued annual leave, brought to account this year for the first time, the comparative results for 1987-88 was a loss of \$139 000 against a loss of \$264 000 in 1986-87.

There was still a loss. I was quite amazed to learn recently that more eucalypt (in particular, the type to which we refer as blue gum) is grown outside than inside Australia. In Brazil, some Mediterranean countries, South Africa and other parts of Africa, huge quantities of our eucalypt are used in the making of rayon and paper. When we talk about trading with South Africa in the general sense, I was disgusted to find that we have sanctions against that country only in relation to those things in which they compete with us. In all other areas we trade with them. Into that category falls blue gum. They buy seed for their blue gum from us. Brazil, which grows more blue gum than South Africa and Australia put together, buys its seed from South Africa, yet we are chasing exports for this country. The same applies, to some degree, to the Mediterranean countries.

I find it amazing that we are not able to move into that field. The South Africans will not like my saying that; but, nevertheless, potential markets exist for seed from our blue

gum, but Brazil buys it from South Africa. It shows the hypocrisy of our stand when we only have those sanctions and those applying to our State in terms of potential business. We are not interested in the blacks; we are interested only in ourselves, and the situation I have outlined is proof of my argument.

I will finish on some points regarding my own electorate. I now have the privilege, honour and glory of representing the former Minister of Lands who, having moved into my electorate, would want me, I am sure, to make a plea to the Minister of Water Resources, the honourable lady in charge of the House at the moment, to do the right thing by him and people at Belair generally and extend the sewer mains. I know that he will appreciate my making that plea on his behalf and on the behalf of other residents in the area. Likewise, people in the south continually complain to me that the Government will not do anything about the Myponga treatment works.

It looks like it will be years before they get good quality water, and they pleaded with me to again raise this matter with the Government. These people living in the south know that their electorates are the safe seats of two Ministers and that they are not swinging seats, but it disturbs them that they are not considered for this sort of service.

It was good judgment by the member for Spence to shift to Belair because the last passenger train that goes to the Hills now stops there—all other such train services having been cut out by the Government. It would be a pity if the Government stopped passenger trains going to Belair, because, as the member for Spence gets older, he would be unable to catch the train to the city. I hope that this Government takes note that the people living in the Hills have not forgotten the ruthless action of the Government in denying them the bus and train services that they need while it tries to buy votes in the north-eastern electorates by extending the O-Bahn.

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

The Hon. J.W. Slater interjecting:

Mr LEWIS (Murray-Mallee): In response to the interjection by the member for Gilles, I do not know where we are going. However, I know that this is his last term in Parliament and that this may be the last budget debate in which he has an opportunity to participate.

The Hon. J.W. Slater: It could be yours, too, you know.

Mr LEWIS: I would be very surprised if it was mine. In fact, the record shows that whilst I have been in this place the number and percentage of people who have given me first preference votes as well as a two-Party preferred vote, booth by booth and across the whole electorate, has increased, regardless of whether the swing was in one direction or another elsewhere in this State. I take comfort from that point. There may be some reason for that which has eluded me and members opposite, and I leave history to judge what that reason was.

Nonetheless, I urge members opposite to consider the material that I put before them for scrutiny and see whether or not that has something to do with it. In this case I am sure it has: it has a lot to do with the budget. The part of the budget to which I wish to address myself and put before the members for their attention is the social justice strategy. I believe that there could be no more appropriate thing for a Government of any political persuasion to examine and on which to determine policies that will most certainly provide some social justice and equity for people, regardless of where they or their forebears came from, how long it is

since their forebears have lived in this country, and what they do for a living these days.

I read this document with interest and I have listened with interest for the past 12 months to members in this place, particularly Government members, talking about what they will do in this general direction for the common good. I have yet to discover any who have a measured understanding of the science of economics. Most people think of it as being detached from sociology when, in fact, it is the most accurate, statistical and naked expression of people's personal desires collectively, as well as separately, that one can get anywhere. This study of economics is not bereft of consideration of people's needs. Indeed, by definition they are incorporated within, as it were, the collective analysis that can be done of a market or any other economic statistic. I will read into the record the introduction of the social justice strategy for 1988-89 to expose its fallacy and rhetoric. I guess that that is a kind way of saying that it is a pack of lies. The introduction states:

South Australians deservedly pride themselves on a long tradition of stable, humanitarian government historically at the forefront of social reform.

Correct. It continues:

The dual concerns of encouraging economic development within the State and ensuring fairness and equality of opportunity in both the creation and distribution of that economic wealth have characterised successive Governments.

Well, I quarrel with that: some have not. It continues:

Since coming to office in 1982, the Government [that is, this Government] has faced rapidly changing economic circumstances, which have highlighted the need to achieve an appropriate balance in addressing these concerns.

I wonder about that and will have something to say about it later. It continues:

The deterioration in Australia's economic position required drastic action by the Commonwealth Government [really!], whose key response has been to restrain public sector expenditure and borrowing.

You could have fooled me! I have not seen any evidence of restraint on the part of the Commonwealth. It continues:

The States have been required to bear a significant part [indeed, I would add 'most'] of that burden through reductions in Commonwealth Government payments to the States.

That is a fact. It continues:

In South Australia's case there has also been a steady reduction in its share of the total pool of Commonwealth assistance.

That is because we have a wimp representing us. It continues:

At the same time, it is clear from the work of the Commonwealth Grants Commission that South Australia is a State which is disadvantaged, in terms of fiscal capacity, when compared with the larger States.

So, why do we not do something about it? Why do we not see this man, who is supposed to be the guru, mapping out an economic direction that will give us this social justice? Why do we not go and tell Keating and Hawke where to get off and to develop a strategy that is effective in determining that we get a fair share? We fail to do that. If he cannot do it, he ought to get out of the way and let somebody else do it. It continues:

The State Government, in this setting, has therefore, concentrated on sound financial management as a key policy element and has itself sought to restrain public sector expenditure and borrowing levels.

I am glad that they inserted the word 'sought' because, if ever there was a failure in doing anything, this is an illustration of it. There has been no real restraint in public sector expenditure and borrowing. I do not know what they seek. It continues:

South Australians, at the same time, are used to a particularly high standard of service provided by or through the Government.

That is as may be. It continues:

Education provision is second to none;—

not to the people I represent—

health and welfare services are respected throughout Australia;

not by the people whom I represent—

law and order is maintained at a high level ensuring a safe and stable environment . . .

All you had to do a year ago was to ask the people in Murray Bridge what things were like when we set up the Neighbourhood Watch scheme. That was not set up as the first Neighbourhood Watch scheme outside the metropolitan area for no reason, and the Government did not initiate that move. We had to drag the Government screaming into that arrangement. It continues:

. . . the public housing program is the most ambitious in Australia and cultural institutions provide a model for the rest of the country.

Where? Constantly we tend to build huge ghettos of public housing, either detached, semidetached, or home units or flats. In the process, we create enormous social problems, because people are constantly interacting with other people who have the same problems. That tends to reinforce people's lack of self-esteem. They do not believe in their abilities, and that is not a criticism of them: it is an observation about people in such unfortunate circumstances. A better way to do it can be seen at Golden Grove where welfare housing people are integrated with people who have homes and land which are privately owned, regardless of the value of those dwellings, the size of the block of land or anything else; or, better still, take them out of the urban situation and put them in larger rural towns like Lamerook, where they can obtain access to all the shops and services that they need and where there are great opportunities for sport and recreation—

Ms Gayler interjecting:

Mr LEWIS: I wish that the honourable member would examine the job prospects in the Housing Trust ghettos in Smithfield Plains or, for that matter, on the South Coast, in Lonsdale or Noarlunga. Subjectively determined, their expectations are the poorest of any in South Australia. In the towns that I represent, there are no such high disadvantaged unemployment rates where the people are interspersed in these communities. The document continues:

Following the sound economic management established in its first term of office, the Government emphasised the theme of social justice and equity for all South Australians for its second term in view of the unacceptably high levels of poverty and disadvantage endured by many South Australians.

I wonder where that poverty and disadvantage is really located. I wonder whether members opposite would mind putting before this debate a thesis of where it is to be found. I know that they have come in here and said where it is. They say that it is in the urban situations to which I have referred, but in a moment I will examine some statistics that tell a different story. The introduction continues:

Unable to gain access to reasonable income or employment, they were also disadvantaged in relation to housing, health, education, transport and other services which affect the quality of daily life.

That is the truth when it comes to describing the people that I represent. For the sake of the record, and to enable members to appreciate what I have said, I seek leave to incorporate a table in *Hansard* showing by district council at the 1986 census the average annual incomes of all persons in certain council areas throughout South Australia. Included in the table are 10 district councils in the electorate that I represent and nine councils in metropolitan Adelaide, and it shows the average, median and average lowest 85 per cent of annual incomes.

The DEPUTY SPEAKER: Can the member assure me that it is purely statistical?

Mr LEWIS: It is, Mr Deputy Speaker.

Leave granted.

ANNUAL INCOMES OF ALL PERSONS

District Council	Average	Median	Average lowest 85%	Populations	
				<16 (%)	>60 (%)
(Rural)	\$	\$	\$		
Brown's Well	7 196.08	5 255.90	4 673.10	35.7	8.1
Coonalpyn Downs	8 560.33	8 020.89	4 619.40	31.6	10.0
Karoonda-East Murray	8 177.34	5 667.66	5 223.54	29.9	13.4
Lameroo	9 608.21	7 863.07	6 497.12	27.6	13.8
Meningie	9 468.98	7 601.00	6 588.76	29.8	13.4
Murray Bridge	10 493.00	8 050.17	7 117.23	28.5	15.9
Peake	8 182.66	5 651.00	5 078.85	34.5	8.8
Pinnaroo	8 875.58	7 744.24	6 770.70	27.9	17.3
Ridley	8 715.04	6 747.58	6 027.07	26.9	16.5
Tatiara	10 263.91	8 620.20	7 965.77	29.5	13.1
(Suburban)					
Burnside	14 867.82	12 116.16	8 715.60	19.8	26.3
Henley and Grange	12 387.60	10 188.38	8 748.66	18.3	22.1
Marion	11 515.91	9 830.29	8 457.96	21.6	20.1
Noarlunga	11 105.66	10 244.69	8 294.98	32.6	10.2
Prospect	12 219.94	10 302.01	7 548.74	18.3	22.6
St. Peters	12 239.70	10 273.12	8 980.30	18.9	20.5
Tea Tree Gully	12 813.10	12 148.79	7 082.38	31.2	7.4
Unley	13 616.01	11 735.09	9 664.52	18.4	23.2
Walkerville	14 931.15	12 285.29	10 394.60	18.2	26.2

**Note the 'Not Stated' category was deducted from total number for persons before the average was calculated.

Mr LEWIS: In addition, I also have a table showing the annual incomes for women in the same areas taken at the same time, and I seek leave to incorporate it in *Hansard*.

Leave granted.

ANNUAL INCOME FOR WOMEN

District Council	Average	Median	Average of lowest 85%
(Rural)	\$	\$	\$
Brown's Well	5 960.83	5 095.69	3 566.91
Coonalpyn Downs	7 110.51	5 398.03	4 489.41
Karoonda-East Murray	6 685.66	5 223.60	3 563.61
Lameroo	6 921.58	5 551.95	4 500.51
Meningie	6 103.29	5 192.84	3 902.77
Murray Bridge	6 968.91	5 695.94	4 753.56
Peake	6 276.84	4 855.41	3 774.36
Pinnaroo	7 747.65	6 038.49	5 482.34
Ridley	6 504.24	5 492.33	4 489.68
Tatiara	7 332.06	5 616.19	4 803.83
(Suburban)			
Burnside	10 837.12	7 995.17	7 106.09
Henley and Grange	7 741.71	7 105.27	6 285.26
Marion	8 239.41	6 228.74	5 593.83
Noarlunga	7 037.89	5 975.47	4 965.12
Prospect	9 547.74	7 363.05	6 726.58
St Peters	10 332.50	8 079.52	7 256.20
Tea Tree Gully	8 006.39	6 630.63	5 554.20
Unley	10 734.50	8 698.50	7 760.12
Walkerville	10 830.87	8 448.61	7 450.02

**Note: the 'Not Stated' category was deducted from the total number of females before the average was calculated.

Mr LEWIS: It can be seen that the average income for the District Council of Brown's Well is just over \$7 000 a year, while the best of the other district councils are Murray Bridge at almost \$10 500 and Tatiara at \$10 200. If the top 15 per cent of income earners are lopped off—that is, we remove public servants, teachers and so on, who are on demonstrably higher incomes (and I mean no disrespect to

teachers; nor do I devalue their contribution or the justice of their wage)—we find that the average of the local people to each locality falls to \$4 600.

The table shows that other district councils in the electorate that I represent are substantially disadvantaged when compared with those in the metropolitan area. Henley and Grange has an average income of \$12 300. When the top 15 per cent of people living in that district are lopped off, the average is still \$8 700, which is about 40 per cent higher than Brown's Well or Coonalpyn Downs. I put it to the House that it can be seen from the list of district councils that I have presented—a fair and representative group of people from urban and rural situations—that there is a great disparity between the two groups. The people on average incomes in rural South Australia—those people actually earning the export income that underpins the national economic program, according to our Federal Treasurer (Paul Keating)—are not the people who are enjoying the benefits of the wealth that they generate.

Through the transfer payment mechanism and the public sector policies pursued by State and Federal Governments (particularly the State and Federal Governments that we have at the present time) people in rural areas are very poorly off and have a lack of resources at their disposal. If we compare women in rural areas with those in the urban area, we find that for the lower 85 per cent in, say, Henley and Grange the average income is \$6 285 (for process workers, pensioners or persons on a benefit of one kind or another). However, for the District Council of Karoonda-East Murray in my electorate the average is \$3 563. Indeed, four councils in the area that I represent have an average income of about \$3 000. That figure is nearly doubled by women in the metropolitan area. No member opposite ought to try to tell me that the people they represent in urban electorates are the poor, and the disadvantaged and otherwise have insufficient access to public resources or at least resources expended in the name of equity and justice.

That is just not so. It is a nonsense in every respect. Not only are police stations—at least I got some success there—having their number of staff reduced: Narrung Police Station was going to be closed, despite the fact that another 50 homes are to be built there in the near future but also area schools are being downgraded, and there is no public transport to take the children to other schools. It is not possible to jump on a bike in the morning, ride out the farm gate and go 4 kilometres in the opposite direction to find another high school of your choice. It is not possible. One must accept what is there. If you are on a low income, as I mentioned, how can you possibly afford to give your children a just and equitable education? Yet the Premier and members opposite stand in here and dare to say that they represent equity, justice and a fair opportunity for people. What a nonsense!

Let us look at the statistics to see what is fair and equitable. Because things are tough at home in the district council areas that I represent, parents must say to children who are entitled by law to leave school at the age of 15 that they must go to work or go on the dole because they cannot keep them at school any longer. At Brown's Well, 31.7 per cent of children leave school at 15, and only 3.3 per cent make it to 18. Compare that with children living in Henley and Grange, where 20.9 per cent leave school at 15 and 6.4 per cent when they reach 18. I seek leave to incorporate in *Hansard* a purely statistical table showing the age of school leavers as a percentage of total school leavers for selected rural and suburban district councils.

Leave granted.

District Council	Age of school leavers as percentage of total schoolchildren	
	Under Age 15	Age 18
(Rural)		
Brown's Well	31.7	3.3
Coonalpyn Downs	23.0	3.2
Karoonda East Murray	32.7	1.7
Lameroo	23.8	4.2
Meningie	27.1	3.0
Murray Bridge	30.5	2.9
Peake	29.8	2.8
Pinnaroo	28.4	1.8
Ridley	35.8	2.0
Tatiara	23.6	3.4
(Suburban)		
Burnside	14.2	9.7
Henley and Grange	20.9	6.4
Marion	23.7	5.0
Noarlunga	19.3	3.9
Prospect	22.8	7.7
St Peters	19.9	10.1
Tea Tree Gully	16.3	5.4
Unley	17.8	9.1
Walkerville	17.5	9.7

Mr LEWIS: I thought to myself, 'Well, my goodness, country life must have something going for it.' By jove! I can see that the Government is certainly going for it, and its prejudice is based on the belief that country people own farms, are wealthy and are absolutely rolling in money. They might be asset rich but they are cash poor. Although a lot of people own a farm worth something like \$300 000, nonetheless they have a huge debt on that farm. Because the asset is in their name, that precludes the possibility of their being able to get Austudy or other benefits for their children to go away to school. It is an absolute travesty of justice that Keating can introduce something like that and this Premier and all the members of the Government sit silently by and let it happen.

The Government disadvantages those people who are already poorer than any others in South Australia. They have bigger households on smaller incomes and they do not have the opportunity of sending their children away to school simply because the valuation put on their farm, although they only have a 25 or 30 per cent equity in it, is so high that they cannot get Austudy assistance. These kids are caught in the poverty trap and nobody cares one iota about it, yet millions of dollars are wasted on referendum questions and hundreds and thousands of dollars are spent on publishing glossy brochures about how good the Government is and what a marvellous job it is doing, especially with its social justice strategy, which ignores the matters that I have addressed in the course of my remarks.

It is a pox on the Government, all its Ministers and the public administration, which has failed to bring this to their attention with anything like a reasonable conscience for competence and justice of any kind. Members should take a look at the kind of things that are occurring in the electorate that I represent in terms other than of education. Branches of the School Dental Service are being closed down. Parents cannot then afford to take their children 200 kilometres to a dentist in Adelaide and pay the fee when they get there or, for that matter, 60 or 100 kilometres to the nearest School Dental Service. However, they are expected to do that in the name of efficiency. Efficiency for whom?

Fairness for whom and justice for what? Do you think that is reasonable? I do not. Kindergartens or child parent centres are having their hours reduced, and there is no alternative. What possibility is there of providing country children with the kind of social benefit that can be derived

from participation in pre-school programs if we wipe them out? They are the kids who live in isolation and who ought to have recognition of the greatest possible need. How can the Government claim to be representative of people who are suffering from injustice and inequity, yet say that it is addressing the problem? I tell you what: you are not addressing the problem; you are creating an even bigger one.

Mr BLACKER (Flinders): I support the Bill and, in so doing, I wish to speak primarily about the concerns of the rural community within my electorate and to make some suggestions as to how I believe assistance can be given to these people. I must first of all point out that since I last spoke in this House—seemingly only a few days ago—and following my more recent travels to the northern parts of my electorate, the drought has worsened considerably. There is no doubt now that many people will not receive for this year's grain harvest. That number of people so affected is growing by the day and, when we have forecasted temperatures of 30 degrees today at a time when crops are moisture stressed, there can be little doubt that the disaster toll and the number of people involved will rise dramatically.

In perusing the budget, I recognise that the Government has brought in balanced accounts for 1987-88 and has effectively removed the deficit that this State has had for some years. However, it is difficult to assess the extent of the real debt of the State, particularly when all the finances of the various statutory authorities are not known and are not included. It would be interesting to know just what is the actual state of indebtedness if we assume and count the indebtedness of the statutory authorities as part of the State's finances.

My concern, however, is for the seemingly small amount of funding that has been set aside for those in drought affected areas. I believe that we are facing a drought in many areas of Eyre Peninsula and that many people will be battling to get their seed back and many will not be able to do so. Many will be unable to cut hay and already the feed stocks are very low, bearing in mind that it will be necessary to carry stock through to next winter, which could be eight to 10 months away.

Late last year, the Premier made a tour of upper Eyre Peninsula and some of the agricultural areas of southern Eyre Peninsula, and many statements were made about assistance. I believe that the Premier should repeat that visit and have a look at the peninsula in times of dire straits and despair for many farmers. I feel certain that, if the Minister of Agriculture and the Premier were to undertake that trip, perhaps the hard nosed approach that they have taken to requests for stock agistment assistance and freight concessions would be more readily recognised.

Eyre Peninsula has often been referred to as the grain bowl of the State, and there is no doubt that our contribution to the overall production of grain for South Australia has been immense. On many occasions, Eyre Peninsula has produced as much as half the State's wheat, approximately one-third of its barley and one-third of its wool. This contribution to the State's economy should not, and must not, be overlooked.

The difficulties now, however, are that a large number of farmers are facing the fourth or fifth drought in a row, and in some cases those farmers acquired land only four or five years ago when interest rates were reasonable. Unfortunately, land prices were high, and advice to farmers by financial advisers, banks, investment houses and Government authorities was to buy land. Having done that, and with the escalation of interest rates, which are now as high as 23 per cent per annum, many of these farmers who were

considered wealthy five years ago are now finding themselves in a position of destitution.

The family farm has been the nucleus of the rural industry for generations and there is nothing I can see on the horizon or elsewhere to indicate that the family farm will not continue to be the very basis of primary industry as we know it in this State. If this Government—or any Government for that matter—allows that position to deteriorate, it will be forgoing one of the greatest revenue earners and the most stable economic basis that this State has. Furthermore, any projection of any kind would indicate that it is only the rural industries that will bring this State into a position of buoyant economy. That does not mean to say that the rural industries stand alone in propping up this State. I do not intend that, and I do not suggest that that is the case, but I state quite categorically that the rural industry is the largest single contributor to this State's economy and, if it should be allowed to fail, the rest of the State will not survive.

I raise this issue because I believe it is in the interests of the State to see that those people who are placed in extremely difficult circumstances through no fault of their own are assisted, be it in some small way. The Government has assisted BHP, many of the machinery manufacturers and so many other organisations, so why should it not support the area that is most likely to give it the most return? One of the problems, as I see it, is that Governments of the day, both State and Federal, seem to look upon the agricultural industry as a 12 month or a year-by-year operation. That has been the fallacy on which the policies of government have been based, as they fail to recognise that, because primary industries are subject to seasonal fluctuations, there is no continuity. There should be more like a five-year roll-over or a five-year averaging for rural areas. Some of the more marginal rural areas could well have a 10 year averaging base.

If the Government looked at the problems of those areas in the broadest perspective and took into account the wider turnover and cyclic incomes, there could be a much more positive approach. This was adequately demonstrated when the income equalisation deposits were established by the Liberal National Federal Government. That scheme enabled farmers, who in a flush period were able to set aside moneys, to help themselves during drought or periods of poor return. It was a self-help scheme introduced by the Government of the day to act as a facilitator for those people to help themselves in times of need.

Since that time, Government strategies and taxation policies have changed to the extent that farmers are being taxed heavily and have had the opportunity of income equalisation deposits taken away from them so that the Government scoops the pool during years of plenty, but leaves the farmer with nil in times of need. The State Government's present attitude and opposition towards assistance with freight subsidies on agisted stock or fodder is adding insult to injury. Many of those farmers have been prevented by Government policies from helping themselves in a time of plenty and now, in a time of need, they are being denied some of the benefits that they themselves would otherwise have provided for.

For some farmers the position is critical. I am concerned that it appears that some farmers are being given notice for the sale of their property midway through the farming year. It is obvious that the financial institutions have been prepared to gamble on a farmer trying to work his way out but, as soon as it can be seen that the farmer's year is not as likely to be as successful as he would have hoped, the financial institution forecloses, taking whatever harvest it owns with it. In looking at the overall scene, Governments

must take into consideration the effect that their policies are having on the overall community, in terms of a reduction in the number of people living in country towns and the resultant effect.

A quick look at what is happening in relation to sporting teams gives a clear indication of the social destruction that is occurring in those areas. There has already been an amalgamation of two football leagues on Eyre Peninsula. There is talk of quite dramatic changes in at least four or five other football leagues on Eyre Peninsula, in some cases amalgamation and, in other cases some splitting and joining to try to bolster the football competition. This is very serious for the community, because more often than not the only social contact people have in country areas is through their weekend sport. As we see teams closing and others amalgamating, this is a very strong indicator of what is happening within the community.

I guess there is one thing to be thankful for, and that is the success of Roxby Downs. Many Eyre Peninsula farmers who have left the land have been able to successfully gain employment at Roxby Downs. Many young married couples have moved to the area, leaving their parents or younger brother on the family farm to keep it going whilst they earn a separate income.

To that end, the development of Roxby Downs has played a very important part in the survival of many people on Eyre Peninsula. The problems facing Eyre Peninsula at the moment are rather unique, and that is probably the reason why the State Government is not prepared to help out. Eyre Peninsula seems relatively isolated as a small, drought-affected area of the State. Because the population is relatively small, it is almost impossible for the State Government to qualify, under the present Federal-State funding arrangements for natural disasters, for Federal Government assistance. The fact that the State Government must spend \$8.1 million before Federal Government assistance can be received is one of the reasons why this State seems reluctant to help these people.

If, on the other hand, the drought was State-wide, the \$8.1 million would soon be spent and Federal Government funding would be obtained to assist and alleviate the problem. I point out that the drought is equally traumatic for those individuals on the West Coast as it would be for any other person should the whole State be drought affected. The drought is no less severe on those individuals because the area is smaller than would be its effect if the whole State was subjected to drought. It is my belief, therefore, that these people should be given the drought assistance and the consideration they would normally get if the whole State were affected.

I wish to make some recommendations to the Government. First a country assistance board should be established similar to the Farmers Assistance Board of 1933 which put the clamp on premature foreclosures on farms unless prior approval had been given by the board. The purpose of this is to stop the premature foreclosures which can happen and have happened.

Secondly, a study of small towns in South Australia should be undertaken. The aims of that study should be: first, to examine the nature of the economic linkages between the Government, commercial and farming sectors and to identify the key sectors influencing the viability of country towns; secondly, to analyse the perceptions, attitudes and behaviour patterns of people in small towns as they respond to changing economic circumstances; thirdly, to identify items of a strategic nature to be taken into account in examining prospects and problems for small towns; and fourthly, to prepare an agenda of items for continuing Gov-

ernment and community involvement in small town development. I support that concept, for I understand that a similar study carried out in Victoria recently highlighted certain areas and brought to the notice of Governments the need for the maintenance of small towns, particularly as they service the rural area. Town and country areas are intertwined and should be treated as an overall package.

Thirdly, the Federal/State financial arrangements for drought affected areas should be renegotiated to ensure that those who are genuinely affected by drought, whether in a small pocket of the State or in large areas, are treated equally. Fourthly, there should be an immediate re-establishment of the Government income equalisation deposit scheme (IEDS) to provide an incentive to farmers so that they can make provision for their own requirements in times of plenty to assist in times of need. If necessary, the State Government could assist in this way.

Fifthly, the State Government should be involved with the Federal Government in rearranging the fuel tax moneys and fuel excise moneys to ensure that areas of production are not severely penalised as they are at present. This matter was further highlighted when a recent tourist in Queensland noted a sign adjacent to a petrol pump that stated, 'Petrol 18 cents—plus Government tax'.

Sixthly, the Government should negotiate with the Federal Government in an endeavour to bring down interest rates to ensure that all persons in the State, regardless of circumstances, colour, creed or nationality, are treated as equals in commercial transactions. Finally, the Government should assist by appointing more rural counsellors. Counsellors are operating in the north of Eyre Peninsula at the moment as well as in other parts of the State. They can assist people who are experiencing traumatic conditions to work through their problems.

My comments today do not suggest for one minute that the Government—or anyone else, for that matter—should prop up totally inefficient farmers, but I firmly believe that farmers and rural businesses which are in difficulties as a direct result of outside influences deserve some protection from hasty foreclosures by financial institutions, and certainly some protection from the ravages of inflation and high interest rates that have been brought about in the main by Government fiscal policies.

One of the tragedies resulting from the drift away from rural land is that, because many young people have to seek outside employment, farming expertise is being lost. The generation of farmers staying on the land generally comprise an older group and, when they leave the land, there will be a void of farming experience that has developed and grown as a family unit. Certainly, this void of young people entering the farming community will have serious consequences for the farming industry. It is something that the Government has not come to recognise.

I leave my comments on the rural industry there, but there are other points that I would like to raise that are of concern to me. One relates to my inability to identify within the budget papers thus far the proposal for Porter Bay sewage disposal at Port Lincoln. Members will know of the circumstances at Port Lincoln where raw sewage is being pumped into the sea. Indeed, the problem was identified in 1973 by an E&WS Department report made at the time that the Redcliffs development was being proposed.

The Government of the day initiated a pollution report into the various bays and accesses to Spencer Gulf and a pollution problem at Porter Bay was identified in 1973. Since then other reports have similarly identified that problem. A few years ago the Government extended the outfall

to deeper water where it believed there was greater mixing of waters and thus less likelihood of contamination.

However, I raise this issue now because there have been continual requests and pressure from local council and me over the years to try to get something done. I can well recall a deputation I led to the then Minister of Water Resources (Hon. D.J. Hopgood) at the time. When all the plans for the city were laid out in front of him I recall his turning to an adviser to ask where the sewage treatment works were located. He was told that there were no such works and the Minister expressed some amazement. Now the problem is becoming more acute.

In the past we could accept the excuse that there was no real health problem, that the problem was perhaps only a visual one. Circumstances are changing. The increased sewage that is being discharged at that outfall is increasing in volume. Further, the outfall is relatively close to the proposed new yacht club and many of the yachting fraternity are concerned because they do not want their children yachting in an area which, as they say, might be contaminated. On that point alone, I trust that the Minister will take up the matter and ensure that somewhere in the not too distant future forward planning is made for the installation of a sewage treatment works at Port Lincoln. Certainly, I do not want this issue to become a Finger Point political issue, for I see that it may well degenerate to that extent if the matter is not treated with some respect and given the attention it deserves.

I now turn to a matter which I raised in this House about 12 months ago, that is, in relation to the access subsidised taxi cab system being provided for handicapped persons. At the time, I referred to the ineligibility of visually impaired people to Access Cabs. At the time the Minister responded and said that visually impaired people had other subsidies. Subsequently I received a letter from Mr Richard Llewellyn, Disability Adviser to the Premier, who indicated that visually impaired people were entitled to a \$22 a week travel allowance.

Having checked this matter through, and on the advice of some of my constituents who have to deal with the problem of being visually impaired, I have found that the \$22 a week does not exist. I am not saying that the advice that I was given previously was deliberately misleading, because I know that it was not, but as that advice has proved not to be correct I now make this plea to the Government, and I trust that it will take up the issue to ensure that people who are visually impaired do have rights to Access Cabs in much the same way as do other handicapped persons.

The Hon. B.C. EASTICK (Light): It is quite significant that the last two contributors to this debate have been able to identify quite clearly the very real problem that exists in rural areas—and it is to be expected that representatives of rural electorates will have particular interests in relation to those areas. Quite apart from the decibels used by my colleague the member for Murray-Mallee in the presentation of his case, I do believe that it does behove all members of the Government, the backbenchers in particular, to consider the material that the honourable member provided for the consideration of the House. They must come to grips first hand with the very real problems that exist in country areas today.

The member for Flinders proceeded along the same lines in relation to the area that he represents. He has rightly drawn attention to the fact that, but for the creation of Roxby Downs, with the support of Norm Foster, back in 1982, the people of Kimba and thereabouts would be in

diabolical trouble at present. They are no longer obtaining a financial return on their properties from agricultural pursuits but they are able to improve their position from employment that they can get at Roxby Downs. Other members from this side of the House will draw further attention to the very real problems that are occurring at present in many of the agricultural areas—and at a time when the Premier comes into this House with a despicable document claiming that South Australia is doing all right. I will analyse that document after the dinner adjournment.

As a representative of a rural electorate, which also has a fairly heavy urban influence, I can draw attention to areas of agriculture other than those that have already been mentioned by my two colleagues. I could provide information relative to the problems associated with the grapegrower or I could indicate the very real problems that have beset those members of the community who grow fruit, and the ups and downs that they suffer, either because of a lack of rain at the critical time or because of hail at setting time, or even when the fruit is well to the fore.

Members would well recall the quite graphic television footage of some of the very major hailstorms that occurred in November last year, creating havoc with the income possibilities of my constituents in the Rowland Flat area and the parts of Nuriootpa where crops sustained massive damage as a result of hail—and there are other examples of similar occurrences. Also, graingrowers suffer from the same problems. I have no doubt that at some stage my colleague the member for Goyder will draw attention to those of his constituents who had a very good crop and who, in due justice, sold it through an organisation at Balaklava, Gulf Industries Pty Ltd, in the belief that they would be paid for their product but, unfortunately, they suffered because the company went broke.

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

SUPPLY BILL (No. 2)

Returned from the Legislative Council without amendment.

IRRIGATION ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

APPROPRIATION BILL

Second reading debate resumed.
(Continued from this page.)

The Hon. B.C. EASTICK: This is a deceitful budget document, masquerading under the guise of responsibility and fairness. As we progress through it, members on this side will identify where that deceit lies. My Leader earlier this afternoon very clearly illustrated its deceit. As with the Federal President of the ALP and the referendum subjects which have been exposed for what they really were—

The Hon. J.W. Slater: No they haven't—people just didn't understand them.

The Hon. B.C. EASTICK: I would like to tell the member for Gilles that I have a great deal more regard for the ability

of the Australian public to understand than he obviously has. He puts himself in the self-same position as that of the Prime Minister on Sunday when he sought to take away the reality of the vote. The vote was a determined vote by people who sent a very clear message, and members of this Government will heed it. If they fail to heed it, it will be at their peril.

Members interjecting:

The SPEAKER: Order! I ask the member for Light to return to the subject and not allow himself to be distracted by the members for Gilles and Fisher with their interjections, which are out of order.

The Hon. R.G. Payne interjecting:

The SPEAKER: Order! We do not need the help of the member for Mitchell.

The Hon. B.C. EASTICK: Why do I say that it is a deceitful document and was a deceitful presentation by the Premier some 10 or 12 days ago? It is because he indicated and sought—

Mr Tyler: You're paid to be paranoid.

The Hon. B.C. EASTICK: Obviously one member from the south is taking over from another in that area with a mouth wide open. The Premier sought to indicate that a social justice package was included as a new initiative involving a large sum of additional money. As shadow Minister of Local Government, I am also responsible for matters concerning the Youth Affairs Office. The organisational funding for that office for 1988-89 shows a reduction of \$117 686—a reduction of 17.39 per cent. Quite unashamedly, referring to the social justice package, we suddenly find that we have an indirect benefit to that area as follows: design and creation of employment opportunities, \$33 000; information services for disadvantaged young people, \$85 000—surprise, surprise—a total of \$118 000, almost the exact amount taken out of the recurrent budget for 1988-89.

The amount made available for assistance to a group of people in the community, who we all agree need vital assistance, does not even provide for the inflation rate. In relation to the Department for Community Welfare (and I am pleased to see that the Minister is here) the young offenders program (page 151 of the Estimates of Payments) in 1987-88 involved an expenditure of \$13 704 838 but for 1988-89 the proposed expenditure is \$12 928 000—a reduction of \$776 838.

In the social package, under the heading 'Development of initiatives to assist students with social and behavioural problems', which is in the same area of difficulties involving young offenders, we find an infusion of \$675 000. There, in part, is a replacement of the \$776 000-odd that was removed. Not only is a lesser total sum available in an area that the Government claims it is assisting but also it does not come up to the amount by which recurrent—not capital—expenditure was reduced on that line for this financial year. Again, there is no provision for the inflation rate. If members go through all the lines they will see a similar equation. Similar sums are being recirculated with neon lights blazing that it is a new initiative and that the Government is genuinely interested in assisting these people with new funds. One has to check the fine print to find that the Premier has had to withdraw money in order to pick up some additional funding—about \$4 million—from the Commonwealth.

I believe that that is a fair indication of the extent to which this Government will go to pull the wool over the eyes of the public. We find a statement by the Premier that Commonwealth payments have grown by only 4.7 per cent. In fact, from the \$20 million that the Government indicated

it had picked up through reclaiming payroll tax from the Commonwealth, we get a whole \$2 million—a poor equation as regards any equity for South Australia.

We find a reduction in relation to workers compensation, which has proved extremely expensive, with the Premier indicating that the budget has benefited as a result of a lower rate of workers compensation for the Government service, at a time when everyone in small business is incurring a higher workers compensation commitment.

The Hon. R.G. Payne interjecting:

The Hon. B.C. EASTICK: The member for Mitchell in due course will be able to tell the House how he has analysed the document, but as yet I have not heard him called to do so. I ask members opposite to reveal what figures are being hidden in this document or, more particularly, what figures have been presented for the various programs with which the Government has no intention of proceeding. On what basis do I make that point? Last year a considerable sum of money was indicated for Police Department capital works. As at 30 June 1988 that sum was underspent by many millions of dollars.

The Hon. R.G. Payne: How many—tell us?

The Hon. B.C. EASTICK: I will give the honourable member figures for that, but will he just accept that, in relation to the Country Fire Services, in 1987-88 it was allocated over \$3 million, but during that year about \$1.1 million was actually expended. The 1987-88 vote for the Metropolitan Fire Service was \$5.37 million. Has the honourable member found that?

Ms Gayler: Yes.

The Hon. B.C. EASTICK: Members will see that \$1.409 million was actually spent and \$3.961 million was deferred payment, so it makes the figure—

The Hon. R.G. Payne: Have you looked at the carryover?

The Hon. B.C. EASTICK: I am glad that the honourable member mentioned the carryover. What amount of money which was due to South Australian business and was not paid as at 30 June (causing embarrassment to South Australian businesses) was deferred payment so that the Government could present what it claims to be a balanced budget or an over-correction of the financial difficulties? If one examines all areas, one will find the same indication. There was a gross under expenditure or, as at 30 June 1988, a very large sum of money was owed to the public and that allowed the Government to present a false balance.

These points need to be taken into account and, if the Government is honest, they will be revealed to the Estimates Committees. One has to operate on the documents presented to us. They reveal that there has been gross under-spending on commitments which were given by the Government in 1987-88 for a whole host of projects, including tourism, the police, the Country Fire Services, the Metropolitan Fire Service, and so it continues for all services of this State. The new budget does look particularly good. For example, quite a massive increase has been made available to the Country Fire Services this year, but that will only be factual if at the end of the year those moneys have been forthcoming and are not deferred in 1988-89, as was the case in 1987-88.

The figures for the Police Department also show quite a dramatic increase in allocation. For example, the Sacon police line for 1988-89 shows a 126.43 per cent increase. I laud that, if that sum is delivered. The point I make is that the Government has sought to advise a particular commitment for programs in the past but, at the end of the year, it has not met those commitments. Actual police capital works for 1987-88 amounted to \$15.951 million against what was to have been a \$17.359 million outlay. An increase

of 61.71 per cent is proposed for 1988-89 at \$25.736. That is to be commended. Again, it contains figures which were used by the Government to give hope to many of those organisations, many of those essential services in South Australia in 1987-88, which it failed to meet.

The Hon. R.G. Payne: Do you think it should be less?

The Hon. B.C. EASTICK: I never said that; I laud the commitment. What I am saying is that last year I lauded the commitment in advance, but the Government never delivered. It was a false presentation. I am saying that in 1988-89 I hope there is not a false expectation by these many organisations.

Ms Gayler interjecting:

The Hon. B.C. EASTICK: The member for Newland will be able to make her contribution in due course. This is a despicable document because of the falsities which it clearly contains.

Mr BECKER (Hanson): I endorse the remarks of the member for Light because he clearly illustrated the situation that is occurring in this State. This budget gives us the opportunity to assess the performance of the Premier and his Party, and clearly he has ignored Canberra's plea for financial restraint. The budget does not do what Canberra asked the States to do: it does not attempt to curb inflation. Therefore, this Government becomes the biggest spending and biggest taxing Government in the history of this State. Labor is committed to increasing its taxing powers rather than reducing its programs. It is committed to taxing whatever it can whenever it can, and it believes in the stupid ideology that you can tax the tall poppy. Don Dunstan tried it years ago. We told him that it would not work, but it took 12 months before he believed us. The people who are hurting are those in the middle income bracket. I just do not believe that it is the idea of this or any other Government or of this Parliament to tax those who make the contributions to the community and who can help those who are in need.

Let us look at what the Government did over the past financial year. A few days ago, before introducing the budget, the Premier made great play of the result of the previous financial year, 1987-88. He kept referring to the \$63 million deficit that he inherited from the David Tonkin Liberal Government.

The Hon. J.W. Slater: That's right.

Mr BECKER: It is not right because the Tonkin Government brought down a balanced budget. The budget for 1982-83 was introduced into this Parliament on 25 August 1982, proposing a balanced budget. The State election was held on 6 November 1982. The Liberal Party lost; Labor was elected and the Treasury benches (or the reins) were then controlled by a Labor Government. It had the opportunity to (and did) amend the financial affairs of the State, and probably one of the smartest pieces of footwork that I have seen in 18 years in this House occurred in the 1982-83 financial year. Having been in Opposition for three years, the Labor Party returned to power and realised 'Now is the time to strike' and, boy, did it do it with vengeance! It came up with a \$63 million deficit, blamed it on the previous Liberal Government and wiped its hands of it. It had an absolute field day. For the past six years we have had to repay that debt.

Ms Gayler interjecting:

Mr BECKER: It is not a load of rubbish. The lady who interjects knows very well that she was part of that heyday. She enjoyed the fruits of her Party's being in Government and did very well. Let us look at what the Auditor-General says on page 4. Last financial year, the Premier

said that he expected to receive receipts of \$4 150.4 million. In actual fact, he received \$4 225.7 million, an increase of \$75.3 million.

When the Premier referred earlier to the success of last year's budget, he did not tell the people of South Australia that he picked up approximately \$60 million extra in stamp duties. That had nothing whatsoever to do with the Government. Because of the stock market crash, the shuffling of funds by large financial institutions and the selling and buying of property in the central business district, the State Government picked up the money through stamp duties charged on those transactions. That \$60 million is pretty good money for the State of South Australia but very small bickies when compared with Melbourne, Sydney and Brisbane. Even so, no-one had budgeted for that \$60 million, so good luck to the Premier.

With respect to payments to the State, the budget for 1987-88 was \$4 201.7 million and actual payments were \$4 215.3 million, an increase of \$13.6 million. The result was a variation and a surplus of \$61.7 million, and that enabled the Premier to apply it to the Consolidated Account, which had been carrying a deficit of \$63 million for the past six years. Before doing that, the Premier did not balance the books concerning the capital works program, and that is where he committed the greatest sin of all.

The budget for capital works involved payments of \$616.8 million. In fact, the Premier spent \$617.8 million, a difference of \$1 million. He budgeted to raise \$653.8 million through borrowings. He actually raised \$641.8 million, which was \$12 million less. That gave him an operating surplus of \$24 million. The Premier used part of that surplus to pay off the Consolidated Account deficit. When discussing the 1981-82 Tonkin budget, Mr Bannon agreed with me that, to take money out of the Loan Account to prop up the Revenue Account was morally wrong because it mortgaged the future of the children of this State.

An honourable member: But he did it.

Mr BECKER: Yes, Tonkin did it, and I was very critical. The honourable member was here at the time. I have not changed my policy from that day and I will not change it. Now, the very person who agreed with me—the Premier and Treasurer of this State—has done the same thing, although not on such a big scale. However, he has done it: he has taken money out of Loan Account to prop up the inefficiencies in relation to Revenue Account. To me, that is a sin, and it is a sin to expect the people of South Australia to accept that that is the way to handle the finances of this State.

From State taxation receipts, it can be seen that there were some quite extraordinary variations, apart from those that I have already mentioned. It is worth putting on record that land tax earned the State an extra \$12 million; gambling brought in an extra \$16 million; motor vehicle registration fees and driver licences earned an extra \$15 million; and payroll tax contributed an extra \$28 million. That makes me smile because I can well remember when, as Leader of the Opposition, Mr Bannon said that he would like to do away with payroll tax. I have heard nothing since he came into Government about how he plans to get rid of payroll tax or what he will do about it. It would be great if he could do away with it and if the State could afford it. Business franchises brought in another \$26 million. So, there were some huge surpluses over and above the budget estimates for State taxation.

Each one of those taxes has an impact on middle-income earners as well as on the less fortunate in the community because those taxes are passed on. Some of them such as petroleum taxes, are inflationary. We expect the people of

South Australia to pay \$70.5 million, according to the budget estimate, in petrol tax. That will be passed on and, of course, that adds to the cost of living in this State. The cost of living has been held within a reasonable figure when compared with the rest of Australia, but it is not satisfactory as far as I am concerned. Even so, we in South Australia pay very dearly for any imported food items that come into this State.

Another area that concerns me is that about 70 per cent of our State budget goes in salaries and wages. We have heard great play about the juggling of the finances and figures of the State, and it is well worth remembering that this Government has employed a large number of extra persons. Having had assistance from the Parliamentary Library research staff, I would like to make these figures available to the House.

As at 30 June 1983, 50 363 persons were employed in the administrative units of the State. As at 30 June 1987, 52 486 persons were employed, an increase of 2 123 or 4.2 per cent. In statutory authorities 48 318 persons were employed as at 30 June 1983, and as at 30 June 1987 a total of 56 788 were employed, involving an increase of 8 470 or 17.5 per cent.

Ms Gayler: That could be the State Bank.

Mr BECKER: So, at 30 June 1983, 98 681 persons were on the State payroll, and that figure jumped to 109 274 persons, an increase of 10 593 or 10.7 per cent. The full-time equivalents, of course, is where those figures are brought back to reality. Instead of 10 593, the figure is 6 423.9 persons, involving a 7.1 per cent increase over that same period.

The honourable member interjected and referred to the State Bank. The State Bank and the Savings Bank of South Australia were part of the State, anyway. The biggest increases have come within the health area. The Royal District Nursing Society, which was taken over by the Health Commission, added 254 persons. The GROW organisation added seven; Windana Day Care Centre, 6.8; St John Council, 261.5; Julia Farr Centre, 981; and COPE, 19.8. Then, the biggest ones were Red Cross, 107; Minda, 484.6; and Royal Society for the Blind, 140. So, one can see that some of the largest voluntary health organisations are now swept under the control of the Health Commission and included as employees of the State.

I was surprised to learn that the South Australian Housing Trust put on an extra 190 persons during that period. Is it any wonder that this Government must raise additional taxes to meet the ever-increasing bill to pay wages, salaries and other benefits of those persons. Traditionally, on the first day that we have an opportunity to debate the budget the Auditor-General's Report is presented to State Parliament. For the third time that I can remember, we have a colour change to the cover. This is significant because it is normally either red or buff, and now we have a blue cover. I hope this does not mean that the Auditor-General thinks that Sturt will win the football grand final, because I would have thought that he was a Bay supporter. However, I want to place on record my recognition of the efforts of the Auditor-General.

I am surprised that the Auditor-General and his staff can present to Parliament a comprehensive report of the financial affairs of Government departments and statutory authorities. I have noticed—and the Auditor-General has commented—that several statutory authorities have not presented their accounts. I hope that at the appropriate time the Premier and the budget Estimates Committees will severely reprimand those authorities that did not submit their balance sheets and financial affairs to the Auditor-General in time for the presentation of his report to this

House. In actual fact, I believe that some action should be taken against the boards or executive staff of those departments. The Auditor-General made the following comment:

I would also like to pay tribute to Mr Jack Epps, a Director of Audits, who retired earlier this year. Jack has been a most valuable member of this Department for 24 years. His professional approach to auditing, his ability to get to the real issues, his knowledge of the public sector and his ability to get on with people earned him the respect of not only those who worked with him but also those who have been associated with him in the wider public sector. His integrity both as a professional and as a person has been an example to all of us.

As a former Chairman and member of the Public Accounts Committee, I would like to endorse the remarks of Mr Sheridan, the Auditor-General, and also pay tribute to Mr Jack Epps. I found, when working with the Auditor-General's Department, that Mr Epps was, as the Auditor-General mentioned, a person of very high integrity, a very skilled person, and a wonderful example. No doubt he has been responsible for the training of many excellent staff in the department. I wish Jack Epps a long, healthy and happy retirement, because he deserves it.

The State owes people like him—the unsung heroes of the Public Service—a debt of gratitude. We expect them to perform and to do their duty, and they do it without any hassles whatsoever. The high quality and standard of the reports presented to this Parliament is a credit to people like Jack Epps and the Auditor-General. I have often asked the Auditor-General, 'How do you do it, because you do not seem to increase your staff; you must be running a pretty tight ship', and he replied that he has exceptionally good and loyal staff. I congratulate the Auditor-General's Department on its presentation of the report to the Parliament.

Over the years I have seen many alterations and amendments to improve the style and standard of the Auditor-General's Report and I have come to appreciate it very much. There is only one point missing—and I have mentioned this to the Auditor-General on many occasions—and that is that he has left out the section that deals with loss and theft of Government property. I believe very strongly that that section should be included in the report. As far as I am concerned, that is part of reporting to Parliament because, whilst we have all the figures in relation to the finances of the State, an audit report, to me, is not an audit report unless it tells us exactly what has happened. If there has been carelessness and if supplies have been lost or stolen, we should know about it because we, the Parliament, and those who administer departments, should continuously review the systems that operate in Government departments to ensure that the assets of the State, be they very expensive assets or the smallest items, are well presented, preserved and accounted for.

I again plead with the Auditor-General to include that section in his report, because I understand that there is an alarming increase in the theft of property from Government schools. Security and school councils have had to hire the services of security firms to protect school property, but I believe that that is a Government responsibility although, at the same time, schools are subject to a tremendous amount of vandalism and petty theft. Library books alone must cost the education system tens of thousands of dollars. I believe that we, as the guardians of taxpayers' moneys, have a right to know exactly what is happening within the stores section of each Government department.

We will have the opportunity to go into greater detail in the budget Estimates Committees. I am always disappointed that some Ministers use the Committees as an exercise to stonewall and present a greater number of dorothea dixers than ever. The Estimates Committees were designed to

provide information to all politicians, an opportunity for public servants to talk to politicians without being harassed or having any fear of doing the wrong thing. It is in the interest of the various Government departments to make sure that the Parliament is informed. If the Government does not want to inform the Parliament, it will have to take the criticism that it justly deserves for not giving us the information that we seek.

Mr MEIER (Goyder): We have heard some excellent contributions this afternoon and this evening from members of the Opposition on this Appropriation Bill. Whilst I do not intend to specify what members highlighted, I believe that all members would appreciate the comments made by the Leader of the Opposition in showing the fallacies of the Government's budget and indicating the true situation: the high level of unemployment in South Australia; the high level of bankruptcies; the low number of motor vehicle sales compared to the situation in the rest of Australia; the high taxing policies of the Government; the lower level of money available for hospitals, indicated by the near closure of the Blyth, Tailem Bend and Laura hospitals; the neglect of school maintenance and other services in schools; the low morale in schools and, also, in kindergartens; the shocking state of our roads; the higher transport costs—and so the list goes on. It does not show South Australia in a positive light.

I express my distress and concern that this Government is continuing along these lines given that, as most of us would remember, prior to the last election and especially prior to the 1982 election when in Opposition the Government promised that those areas to which I referred would not suffer: they would, in its terms, be rectified; unemployment would come down; and so it went on. Members opposite made promises, and it upsets me that they have broken so many promises.

It must be disheartening to all members in this place. I know it is disheartening to the members of the public out at the coal face, those who suffer from the continual increase in taxes and who are finding it harder and harder to balance the budget. I firmly believe that the people will give this Labor Government the message very clearly at the next election, be it in six months, 12 months, or whenever.

I want to direct my remarks on this Appropriation Bill primarily towards the rural sector. Members would appreciate that very little is offered in this budget for the rural sector. It is high time that the Minister went out and saw the real situation. I know that he attends occasional functions in rural areas, but so often he simply arrives, attends the function and goes. He does not take the opportunity to speak with the rank and file rural person. He does not get to know the true situation. It is time that either he did that or the Premier replaced him as Minister of Agriculture.

Members will recall that I raised in the Address in Reply debate my great concerns about the Department of Agriculture office at Kadina and how the staffing at the office had dropped from about nine officers in earlier years down to three and possibly two in the near future. In fact, I have not checked with the office in the past two weeks and numbers might already be down to two. Certainly, I will be questioning the Minister in the Estimates Committee to see how many officers he might make available.

Members will recall that I received a letter from the Minister which did not give any hope. Since that time I have had many more letters from concerned farmers and rural people asking me to continue to push for increased personnel at the office at a time when the rural situation is not good. Certainly, over the major part of Yorke Peninsula

the situation still looks satisfactory. In other areas rain is desperately needed. Generally, it is not as critical a situation as it is on Eyre Peninsula.

I turn briefly to Eyre Peninsula. The House heard earlier the member for Flinders detail some of the concerns experienced by his constituents. In this week's *Stock Journal* under the heading 'Mayes rules out drought grants', a report states:

Agriculture Minister Kym Mayes is adamant that freight and fodder subsidies will not be introduced for the drought stricken West Coast.

Further down in the report the Opposition agriculture spokesman Graham Gunn (member for Eyre) slammed Mr Mayes for failing to fully understand basic farm management decisions. Mr Gunn states:

A Liberal Government would have provided direct financial assistance such as fodder and freight subsidies to West Coast farmers affected by one of the worst droughts in memory. No farmer, regardless of his management ability, can cope with a drought as severe as the one faced now without some direct Government assistance.

He is right. Those farmers have been through a horrific experience and in many cases they are still facing a terrible situation. What sympathy is this Government showing? Absolutely none. We saw the Premier go on his State trip at the end of the last session. He got a few headlines out of it. Outwardly, it showed that he supposedly was caring for those people. What has happened since? We asked a question of the Premier a few weeks ago and he said that things were being done. When pressed, he would not give one example of what was being done. That is the truth of the situation. These people are on their last leg.

It is an opportune time for the Government to step in and say, 'We care for the agricultural industry; we care for the future of the State; we care for you people who are out there battling against the elements; we will make sure that we do everything possible to help you through this bad time. We know, looking back on the record of droughts and good seasons in South Australia, that we get some years when people experience bad conditions, but then there are many other good years.'

Members need only look back to the 1800s when, I think, in the 1870s we had for 10 years a time when farmers felt that rain followed the plough. They went up beyond Hawker and Blinman ploughing the land and sowing good crops. Of course, the next 10 years were an absolute disaster and farmers experienced 10 bad years. We know that such climatic phenomena have occurred and will continue to occur, and it would be opportune for the Government to say, 'Right, we will help tide you through it. We know you will be able to pay back the assistance in future years.' However, the Government is prepared to let the rural industry decline and let farmers walk off the land with nowhere to go. This is indeed a great tragedy.

I urge the Minister to get out and speak with farmers much more than he is doing, to take a little time to listen to their concerns and, most importantly, to meet with his advisers and see that something is done rather than to cry 'poverty' and say that there is nothing much that the Government can do about it.

We have seen how the Hawke Federal Government has money to burn—from the point of view of its wasting over \$40 million on the referendum on Saturday, and yet to help the rural industry right now we need an amount of money much less than that. Many rural towns have suffered as a result of the rural decline. The member for Flinders gave details of how whole football leagues have disappeared, and it is a great tragedy. Thankfully, that has not happened on Yorke Peninsula or in Goyder, on the Adelaide Plains, and

I hope that it will not happen, although I know that certain teams have had to disappear from time to time.

Members interjecting:

Mr MEIER: We get some comical interjections from members opposite. They do not care about rural people, but let them make their comments as they will not be here for much longer come the next election. Again on the matter of the decline of rural industries, I cite the example of what has happened in just one of the towns in my electorate, and this is a very good area. Since Christmas, an engineering firm, which employed between 13 and 25 people, depending on the time of the year, has closed. Further, two machinery dealers in that town have closed, and an electrical firm and a furniture store have closed. Five major businesses have closed in a town whose population is a little over 1 000. As well, one builder and one plumber have left the town. Many employees no longer have a job, and most of them have had to leave the area, simply perpetuating the unemployment problem.

The rural crisis is still with us. In some cases it is not hitting the man on the land as hard as the average working man in the town, the person who on a day-by-day basis is looked to in relation to providing services for the other people in the area. It is the rural communities that are losing out. The Government could help the rural sector but so far it has not done so. In some cases the total over-regulation of industries in those towns has not helped them either, with the massive Government charges that people have to pay and the various factors relating to employment of a work force. As to the electrical firm that I mentioned, apparently most of the forms that it had to fill out and the fees that it had to pay came in the month prior to when it closed. The operators there considered that for the amount of the turnover involved it was not worth paying all those fees for another year and they decided to close their doors instead. Again, it was a tragedy.

Further on the agricultural scene, the Minister of Agriculture has decided that he will not adopt grade standards for fruit and vegetables sold in South Australia. He always seems to miss the point; he is not with it. Whereas other States are introducing, or have introduced, grade standards—

Mr Robertson: Which other States?

Mr MEIER: Victoria for one and New South Wales for another. The Minister says that we do not need those standards. Let us consider some of the arguments why we need those standards. The regulating of classing, packing and labelling of fruit and vegetables is considered necessary to: classify fruit and vegetables according to quality and size to facilitate trade by description and the reporting of prices; to exclude produce from the market which is below generally accepted standards of edibility and which, if sold, would represent poor value, be injurious to health, and damage future markets of the commodity; ensure that produce is packed or displayed in a manner which ensures the outer layers of the lot or package are representative of the entire lot or contents of the package; ensure that packages are suitable for transporting and storing of fruit and vegetables; and to ensure that packages containing fruit or vegetables are accurately and distinctly labelled with respect to the kind and amount of produce in the package and the origin of the produce. Understandably the Housewives Association and the Consumers Association of South Australia both want to see grade standards of fruit and vegetables introduced in this State, yet the Minister will not agree at this stage.

The Hon. R.J. Gregory interjecting:

Mr MEIER: Why not? I do not know why not. If the Minister had been listening earlier, he would know that I was talking about regulations applying to small businesses and the number of forms they have to fill out, which inhibits their area of economic activity. Surely the Government would want to see appropriate quality standards maintained for consumers of fruit and vegetables.

Mr Robertson: Do you think people are so stupid that they can't tell the difference between fruit that's firm and fruit that's gone off?

Mr MEIER: I cannot help but take up that interjection. Sometimes we see fruit which, packaged up, looks attractive and edible on the outside, but when we get it home we find that it is rotten, or well on the way to being rotten, on the inside and often inedible. This is the type of standard that will help prevent that and it will also deter storekeepers from putting nice apples on the top and junk underneath.

Members interjecting:

Mr MEIER: It is fascinating to see members opposite displaying such mirth, laughing at the consumers of this State. They could not care less if produce is of inferior quality. They will hear more about this from the Housewives Association. I wish that they would talk to their wives or whoever does the shopping in their household—they will tell members opposite a thing or two.

Other States will dump their unwanted produce in South Australia because it will be a free open market with no standards to be adhered to. They will be able to get rid of it, and prices will drop—there is no doubt about it. What is the use of having cheap products if they cannot be eaten? Many sellers of fruit and vegetables will not refund money if you cannot convince them that you bought it only a short time earlier. Even if you can, they will say that it was cheap and that you happened to get a bad deal. This type of thing must be changed. The Minister is totally out of touch with reality.

I come back to the issue of tomatoes and dimethoate—an issue raised late last year. The tomato industry fought vigorously so that Queensland tomatoes dipped in dimethoate, which is potentially carcinogenic, could not be brought in. Members of the industry and I still hold that view. Because pressure was put on the Minister with prices going up too much, he said that he could not adhere to that view, and he allowed Queensland tomatoes to come in. What has that done to our industry? Many of my constituent tomato growers this year have said to me, 'We're not putting in tomatoes, John' or 'We've cut back the amount by half.' When I have asked why they have said, 'Because the Minister has allowed Queensland tomatoes to flood our market.'

Members opposite are still cracking jokes about it. The implications for them at the next State election will not be severe enough, because every member at present on the Government side should be thrown out if that is their attitude to people in the community. Keep laughing at your constituents! The people of South Australia who put you in here can just as easily throw you out! Keep laughing at my tomato growers, at the Adelaide Hills and Murray Bridge tomato growers, and the rest of them!

Members interjecting:

The ACTING SPEAKER (Mr Duigan): Order!

Mr MEIER: I am pleased that you, Mr Acting Speaker, are disciplining the rabble Government opposite—that is all they are. Primary industries hold the key to this State's continuing as a viable State, yet the Labor Government would be quite happy if they disappeared from the scene overnight. It looks as though the other information I wanted

to give in relation to rural matters, including the CFS, roads and their lack of maintenance, etc., will have to be—

The Hon. T. Chapman: Do you want to extend your speech?

Mr MEIER: I would love an extension of time.

The Hon. T. Chapman: I'm not feeling the best tonight. You can have my time.

Mr MEIER: I might accept that offer if the Acting Speaker is prepared to allow me—

The ACTING SPEAKER (Mr Duigan): Order! The member for Goyder knows the Standing Orders and he should proceed with his speech.

Mr MEIER: It appears as if the Acting Speaker will not allow me that request.

The Hon. T. Chapman interjecting:

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

Mr MEIER: I repeat that the Government is totally out of touch with the rural scene. The Minister of Agriculture must be held responsible in the first instance. Why does he not get out and speak with the average rural producer rather than just releasing press statements and staying shut up in his ivory tower?

The Hon. T. Chapman: He doesn't want to know the truth.

Mr MEIER: As the member for Alexandra says, he does not want to know the truth, and that would appear to be the case from my observation. This budget, and the ensuing Estimates Committees, will see many questions asked about why the Government is not looking after the interests of South Australians as it should be. The rumour that there could be an early election is not on—

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

The Hon. H. ALLISON (Mount Gambier): I noticed with some surprise that in a press release issued today the Premier is accusing the Liberal Party of wanting to go on a spending spree of at least \$120 million. That seemed to me to be a fairly desperate sort of press release. If that is the best the Government can do, to criticise the Opposition when we have a total State budget of over \$4 billion, \$120 million would be relatively small fry, even if it were true. When I read on a little further, I find that the Premier is accusing the Liberal Party of wishing to spend a considerable additional sum on health, and I wonder whether, for example, he is accusing us of wanting to expand or improve quite a number of hospitals in South Australia. If so, I simply remind him that in 1982 and again in 1985 a series of commitments were made by his Government, by himself as Premier and by his then Minister of Health (Hon. John Cornwall), committing new or improved hospital development across the length and breadth of South Australia; and one of those projects was the \$12 million to \$15 million redevelopment of the Mount Gambier Hospital.

If the Opposition is reminding the Government some five or six years after those original commitments were made—and made in order to win Government—the Premier has very little to grumble about; he has got away with not providing those redevelopments for quite some time. I for one have no qualms at all about pressing for promises to be kept that I accepted in good faith. The Mount Gambier Hospital development has in fact commenced with the allocation of about \$400 000 last year and a little short of \$3 million this current year, but the promise of a final completion date has not yet been made. Of course, people living in the South-East are anxious to hear whether they will be

attending a hospital in the constant throes of redevelopment or rebuilding, or whether there is some firm commitment just two or three years down the track.

I note that, as an additional example of good faith, the lately retired Minister of Health, in what must have been one of his last letters to me, in an unsolicited commitment advised me that the promise he had made to relocate in part and to redevelop as a much larger complex the Mount Gambier Extended Care Centre in the form of a new village health centre would be kept, although he was not able to give a promise as to commencement and completion dates.

Another example of commitments which have been made and pursued over the past several years relates to the Finger Point Sewage Treatment Plant. That was a bipartisan commitment which was made by both the Labor and the Liberal Parties in 1982 and which had been funded to the extent of \$750 000 by the former Liberal Government of 1979 to 1982. That is near completion, but I hope that the Government is not including extracted commitments like that as part of its \$120 million.

Once again, I repeat that I have no qualms at all about asking for earlier commitments to be met. On a much smaller scale, but equally important to the disabled people in the South-East, is another commitment for disabled people which was made by the Government. During the previous State election campaign it was listed by the Labor Party candidate in Mount Gambier as an achievement, and I refer to the allocation of \$20 000 towards the provision of a small riding establishment for disabled people. About 18 months ago I contacted the Premier and asked whether that commitment would be fulfilled and, out of the promised \$20 000, the Premier made available \$10 000. I recently wrote to the Premier and asked whether the balance of the \$20 000 would be made available, since it was a very firm commitment made to the people of the South-East in order to win the seat and to achieve Government.

On an even smaller scale, the Premier and his wife were pleased enough to come to the South-East when the Premier's wife officiated at the opening of the Mount Gambier Community House. As the Chairman of the group which convened the inaugural meeting enabling the house to be opened in the first place, I was very supportive of the Premier making that facility available but, in the past 18 months or so, the rent for that and other community houses throughout South Australia has increased, through the South Australian Housing Trust, by astronomical proportions, to the extent that the Mount Gambier Community House, which provides an excellent service to the lower socio-economic group in East Gambier, is facing very difficult times. We have approached the Minister of Health, who is responsible for community welfare, and the Minister of Housing, who is responsible for the Housing Trust, to see whether not only the Mount Gambier Community House rental but also the rental for all other similar South Australian organisations could be renegotiated at a more affordable level.

Once again, it may seem that we are begging the Treasurer for something, but I point out that the work undertaken by the Mount Gambier Community House staff includes counselling 30 to 35 people in relation to child and sexual abuse. Any number of different educational, therapeutic and counselling courses are conducted by that small double-unit house on Pick Avenue that surely must alleviate the heavy workload of the Department for Community Welfare. I was quite thankful when the Minister of Housing and Construction and the Minister of Health advised me that that matter was under review.

I do not feel at all ashamed for asking for something to be done in that direction, however much the Premier may feel that it is embarking on some sort of a spending spree, because these small suburban assistance groups, whatever their names may be, are very useful in providing services to people who very often are isolated. Many do not have even one car in the family, and this causes concern, particularly in country areas where there may not even be community bus services to take them to the more centrally located Government offices which might otherwise assist them. I hope that ultimately something can be done by the Treasurer and his Ministers to alleviate the financial burden being experienced by groups such as the Mount Gambier Community House, which does excellent work. It is very well attended by the people in that vicinity. I congratulate it for the services that it provides.

Another commitment made in order to win Government was the provision of an Entertainment Centre and, once again, as reported in today's newspaper, there is a chance that an Adelaide sporting group may go ahead with its own project in what must be sheer desperation, given that the Government scheme is off again, on again, off again. I hope that one way or another the Premier does not try to pin the demands for an Entertainment Centre on the Liberal Party's shoulders, because it has been a firm Government commitment for many years.

The city of Mount Gambier has also been very responsible in providing a wide variety of facilities to ratepayers. While I may have asked for a number of grants to be made available to that corporation, I believe that anyone who travels to the South-East would be able to give testimony to the fact that that council spends its money wisely and well. The city is one of the most tidy. In fact, it has won the 'tidy towns' competition to the extent that the competition was finally subjected to a change of rules to prevent Mount Gambier from winning every year. Now it wins in alternate years. The ratepayers are really provided with first class facilities.

You can see where the rates are spent and I commend the Mount Gambier city and district councils for their work in providing parks, gardens, sporting, civic, social, cultural and other facilities to the advantage of not only the local people but also the numerous tourists who visit the city. I would have no fear in asking for Government support for any ventures that local government might wish to put forward to Government for the simple reason that a very responsible group of people run the council in the South-East and it spends its money wisely and well. It is always prepared to put substantial sums of its own money to any venture for which it seeks Government assistance.

One matter that has been brought to my notice a number of times in the past two years is the absolute void in the coffers of the Department of Recreation and Sport in relation to the provision of capital grants for small sporting bodies. When the Liberal Party was in Government, we could anticipate about 600 applications per year from small sporting groups across the length and breadth of the State, seeking a very thin spread of what was then about \$1 million and which for the past two years has been reduced to absolute zero. I am sure that that must be a source of embarrassment to members on the Government benches who have sporting bodies coming into their offices and asking, 'Can we apply to the Department of Recreation and Sport for assistance?' Admittedly, some very large grants have been available, but only with substantial help from the Federal Government for the provision of shooting facilities in Adelaide, the hard surface hockey facilities and now the velodrome. However, the \$4 million to \$6 million spent

on only one site in metropolitan Adelaide does nothing at all to help people in the outer metropolitan or country areas who have been used to applying for grants.

For example, one club in my electorate, the Glencoe Football Club, which has a netball club incorporated in it, has received virtually nothing over the 14 years in which I have been a member of Parliament, despite many applications. It also suffers from the fact that it cannot receive local government assistance because local government does not own the land on which the club plays its sports. So, local government is not authorised under the Act to provide funds for that club. A few days ago one of the officials of the club came to my office to pick up applications forms, and I rang the Department of Recreation and Sport to the obvious embarrassment of the person at the other end of the phone who said, 'Look, I am terribly sorry but we have nothing available for small sporting bodies.'

I raise the matter here in the hope that the Premier will not think that, by asking him to provide \$1 million or \$1.25 million to the Department of Recreation and Sport, I am breaking the bank, because really it is a very small amount of money, a mere pittance compared with the \$4 billion total outlay in the budget.

The Hon. P.B. Arnold: Think of some of the money they have wasted, too.

The Hon. H. ALLISON: As my colleague the member for Chaffey says, there are examples of wastage of money on which I will enlarge later. Before doing so, I must say that the allocation of a small amount of money to the Department of Recreation and Sport for capital and equipment grants would keep a lot of people happy and it would probably serve the Government in good stead. However, the decision has been made and there is nothing in this year's budget for such groups. I regret that as much as if not more than the employees of the Department of Recreation and Sport.

An example of how the Premier has convinced his Ministers that they should attack the Opposition lies in an inquiry that I made recently about the possibility of funds being made available for a hard top hockey pitch in the South-East. That request has been made over the past three or four years by the local hockey association, and should have come as no surprise to the Minister. Instead of a polite letter declining any support, the Minister chose to put in a little barb: 'Are you asking us to increase taxation?' I simply asked in my letter, which was quite polite, just what was the status of funding. The answer, which came not from the Minister but from his department, was that there was absolutely nothing in the kitty apart from the major grant to the velodrome. The Minister could have said that instead of being smart in his reply. However, it is more water under the bridge.

At local level, it concerns me that the South Australian Timber Corporation and the Woods and Forests Department are working at what would appear to be a much less than profitable level. For the past two years, I have asked questions in the House and during budget Estimates, largely supported by the Auditor-General, who once again points out that the South Australian Timber Corporation is running at a massive loss. It has little or no equity in any of the projects in which it is involved. Because the Woods and Forests Department and the Timber Corporation share the same management, the same administrative staff, common board representation, rely on the same material source, operate in the same markets, and are bound closely together, the Auditor-General has recommended that they be amalgamated. He considers it to be a matter for urgent consideration. I believe that it was a matter for urgent consideration

last year in the Auditor-General's eyes; but we seem to have had a stall-off situation and, in the meantime, the Timber Corporation and IPL Holdings in South Australia and New Zealand have struck troubles. The New Zealand operation, particularly, is in massive debt with its assets far less than its total liabilities and with little chance in the long term of that difficult situation being worked through.

The Minister and the Premier have been looking at short-term solutions but, in the long term, I cannot see a way out of the dilemma. The Government should be giving top priority towards arriving at a conclusion of some kind for the desperate plight of the South Australian Timber Corporation. Amalgamation does not necessarily resolve the problems. It simply transfers the liabilities and responsibilities to the Woods and Forests Department which, itself, has had the biggest annual revenue turnover in its history but which, despite that increased turnover, has still managed to come up with a slight deficit.

As happened last year, and as is happening again this year, the Woods and Forests Department has added in the increased value of growing timber in order to produce a profit (I believe it is about \$28 million this year). Without that, the department would have been showing a much larger deficit, and, the Auditor-General has pointed out, as he did last year, that Australian accounting standard No. 10 is being breached by the Woods and Forests bringing out their accounts in that fashion. He has sought a review by the authority responsible for reviewing accounting centres in Australia, but I would be very surprised if they came up with a solution which would assist the Woods and Forests and which would legitimise their practice, because we are not considering the fact, if you do allow that practice, that there could be another fire to completely wipe out forests.

The siren wasp may be a recurrent thing which could decimate large sections of forest. Insurance does not seem to be an aspect which is adequately catered for in any Government department, and to add the value of the forests annually in order to show a profit is really fooling the public and the South Australian Finance Authority, which has accepted shares in lieu of interest payments. I believe that that practice should be thoroughly overhauled and that it should be discontinued. However, we will see what the review committee comes up with, and as my time has almost expired I will retire.

The Hon. P.B. ARNOLD (Chaffey): On Sunday, I spent five hours on the Liberal Party stand at the Royal Show and I was extremely encouraged by the positive attitude shown by members of the public towards us and the Liberal Party on that occasion. One can sense whether the public is supportive of you or opposed to you by their attitude and their manner. Over the past 20 years I have had an involvement in various exhibits that we have had at the Royal Adelaide Show, and certainly this year I have had the most positive feeling that I have ever experienced in that forum. Many members of the public who stopped to talk to us told us the fundamental reasons for that positive attitude towards us. It is very much a result of what is happening to members of the public in relation to their pay packet, their real spending power and what they can achieve as far as the family is concerned under this present Labor Government.

The Government seems to be proud of the fact that here and there along the line it can claim that essential services have increased only by the inflation rate. Of course, the inflation rate is significantly higher than the wage increases of the average person out there on the street and, if one compounds that effect over a period of years (and that is

what has been happening), one sees that the charges that the public must pay for essential services have been going up at a far greater rate. Even though the Premier may claim that it is only at the inflation rate or a little above, it is significantly above the wage increases that those people are receiving. Of course, year by year, that has a compounding effect, and this means that there is less and less every year for the family to spend on essentials. The Leader of the Opposition referred earlier today to the costs of educating a family. The problems are increasing year by year as a result of the compounding effect of the two not being in balance.

I have been concerned about this matter for a long time and the situation is not getting any better. Those people on limited fixed incomes are coming under more and more pressure as every year passes. Until the Government gets its act together, is honest with the public and makes sure that any increases that it imposes on the public are no greater than the average wage increase, the situation will obviously continue to deteriorate from year to year.

I have also looked with interest at the capital works program. Whilst one must acknowledge that almost 50 per cent of the economy of this State is generated in the country areas, when one looks at the capital works program and identifies where the money is being spent, one sees that there is a gross imbalance between the amount being spent in the metropolitan and near metropolitan areas as compared with the country areas.

One of the major concerns in the country areas is the expansion and maintenance of the water supply system. As I said, the country areas of this State still produce about 50 per cent of the funds generated and, when one considers the amount of money that the Government is putting back into rural areas to maintain that source of income, one sees that it is totally out of balance with what is being spent in the metropolitan area. One only has to look to see where the Government seats are and where the Opposition seats are; it is quite obvious where the money is being spent. Sooner or later there will be a disastrous situation if the water supply system in the country areas of this State, which is providing and generating much of our income, is allowed to continue to deteriorate.

No adequate provision has been made in years gone by for the replacement and maintenance of some 22 000 or 23 000 kilometres of pipemains throughout this State. As I said, it is absolutely essential that that water supply be maintained and extended if we are to continue the productivity and economic benefits that the rural areas of South Australia can provide for the benefit of all people in this State. I have yet to see adequate provision made by the Government to maintain the system that already exists, let alone expand it. It is a positive asset of this State and it must be maintained.

While it may not be seen by the Government and members opposite who represent metropolitan electorates as being terribly important, the fact is that it generates an enormous percentage of the overall economy of this State. Unless a greater proportion of capital works money goes into the country areas to maintain productivity, everyone in this State, particularly people living in the metropolitan area, will suffer.

I now refer to the Department of Marine and Harbors. The sorry saga of the *Island Seaway* is continuing. The member for Alexandra once again highlighted in the House this afternoon the tragic situation with which the people on Kangaroo Island are faced. A service has been provided which is intermittent; it is certainly not reliable; it cannot run to a schedule; and, of course, it is having a devastating

effect on the economy of Kangaroo Island. As I have said in this House previously, it is an absolute tragedy for this State that the Government went down the path that it took, allowing the Department of Marine and Harbors to do its own thing as far as the replacement vessel was concerned, taking absolutely no notice of the vast experience of the master of the *Troubridge*, who is now the master of the *Island Seaway*. The Government did not take the slightest bit of notice and the minutes of the proceedings will confirm this: the Government took absolutely no notice whatsoever of the advice that the master tendered from time to time, right back to the early stages of the drawings.

One only has to read the minutes to see that the captain, with his vast experience in the waters between Port Adelaide, Kingscote and Port Lincoln, said on a number of occasions that the vessel was totally underpowered and that it was a retrograde step to build a vessel that was slower than the *Troubridge* and, of course, to build a vessel of unproven design. The logical action for any competent Government would have been to send Captain Gibson to the best shipbuilding nations in the world so that he could look at what was on the market, come back to Australia and make recommendations to the Government on an appropriate design, which could have been built in Port Adelaide.

Of course, the Government did not do that. It let the Department of Marine and Harbors do its own thing, and that was absolutely ludicrous. Of course, we are all paying the penalty for that but, above all else, the people of Kangaroo Island are paying the penalty. Anyone who suggests that that vessel is not a disaster obviously is endeavouring to prop up the Government and cover up one of the biggest blunders which has occurred in this State for many years. What is more, if the vessel is proved to be unsatisfactory, the Government will have no alternative but to remove it from the run. There will be virtually no market for the vessel if that is the case, and we will be back to looking for a new vessel, with little chance of recouping any of the real capital which has been poured into the construction of and alterations to the existing vessel.

Let us look briefly at some aspects of the design of this vessel. It was decided to use the Z drive system, a system which has never been used on a vessel of that size in open seas in what can be the roughest and most difficult waters of those anywhere in the world. Of course, the Government took absolutely no notice of that advice. It was determined to go down that path. It did go down that path, and we know the result. Naturally, the minute power is taken from the engines, effectively steerage is removed, because there is no normal rudder system which enables a vessel, even when the power is cut, to be guided by the rudder. That is a situation which occurs with any vessel which uses propellers for directional control. The minute the power is cut, there is absolutely no steerage.

The Hon. R.K. Abbott interjecting:

The Hon. P.B. ARNOLD: The former Minister of Marine now chirps in. He is responsible for this disaster, although he got out of the position of responsible Minister before the presentation of the report of the overseas studies that are currently being undertaken. I can well imagine what the media reaction might have been had I been responsible for such a disaster. The former Minister of Marine is responsible for that disaster. The vessel is totally underpowered, as the captain has said on numerous occasions.

Mr S.J. BAKER: On a point of order, Sir, I know that members opposite have very little interest in this debate, but the level of audible conversation from the other side has really become a little too much.

The ACTING SPEAKER (Mr Duigan): I call on the member for Chaffey and ask members to reduce the noise level.

The Hon. P.B. ARNOLD: I await this report with a great deal of interest. Whether the Government has the report at this stage and is not releasing it, I do not know. We can only accept that the Government still has not received the report but, obviously, there will be severe criticisms of that vessel. Engineers who have worked on it, as well as people with vast experience who have been at sea for most of their lives, have refused to work on that vessel.

The Hon. R.K. Abbott interjecting:

The Hon. P.B. ARNOLD: The former Minister can say what he likes but, when the Chief Engineer of the vessel decides that he will no longer work on the vessel, which has been in service for only about 12 months, it is absolutely staggering, especially when we remember that the *Troubridge* was in service for about 26 years and certainly had a hell of a lot better sailing record than the record of the *Island Seaway* in the past few months. We will wait and see. I hope that ultimately the report of the tank testing will be provided and we will know exactly what we have been blessed with in this State. I believe it will show without doubt that the vessel is a disaster. That is a tragedy for South Australia because no-one will want to buy such a vessel.

I would like to mention briefly the recent meeting of the Murray Valley League, formerly the Murray Valley Development League. The meeting was held in the Chaffey Theatre, Renmark, and attended by delegates from Victoria, New South Wales and South Australia. It was the annual two-day conference of the league and the Murray-Darling Basin Commission was discussed at great length. Certainly, I am the first to applaud the creation of the Murray-Darling Basin Commission and the Murray-Darling Basin Ministerial Council. I applaud that development but, from that point, we tend to have a divergence of opinion between myself and the Government of South Australia. The commission knows exactly what has to be done—it has known for a long time. The River Murray Commission knew what had to be done but, unfortunately, it never had the resources to get on with the job and, unless the four Governments are prepared to put up the necessary funds to get on with the job, then the new Chairman of the commission will be faced with the same problems as the former Chairman of the River Murray Commission, that is, the total lack of funds to get on with the job.

I have said on numerous occasions that, unless we are prepared to commit funds to the tune of \$100 million annually from the three States and the Commonwealth we will make little progress—I have also said on numerous occasions that that funding should be on the basis of 70 per cent from the Commonwealth and 10 per cent from the three States.

We are talking about a billion dollar program to resolve the problems of the Murray-Darling Basin. Of course, when we talk about a resource which the Federal Government acknowledges is worth about \$10 000 million annually to the economy of this nation, then \$1 billion over 10 years to correct the problems that have been largely created in the past 150 to 200 years as a result of our use of that resource is really only a drop in the ocean.

It is criminal negligence on the part of all Governments concerned to not be prepared to put back some of the funds and revenue that the resource generates. The resource has served this nation well and it will continue to provide tremendous economic benefits to this country. However, if we are not prepared to put back into that resource a small

percentage of what it generates, we will go down in history as being totally irresponsible and negligent, and future generations will certainly condemn us for not having been prepared to accept our responsibilities.

The resource has been described as Australia's greatest natural recurring resource—and I am quite sure that the member for Gilles, a former Minister of Water Resources, would agree with that. It has enormous potential to serve this nation and to continue to generate enormous amounts of money for the benefit of the economy, but unless we are prepared to put up at least \$100 million annually, instead of \$10 million annually, which has been committed at this stage for the next three years, we will be damned not only by this generation but by future generations.

Mr S.J. BAKER (Mitcham): I support the Appropriation Bill. Economics is called the dismal science, and I suppose having read the economic documents delivered by the Government I can only confirm that economics in South Australia is a very dismal science. Two major documents on the economy have been provided by the Premier. The first, *The South Australian Economy*, was delivered some two weeks prior to the presentation of the budget papers and the second, *Economic Conditions and The Budget in 1988-89* was presented with the budget papers. Some parts of these two documents have been canvassed already. I guess I am a little fascinated why the Premier should put out a document which indeed paints a very poor picture for South Australia. I suppose in some ways he should be applauded for telling it as it is. However, in terms of selling the virtues of South Australia, I do not really believe that these documents do us justice, and indeed they display just what a very inept job the Premier of this State has done over the past 5½ years. Almost all of the economic indicators in those documents reflect poorly on this State.

I shall run through a few of the statistics shown in the tables. I note that the Premier puts a perspective on these figures different from that which I would place on them. In reference to *The South Australian Economy*, which the Premier is using as a selling document for this State, in table two (on page 4) we note that, although the change in real GDP (it is actually real 'gross product', if the Premier got it right) has been below the Australian average now since 1984-85, the 1988-89 forecast is that real growth will be in line with national trends. This is different, of course, in another document that has been provided by Treasury. However, at least in this document it says that we are going to reach the national average. I must admit that I would be pleased if that was the case. Referring to table three, one notes that between 1982 and 1987 the percentage of employed people in manufacturing has dropped from 20.4 per cent of the work force to 16.9 per cent of the work force. Over the same period, employment in Australia for manufacturing has fallen from 18.9 per cent to 16.3 per cent. In other words, the fall in manufacturing employment has been twice as large in South Australia as it has been across the whole of Australia.

Ms Gayler interjecting:

Mr S.J. BAKER: Well, this is the Premier's selling document. If the member for Newland had read it—

Ms Gayler interjecting:

Mr S.J. BAKER: The member for Newland says that there have been some recent announcements. I point out to the member for Newland that the Premier is always making announcements.

Ms Gayler: It's his job.

Mr S.J. BAKER: Of course it's his job, but it does not change the statistics, and I doubt that his recent announce-

ments will change the statistics either. Anyone with any recognition of world circumstances would understand that the strongest economic nations in the world have maintained a strong viable manufacturing sector, whereas in the space of five years, since the Liberal Party left power in 1982, we have seen manufacturing employment drop by 3.5 per cent—a large fall which reflects poorly on the State. Manufacturing employment is crucial to the development of the State. No doubt there will be a declining importance in terms of other service areas, including tourism, but it is important for the sustained growth of this State that manufacturing employment be lifted. Within the next 10 years one would hope that it would comprise in excess of 20 per cent of the work force—hopefully 25 per cent of the work force—and this State will be living rather than dying.

The document paints a number of pictures. Referring to household income in table 4, the Premier has shown the South Australian household income to be \$12 380 per head as against the national average of \$13 111 in 1986-87. He has misused statistics, which is typical of the Premier. He has used an income per head criterion, when in fact the figures are even more dismal than that. The average weekly household income in South Australia in the last household income survey was \$417.13 as against \$453.60 for Australia.

Ms Gayler interjecting:

Mr S.J. BAKER: Is there some way that we can keep the member for Newland quiet? The interesting point to note from the table is that in Canberra, where all major decisions are made, the average weekly household income is \$627.97—50 per cent above the household income figure for South Australia. One knows that the people in Canberra look after themselves exceptionally well, and these statistics reinforce that observation.

Nobody can blame the Government for vagaries of the weather. We understand that the rural situation has had a negative impact on our State's economy and that cannot be helped. However, when our economy is so dependent on export income, a difficult situation is compounded. The value of mineral production in South Australia in 1987 was \$961.3 million, compared to \$1.15 billion in 1985. We have seen real decreases in the mining sector, brought about mainly by the change in dollar values for oil.

As to industrial disputes, we have prided ourselves for a long time on being the best State in Australia: it is a real selling point. We have a less disruptive work force than other States have, but even here we have cause for concern in that the number of working days lost doubled between 1985 and 1987. I am sure that the former Minister of Labour, now Minister of Health, had a fair amount to do with that problem.

In relation to payroll tax levies (page 56, table 13) we see that the small business people are the ones who are really paying the bills. In South Australia payroll tax levies in connection with the first \$1 million amounted to \$45 625 compared to \$42 000 in Victoria and New South Wales and \$36 250 in Western Australia. Those figures show that as against our major competitors, payroll tax for the smaller business end of the market was higher in South Australia. Of course, offsetting that is the fact that office rents are more than competitive on interstate comparisons.

I now turn to the State's export performance (table 22) which again pales by comparison. In 1979-80 we shared 8.47 per cent of the national export endeavour, whereas in 1986-87 the preliminary figures showed that only 5.81 per cent of the national export effort came from this State—a very poor effort. The only consoling factor is that commensurately we have fewer imports, but that hardly assists our State's economic drive.

The document entitled the *South Australian Economy* contains a number of tables at the back which reinforce the underlying theme that the State simply has not performed. Those tables indicate that the unemployment rate for 1987-88 was 9.1 per cent, when the Australian average was 7.6 per cent; and over the past five years in only one year has our annual change in employment rate been in front of the Australian average. What we are looking at is a picture that I think everyone in this House would wish otherwise—a picture of stagnation and lack of endeavour. It is a picture of which I do not think any Government or Premier could be particularly proud.

Some of the information contained in the *South Australian Economy* has been repeated in *Economic Conditions and the Budget*. I can only hope that the Premier did not distribute these two documents very widely because everyone will have drawn the same conclusions I drew. I know that the Premier is talking optimistically, as he has done for the past five years, but that is his job. He is there to sell the State, but he should be selling it with more substance and commitment than he is doing today. The proof of the pudding is in the eating, and the eating at this stage is almost like bread and margarine. In *Economic Conditions and the Budget* we again see statistics that do not show us in a very bright light. If one looks at the Australian total for full-time employed persons between 1983 and 1988 (table 5.2), one finds 8.4 per cent for South Australia, and that had dropped to 8 per cent by 1988—hardly a marvelous record.

Of course, the employment of males has been dropping over the past two years when in most other States it has been the reverse. Also, some of the female changes have not been as good a record as we would wish. It is interesting to find that the participation rate has failed to reach the heights of other States: for example, in 1988 the State's participation rate was 61 per cent and in Australia it had risen to 62.6 per cent.

If we translated those figures into real unemployment rates, we would certainly be well in excess of 10 per cent, because there is an enormous amount of hidden unemployment—people who have simply given up and are not trying to obtain employment because they cannot find any positions. There are a few bright lights in this booklet, such as in the industrial disputes area. In relation to demography, South Australia's population growth lags well behind the rest of Australia and I refer to table 6.1.

The Hon. G.F. Keneally: We have done our bit.

Mr S.J. BAKER: Yes, some people have done their bit. A year ago South Australia had 8.28 per cent of the total volume of Australian retail sales, but that figure has now fallen to 7.93 per cent and one must remember that our population share is about 8.5 per cent. We have also fallen well behind in dwelling buildings and I refer to table 7.3. Table 7.2 relates to new motor vehicle registrations. Between 1984 and 1985 South Australia had 8.54 per cent of Australian new registrations and that is around our population share but, by 1987-88, that figure had fallen quite dramatically to 7.58 per cent. We all wish that South Australia was doing better. However, the wishing and hoping will not solve the problems faced by this State.

On a previous occasion, during private members' time I made a contribution to this House about the lack of incentive in South Australia to invest in jobs. The principal theme of that address was that, because we had made development so difficult, because of the taxes and regulations, and because of the negative way in which this Government approaches business enterprises, the State suffered the consequences. If this State is to become a very proud

member of the Australian community, that situation must change. I know that certain members of the South Australian community would quite willingly shut the doors, but that is not what life is about: we are here to perform and this Government has to perform.

I know that the Premier lauds the South Australian Financing Authority as a landmark in State financing. However, when the Premier is asked questions about finances, he knows very little. When he was asked today to explain the fact that three enterprises had had their loans made non-repayable, he really struggled to explain to the House why some financial advantage would emanate to this State as a result of that arrangement. In fact, he did not have a clue. Every time he is asked a question about finance, he simply does not have a clue. When we look at the complexities of financing in relation to the South Australian Financing Authority, that is a very dangerous situation. Some very strange things are happening in SAFA. I urge everybody to read some of these footnotes, because they are really quite fascinating.

These matters will be pursued during the Estimates Committees in the hope that we can actually get some details rather than the Premier saying that these matters are commercially confidential. We would all like to know, for example, how the Government made an £8 million loss on foreign exchange dealings in London. He assured this House—indeed, we were assured at a special briefing—that all overseas borrowings had been invested in those countries in securities so that there was a marginal advantage and no problem with loss of capital due to exchange fluctuations. Now he tells us that there is quite a significant loss.

Perhaps the Premier can explain how 25 per cent of the value associated with the sale of our power stations came into the SAFA accounts to the tune of \$23 million. We would assume that the net present value of the leasing arrangement with the Japanese was of the order of \$92 million, which is a quite extraordinary benefit. However, one must question the accounting techniques being used in a situation like this and how that surplus can be pushed back into the account when it is only a paper surplus. If it is to be shown anywhere, it should be recognised over the period of the leasing arrangement, not brought into the balance sheet as an abnormal profit. It is absolutely disgraceful accounting as far as I am concerned. I will pursue a number of other areas at a later date.

The Hon. G.F. KENEALLY (Minister of Transport): I move:

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

Motion carried.

The Hon. D.C. WOTTON (Heysen): I am pleased to be able to participate in this debate on the Appropriation Bill, not that the budget gives me any joy at all, but because it provides the opportunity for me to express some of my concerns and bring some issues to the notice of the House. I will start off on the right step by being totally positive and saying how very pleased I was to learn that in this budget the Flaxley Research Station has received considerable support from the Government. The Flaxley Research Station has been developed to assist the dairy industry in South Australia. I have had a long association with the need for this project to be established. I know very well the property that the Government has bought. I know the people who previously owned the property. It is probably one of the best cared for dairy properties in the Adelaide Hills. On numerous occasions I have indicated that it was totally

appropriate that such a research station be established in the Adelaide Hills, right in the centre of the dairy producing area. I have watched with interest the establishment of the centre and I am delighted that the Government has recognised its importance and has come forward with considerable support.

That is one positive area but, regrettably, the positive areas are very few and far between as far as the budget is concerned. Many concerns have been referred to by my colleagues, and I will refer to some of those and to some others that have been brought to my notice and particularly to the notice of my constituents. This is certainly a budget where we have seen the State Premier walk away from the average South Australian, whether it be an individual or a family. Earlier we saw the Prime Minister (Mr Hawke) do the same thing. For a political Party that has always prided itself on being prepared to support the average citizen, we certainly have seen a reversal of that situation in the budgets brought down both federally and in this State in recent times.

The budget has increased the tax burden on the average South Australian and has given absolutely nothing back in return. Of course, the Premier introduced the budget with a considerable amount of fanfare, saying that it was a budget of Government restraint. That is codswallop. There is no Government restraint in this budget. It is a budget which, once more, makes families and individuals exercise more restraint in their own spending and accept, unfortunately yet again, a further fall in living standards. Higher Federal and State tax collections will leave the average wage earner \$7.60 a week worse off after national wage rises.

The impact of State taxation in those areas that we have heard so much about, particularly payroll tax and land tax, must be recognised. When the Premier introduced the budget, he made a considerable amount of what he referred to as a reduction in both land tax and payroll tax, and I will have more to say about that later because, in both cases, there will be an increase in revenue from those taxes in the next 12 months. It needs to be recognised that the impact of State taxation, particularly payroll tax and land tax, flows on to the average person through the price of services and goods and is shared by all South Australians. The average wage earner will also be worse off because of the rise in Government charges and costs such as electricity tariffs, water rates, public transport fares, etc. When all those increases are taken into account, one realises how the average wage earner will be far worse off as a result of this budget and associated increases in Government charges.

The key points of the budget are that recurrent spending is up 7.4 per cent or about 2 per cent in real terms and taxation is up 10.6 per cent or more than 5 per cent in real terms. As I said earlier, revenue from land tax and payroll tax will rise significantly in real terms: land tax receipts are up 12.1 per cent and payroll tax receipts by 8.8 per cent. As has been indicated by my colleagues in this debate, I, too, have been contacted by a number of constituents, particularly those in small business, who are finding it extremely difficult to survive under the regulations and the lack of incentive provided by this Government. One of the concerns that has been brought to my notice on numerous occasions is that associated with the cost of land tax. On a number of occasions I have written to the Premier making representation on behalf of some of those people.

The budget does not give any relief for families, and that is of particular concern to me, because it is high time that the Government recognised the plight in which many families in this State find themselves. As a father of four reasonably young children, I certainly recognise the diffi-

culties that are being experienced. Once again, very little, if any, incentive is provided in this State and in this country at present for people—husband and wife—to consider having a larger family. This budget does nothing to provide any relief for families.

It does not provide incentive for employment growth. I should have thought that that would be a high priority because as we all realise—I hope the Government in particular would realise—South Australia has the highest mainland unemployment rate. While we continue to say that, unfortunately it would appear that it falls on deaf ears on the other side. They do not seem to be too worried about that. One of the reasons why the tax burden is being increased is that the Premier has once again increased State public sector employment. It is not very long ago—in fact, only last year—that the Premier promised that that would not happen. Of course, that promise has been broken, and I will refer to that a little later as well. In June last year the Premier announced a freeze on Public Service recruitment, suggesting at that stage that the freeze would save up to \$4 million a year. However, that just has not happened. The budget papers reveal that State public sector employment actually increased by another 900 in the past year. So much for the promises of the Premier! Over the past two years the number of employees has increased by 3 000. That is of concern, particularly when we recognise that South Australia has accounted for more than two-thirds of the increase in employment by all State Governments during the past two years, and that is a very sorry state for the people of South Australia.

The budget papers are anything but encouraging in relation to the key economic areas, including employment, population, retail sales and motor vehicle registrations. If anything, the budget papers highlight South Australia's grim standing in these key areas, including the fact that over the past three years full-time employment growth in South Australia had averaged little more than one-third of the national average. As I said earlier, South Australia had the highest unemployment rate in Australia and the highest share of the nation's jobless for many years. The population growth in the past 12 months has been by far the lowest of all mainland States, barely half the national average. This is just one-third of Western Australia's growth and one-quarter of Queensland's growth. I would suggest to the House that that is very little for the Government to be proud of.

There has been a 2 per cent decline in real terms in retail sales over the past year compared with a real growth of more than 2 per cent nationally and South Australia, of course, has recorded its lowest share of new motor vehicle registrations for many years. In addition, our share of national building and construction projects has remained well down, and considerable debate has been proceeding in recent times regarding the need for further development in this State particularly. As I have said on previous occasions, I do not support development for development's sake: it has to be appropriate development. However, there is certainly a need for incentives to be provided by the Government to enable those who want to see development proceed in this State to be able to do so in a sensible fashion.

Earlier this year, the Leader of the Opposition made clear that the average South Australian family's disposable income had dropped by \$34.70 a week over the past five years and that brought with it some reaction. After paying Federal and State taxes, the average South Australian family now had \$34.70 less than it had five years ago to meet its day-to-day living expenses.

As I said earlier, those members of the House who have young families would understand exactly what that means

when it comes to managing the household budget. It is not just a matter of what the Premier will bring down in the overall State budget; it is a matter of how individual families handle their own financial situations in the home. It is certainly being felt quite considerably by the average family.

The cost of Federal income tax and State taxation has increased by over \$27 a week. This quite clearly shows that the economic adjustment of the past few years has been borne by families and individuals rather than by the Federal and State Governments. Families have been asked to accept wage restraint while the Federal and South Australian Governments have been unrestrained in their spending and taxing policies. If I had the time I could refer to numerous examples to emphasise the way in which that is happening. As a result, the average family's right to spend the money it earns in the way it chooses has been significantly eroded. Again, one only need refer to everyday family people in South Australia to realise that.

The average family has had to reduce its spending while the Hawke and Bannon Governments have expanded their own spending quite rapidly. Higher taxes to fund increased Government spending have not improved basic services, and that is of particular concern. We all need services, such as education, and in that area there is particular concern on the part of parents, staff and students about the reduction in the quality of education in this State as a result of a cut-back in expenditure and the Government's wanting to cut back the number of staff, again breaking another promise. As I said earlier, it seems that it is part of the everyday life of the Government of this State to make a promise and to break it almost as quickly.

The higher taxes that have been imposed in this State in recent times, mainly to fund increased Government spending, have done very little to improve services such as education, health, public transport, law and order and so on. As a result, the overall standard of living of the average family has fallen quite considerably under the Labor Party. I mentioned earlier the matter of unemployment in this State, which is an absolute tragedy. Today's employment statistics are further evidence that this State is falling behind the rest of Australia. We find that an extra 10 000 people are out of work since the Bannon Government came to power in 1982. In July 1982, 38 100 South Australians were looking for work; after only six years we have the tragedy of 58 200 unemployed. Once again, the figures confirm that, while the unemployment situation is improving at the national level, South Australia continues to defy that trend by slipping behind.

Those of us who have had a long association with this State recognise the tragedy that that brings with it. As I said earlier, South Australia is by far the worst mainland State in terms of unemployment with a level of 8.6 per cent. But, apart from that, what I find most frightening in regard to the performance of this State is the level of teenage unemployment. I suggest that very few people, very few members of this House, would not know of a teenager or teenagers who have been unable to find employment in this State. It is a frightening aspect of South Australia's performance and, at this stage, nearly 25 of every 100 young people are out of work.

The unemployment situation in this State is a tragedy, but particularly so when it relates to young people. I recognise the immense difficulties experienced by people in their forties and fifties who find themselves without a job, but it is most discouraging for young people who find it impossible to obtain work from which they receive some satisfaction. If we look at the situation in Victoria and Western Australia, we see that the level of teenage unemployment

in those two States is almost half that in South Australia at this time. This appalling situation which confronts our young people can only lead to increased social problems in the community, and that is the last thing we want to see happen. There is considerably more that could be said. Obviously, we will take the opportunity during the Estimates Committees to obtain more detailed information, but I hope that the Premier and the Government will recognise the problems with which the people of South Australia have been confronted regarding this budget, because it is certainly a budget of gloom and there is very little that the average South Australian—particularly the average South Australian family—can look forward to as a result of it.

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

Mr GUNN (Eyre): I support this Bill and I am pleased to take part in this debate, as there are a number of matters I wish to bring to the attention of the Government and the Treasurer. We are debating the expenditure of some \$4 715 million of taxpayers' money. Of course, the differences which separate us in this debate relate to how that money can best be directed to improve the welfare of the people of this State.

The Hon. J.W. Slater interjecting:

Mr GUNN: If the member for Gilles does not understand, he normally does not participate. I suggest that he reads the budget, makes a contribution and gives us the benefit of his knowledge or otherwise. Unlike the member for Gilles, I am particularly concerned about the welfare of many citizens of this State who are facing grave financial difficulties, many of them through no fault of their own but caused by a combination of bad luck, bad seasons and the difficult economic situation, and who are facing financial ruin. In South Australia the rural sector of the economy is one of the most important aspects and should not be neglected. It should not be overlooked.

It should receive support in the same way as any other section of the economy. In the Financial Statement supplied to us by the Premier, on page 6 there is a comment under the heading 'Factors Shaping the Budget', and the Premier says:

- the needs of the South Australian community for services and infrastructure;
- the short-run impact on regional economic activity;
- the level of grants from the Commonwealth;
- current capacity to raise revenue which is constrained by the nature of the State's tax base . . . and;
- future capacity to service new and existing debt.

Two of those factors, the needs of the South Australian community for services and infrastructure and the short-run impact on regional economic activity, certainly refer to my constituents. It has been estimated that in 1987-88 agriculture was worth some \$1 984 million to the rural economy—for those people fortunate enough to be able to participate in it. However, there are areas of South Australia which are suffering the effects of drought, and the situation is becoming worse every day. Unless there is adequate rain in the next week there will be absolute devastation on the Upper Eyre Peninsula.

Many people will not have the capacity to meet their obligations, and the Government has a responsibility to at least provide short term assistance to agist stock and to provide some subsidy on freight for the provision of fodder. This is not a matter that can be brushed idly aside—it is a matter of the gravest significance. I have been telephoned by people who know me all around Upper Eyre Peninsula, from my electorate and from the district of Flinders, and they have brought to my attention their concerns about the

difficulties that people are facing. There is no point in unilaterally tipping farmers off their properties because that will not pay up the debts owed; it will not achieve a great deal. Certainly, it will have a drastic impact on individuals but, at the end of the day, what benefit will it have for the State of South Australia and the financial institutions which are owed money?

In my view there is a need for those financial institutions and all those other bodies involved to get together quickly to try to give some adequate support, assistance and counselling to those farmers who are suffering these great difficulties. If we cannot find a few hundred thousand out of the total budget figure of \$4 700 million to deal with this difficulty, when this industry or group of industries is so important to South Australia, I am absolutely lost for words. I would like to draw to the attention of the House some of the departments that are receiving subsidies from South Australian taxpayers that are difficult to justify. I refer to page 240 of the Auditor-General's Report in respect of Adelaide Festival Centre Trust. Under the heading 'Significant features', the Auditor-General states:

The operating deficit for the year was \$6.7 million . . . The increase of \$1 million reflected mainly a net loss of \$551 000 on entrepreneurial and other activities.

The State Government contributed \$6.5 million; \$5.6 million towards the operating deficit and \$900 000 for capital purposes.

Here is one group getting a hefty payout from the taxpayer.

The Hon. J.W. Slater interjecting:

Mr GUNN: I believe the people who attend ought to make a more significant contribution towards the centre. After all these years, I cannot see why taxpayers should continue to support people who want to go to the Festival Centre. The organisation ought to be under sound management.

The Hon. R.G. Payne interjecting:

Mr GUNN: I have not finished yet; let me go on a bit. Let me refer to another area—there are plenty more. I refer to the South Australian Timber Corporation. At page 414 of his report, the Auditor-General states:

For several years, I have expressed concern that, unless the corporation could significantly increase its revenue from investments, losses would continue to accumulate. That position still exists.

At 30 June 1988, the accumulated losses of the corporation amounted to \$16.8 million, compared with \$3 million at the same time last year. That deterioration of \$13.8 million arose from:

- an operating loss for 1987-88 of \$3.8 million;
- an extraordinary item—a provision for a potential investment loss of \$10 million.

Significant factors affecting the corporation's profitability (loss) position are:

- the interest charges it has been required to meet on advances from SAFA. Until recently, the corporation had no equity capital.
- the inability of the corporation to obtain a return on invested capital from all of its subsidiary companies, particularly its major subsidiary, IPLH.

For years I have been told that it is not economical to extend pipelines into my district to provide badly needed water for my constituents because there is no return on capital, yet here we have a situation where we have this white elephant of the Timber Corporation which has already soaked up about \$37 million of taxpayers' money. If farmers had received a couple of million of that money it would have solved their problem.

Let me refer to one or two other examples. For instance, the operating deficit for the State Opera was \$2.4 million for the year. The State Government contributed \$1.7 million by the way of grants towards that deficit. In addition, the State Government advanced \$400 000 to the company for working capital purposes. This amount is to be offset against the company's grants over the next two years. Yet, there is

no money to extend the water supply west of Ceduna and there is no money for agistment of stock. There are, however, millions of dollars for these organisations such as the State Opera. In my view, if the State Opera cannot fund its operation by now it should be closed down.

The Hon. J.W. Slater: You are not a culture lover.

Mr GUNN: I am talking commonsense—I am not talking about culture. I have not finished yet, and there are one or two other examples that I could refer to.

The Hon. J.W. Slater: Horticulture!

Mr GUNN: There is nothing wrong with a knowledge of horticulture. However, another example is the Adelaide Convention Centre, referred to on page 22 of the Auditor-General's Report, as follows:

The deficit for the year on convention operations was \$3.4 million, towards which the State Government contributed \$2.8 million. Bookings for the Convention Centre for 1987-88 totalled 402 events covering 323 days.

The Hon. J.W. Slater: A resounding success.

Mr GUNN: It lost \$3.4 million.

The Hon. J.W. Slater: It was its first year; it has just started off.

Mr GUNN: It is going to be a bottomless pit—of course it is. I am quite surprised that the honourable member, as a former Minister, does not understand the Auditor-General's Report. However, let me continue. If one takes the trouble to read the annual report of the South Australian Government Financing Authority, one notes that that organisation has advanced millions of dollars to various statutory authorities in this State but there is no money for those badly needed enterprises which in the long term will produce income for the taxpayers of this State.

The Hon. R.G. Payne: What are they?

Mr GUNN: There is agriculture on Upper Eyre Peninsula. If the Engineering and Water Supply Department was supplied with a few million dollars it could fix all the water problems at Hawker and those other places.

The Hon. R.G. Payne: It is a loss operation, as you know.

Mr GUNN: The honourable member says that it is a loss operation, but at least it is providing a basic necessity of life. The Festival Theatre and those other things are not basic necessities of life. The average fair minded person in the community would agree that it is reasonable to supply electricity, water, roads, education and housing to the community but that it is not fair and reasonable to discriminate against the people who live in isolated communities, people who are suffering such severe hardship. This Government will do nothing for them but it will continue to fund the organisations that I have mentioned. It is a disgrace to this Parliament and to the Government. It is absolutely disgraceful that the Minister of Agriculture will not provide some \$250 000 or \$300 000 to help these people who are in such dire straits, while the Government is prepared to spend—

The Hon. R.G. Payne: Four or five million would be more like it.

Mr GUNN: The honourable member does not know what he is talking about.

The Hon. R.G. Payne: Yes he does.

Mr GUNN: The honourable member may have knowledge about certain areas but on these subjects I think I have as much knowledge as anyone. I am saying that, in relation to the provision of funds for the transport of stock for agistment purposes and for carting fodder, \$250 000 or \$300 000 would solve the short-term problem. If the Government wants these people to be further disadvantaged then it should just continue as it has done. I guarantee that if the roofs flew off the houses in Unley the Government would have no trouble finding money for repairs.

The Hon. R.G. Payne interjecting:

Mr GUNN: The honourable member knows what I am saying is correct. I refer him to the Auditor-General's Report, where he will be able to see at first hand how outrageous it is for the Government to continue to pour millions of dollars of the taxpayers' money into the various organisations which are obviously inefficient, poorly managed or which have no long-term financial ability to operate. It is about time the Government took some action in relation to these matters. The South Australian Timber Corporation is a classic example of the Government's getting involved in a commercial operation in which it should never have become involved. It is about time the Government brought to heel these people who are responsible for this situation. It is a disgrace that \$37 million of taxpayers' money has been squandered in such a fashion, while there is no money for other badly needed services across this State. School buses have been taken away from isolated communities. The upgrading and maintenance of schools has never been in bigger demand, but there is no money. Millions of dollars have gone into the Timber Corporation, and I doubt that the taxpayers will ever get back their money.

The Hon. R.G. Payne: Of course they will.

Mr GUNN: The honourable member has more confidence in it than I have. We can pursue this matter in a later stage of the debate. I refer now to one or two matters regarding the Department of Agriculture and refer to page 21 of the Financial Statement, which indicates that \$100 000 has been advanced for the rural counselling trust fund. More money than that will be required, as many people need financial counselling as to their financial situation, taking them through their options and helping them to understand the difficult situation in which they find themselves. That in itself is a long and tedious process for those involved in counselling. They must be people with considerable skills and patience because it is not a pleasant task, and it is difficult to get people to come to an understanding of their plight. With all the money the Government has at its disposal, surely it can provide more than \$100 000 for this purpose.

I am concerned about other matters in my electorate but particularly about the lack of job opportunities in country areas. I was most concerned to read in *Economic Conditions and the Budget*, at page 10, the following comment:

Full-time employment in South Australia rose 0.9 per cent through 1987-88 after declining slightly in 1986-87, but remained well below the national growth rate of 3.1 per cent. Part-time employment continued to grow at a faster rate than full-time employment in 1987-88, and in the past five years has accounted for just over half of all jobs created in this State despite still only representing less than a quarter of total jobs.

That is a deplorable situation. As the member for Flinders said earlier today, if it had not been for Roxby Downs it is doubtful that we would have had any more job opportunities in this State: it has been most beneficial to people in the agricultural areas who have had to seek alternative employment.

The Hon. R.G. Payne: It's a good thing I kept it going.

Mr GUNN: Did you vote for the indenture Bill? There would have been nothing to administer if this Parliament, under the stewardship of Premier Tonkin, had not negotiated and passed that indenture Bill. No matter what the honourable member says or does, he and his colleague on the select committee voted against it. He would not get out of the bus at Roxby Downs. He and his colleague put in a minority report opposing it. The honourable member was talking about bombs and all sorts of nonsense, and would have had nothing to regulate or administer if it had not been for the Indenture. He knows that BP would not have put its money into it and the project would have been

delayed or stalled, which would have been a disaster for South Australia.

The Hon. R.G. Payne interjecting:

Mr GUNN: I think that I know almost as much about it as the honourable member knows. I spoke only yesterday to Peter Hill from the Mines Department, whom I happened to meet in the street. I did not see the honourable member up at Roxby for the opening of the police station. I go there on a regular basis. It is a pity that Beverley and Honeymoon were closed as they, too, would have created more jobs and been a boost for the people in the north-east of the State.

The Hon. R.G. Payne interjecting:

Mr GUNN: We provided facilities for the bats and mice now found at those facilities, which have been closed down. It was a foolish exercise by the Government. I hope that in the next few days an inch of rain falls in those areas of the State because, if it does not, there will be a difficult situation that I do not believe the Government fully appreciates. I suggest that the Premier and the Minister of Agriculture acquaint themselves with the situation and immediately take the necessary action. In the long term there is a need to extend the water pipeline west of Ceduna, and that will allow those people a great deal more economic independence.

There is a need to support those local areas because the downturn in the agricultural sector is having a drastic effect on the small towns. Football teams are disappearing and leagues are amalgamating—all as a result of the difficult economic situation and not because of a greater than normal consolidation of farms. People have had to leave and earn an income to provide for their families. That is sad and unfortunate. The Government cannot be blamed for all the problems, but it certainly has the responsibility to provide assistance.

When one goes through the Auditor-General's Report one sees the assistance that is provided to the non-productive sectors of the South Australian economy. I believe it is incumbent on the Government to provide assistance to the people in most need. The isolated communities of this State receive little assistance. Some people do not have electricity, and I believe that a course of action should be taken to overcome that. People are without adequate water, and it is difficult to get adequate education. Yet, in the budget we see millions of dollars going to luxuries, not essentials. I do not believe the taxpayers should continue to fund them on an ongoing basis without regard to the future of those organisations. I support the Bill.

Mr OSWALD (Morphett): Mr Speaker—

The Hon. R.G. Payne: Tell us about Jubilee Point for a starter.

The SPEAKER: Order! The honourable member for Morphett has the floor.

Mr OSWALD: My reading of this budget leads me to one conclusion, that is, that once again it is a high taxing and high spending budget. I would have liked to see a much tougher attitude in relation to Government cutbacks and a bolder attempt in relation to an economic stimulus for the business community. Unfortunately, this budget offers nothing new to inspire investment. That is really what budgets are all about when a State is in a period of economic downturn, because the flow-on effect from the budget in the areas of unemployment and help for the needy, aged and poor in the community is intrinsically bound up in the one objective, that is, to get development going in the State so that everyone can benefit from it.

When going to the other place to hear the Governor's speech one notices the atmosphere of great expectation. The

policy that is laid down informs members what the Government intends to do to resolve the problems of the State during the coming 12 months. Last year when we went to the other place to hear the Government's policies for that 12 months, it was spelt out that the Government was going to do something about the downturn that was affecting small business and about reducing unemployment. At the time the Government made great play of what it was going to do about hospital waiting lists and, 12 months ago, we were left in no doubt that when the 12 month cycle had finished and we entered the 1988-89 budget period we would see hospital waiting lists well on the decline.

Twelve months ago we were also told by His Excellency that the quality of life in South Australia was going to improve considerably. I also recall a reference to law and order and juvenile crime, and I came out of the other place feeling that maybe the Government was at last serious about tackling the whole area of juvenile crime, teenage drinking, and so on.

At the time, the Government allocated moneys for it and it talked in rosy terms of what it would do about the problems of law and order and the quality of life in South Australia. I believe that there was a veiled reference to the growing number of bankruptcies and an indication that it would do something about it. The reality is that the wheel has now turned 12 months and we now have another budget which offers no hope to the private sector in the small business area. Further, it offers no hope for development or flow-ons to the needy in the community. We have virtually a nil increase in terms of the whole budget. There is an increase of \$4.8 million for tourism promotion when tourism is probably our second most important industry. It should be encouraged in this State, but the Government has seen fit not to get behind it. We really must emphasise that, if this State is to develop, we will have to do something about development and development potential.

When I rose to speak, a member opposite asked me to talk about Jubilee Point. The principle to be discussed is development generally and I, like I think members on both sides of this House, believe in orderly development provided that the public benefits. I think it is very difficult to argue against that principle. I would be very keen to support the development of marinas on certain parts of the coastline and I do not have any great objection to marinas *per se*, but I can assure the House that marinas cannot be built at the end of a stormwater outlet which is polluted to the extent that the Patawalonga is polluted—it just does not work. These marinas built on polluted estuaries just do not work.

I have placed on record the many other problems down at the Bay. There are problems with that site. Having said that, I do not suggest that other sites on the coastline would not be appropriate for the location of a marina. I hope that at some time in the not too distant future we will see the Government bite the bullet and take the hard decision to build a marina which will be a multi-million dollar project for this State. If the marina is located on the estuary at Glenelg, there will always be problems for me, because we know that it is polluted. I have a great interest in this whole question of water quality at the Patawalonga and I am aware that in this budget period the Government will address the E. coli and contamination levels of the Patawalonga, for which I applaud it. Local residents will be watching the matter very closely to see how quickly the Government gets on with the job of doing something about the disgusting quality of water which flows down from some of the other council areas and which has meant that my local council has had to ban all water sports in that waterway.

I now return to this whole area of the need to stimulate employment in this State. This budget does not really do much to inspire business confidence at a time when our bankruptcies are increasing, so we really must do something about this whole tragedy of unemployment. It is interesting to look at the area of law and order. We know that, for example, burglaries in this State have now reached a point where the figure is the second highest in the Commonwealth (we are second only to the Northern Territory). We must also ask why it is that our drug-related offences figure is one of the highest in the Commonwealth. Further, we should ask what is being done about this drug abuse problem and then also ask what is the cause of it, why is it so bad in South Australia, and what is the Government doing wrong? I think that we have to relate a lot of our problems to the unemployed youth question. I will not dwell so much on the youth, because plenty of people in their 20s and 30s also fall into that category.

The Government really has a tragedy on its hands. Only this week I attended a meeting, held at the Glenelg Town Hall, addressed by Federal parliamentarian the Hon. Peter Duncan. In a very political speech he made great play about how unemployment is dropping in this country. In actual fact, the tragedy in South Australia is that under previous budgets introduced by the Labor Government there has been no development impetus whatsoever, and sadly this has meant that there has been no turnaround in unemployment. In July 1982, 48 100 South Australians were looking for work. Six years later, under the Bannon Administration, the tragedy is that that figure has risen to 58 200 unemployed. Once again, with the national level improving—and Mr Duncan was right to that degree—we in South Australia are sliding further and further backwards. That is something he did not say.

I have great concern about the flow-on effect of unemployment, the high increase in burglaries and the fact that people are finding it much harder to make ends meet. Poverty is increasing in South Australia, drug taking is increasing and people are departing from the norm to acquire money to satisfy their cravings. It really is a social system brought about by a socialist Government which has introduced a socialist economic system to this State which, frankly, is not working.

Between 1981-82 and 1986-87, the total number of crimes brought to the notice of the Police Force in this State increased by 39 per cent. For every 100 000 people, in that same period, there has been an increase in violent crime of 97 per cent, with a 39 per cent increase in property crime. House breakings have increased by 100 per cent; muggings and other assaults have increased by 103 per cent; rapes and attempted rapes are up by a staggering 165 per cent; vandalism and wilful damage is up 55 per cent; and motor vehicle theft has risen by 57 per cent. Drug offences have risen by a massive 124 per cent and robberies have increased by 87 per cent. They are alarming figures which indicate how society and the stresses on society have changed considerably in this State over the past few years, particularly under the Bannon Labor Government.

There must be some cause behind it, and there has to be some blame. A lot of it would be happening on a Federal basis, but there has to be a basic reason in this State why these figures are on the increase, along with poverty and juvenile crime figures. The number of people living in very difficult circumstances in South Australia is increasing while the rest of the country is starting to go ahead again. Frankly, I am worried about that. So, what deterrents do we have in this State? I suggest that the number of deterrents that are available in this State are going down in direct ratio to the

increase in crime figures. The parole system is confusing to most people. It is also inadequate in its effect.

To give an example, a prisoner who is sentenced to 20 years with a non-parole period of 12 years would automatically be released after eight years. Quite clearly and emphatically, those with whom I talk in the community find that quite unbelievable. They do not understand how penalties are set, but they know that, if someone is sentenced to 20 years, they deserve to serve 20 years and do not expect to see them out in eight years. In 1982, 4 657 people were sentenced to prison. In 1986-87, only 3 356 were sentenced to gaol, a drop of 28 per cent in the face of increasing crime rates.

It is very difficult to go out to the public and explain that the number of people going into gaol has reduced, yet the gaols are overcrowded, and there are problems with that. It is difficult to sell, but all members in this House should keep asking themselves what is happening in South Australia that is causing the crime rate to escalate sharply while, at the same time, poverty is falling and the use of drugs is increasing. This social situation has been foisted upon us in this State. It is not happening with the same magnitude in other States and, under those circumstances, the Bannon Government must be brave enough to accept some responsibility.

Another matter, which I mentioned in the Address in Reply debate and which is of great concern to me, is the state of the hospital system in South Australia. The budget lines do not really provide any relief. At the time of the last budget 12 months ago, we were told that there would be relief with the waiting lists and an improvement in patient care. In fact, over the past 12 months there has been a decline in patient care and in the morale of doctors and surgeons in hospitals and, in general, a deterioration in health services. As I mentioned a decline in patient care, the honourable member for Gilles shook his head. For his benefit and that of other members, I refer him to a survey that was conducted amongst senior surgeons at the Royal Adelaide Hospital in June this year.

Of the 46 surgeons surveyed, 42 responded. The questionnaire expressed concern at morale, the standing of the health system, public respect for the health system and the quality of care for patients. The results were very significant. Approximately 67 per cent of doctors are dissatisfied with their hospital appointments and 97 per cent believe that there is poor morale at the Adelaide Hospital. Of those surveyed, 76 per cent are concerned with media attacks on them from various sources and 84 per cent of doctors currently holding health positions have considered resigning. That is a pretty damning indictment of the health system from surgeons in that hospital who have expressed concern about the conditions under which they work.

I remind the House of an industrial dispute that resulted in some interesting information about patient care at the Lyell McEwin Hospital. Through their union representative, doctors said that it was not uncommon for them to work 34 hours in one shift, often without sleep. Nor was it unusual for them to work 90 hours a week. One of the doctors who did not want to be named said that he knew he had made mistakes in his care of patients at night because he had been working for more than 30 hours straight. During the budget debate last year, the former Minister of Health was emphatic that that would not happen again. Because there is no relief in this budget to cover that problem, it will happen again.

Hospital waiting lists also will not decline. The Minister of Health can make all the speeches he likes but the reality is that, at the end of this 12-month cycle, people will still

be waiting 12 months for surgery. Going back eight to 10 years, it was unusual for a person to wait more than two or three months under the old system, when there was NHTA and Mutual Hospital and people could be insured. The indigent or needy were covered, anyway.

Members interjecting:

Mr OSWALD: I cannot hear members who are interjecting: they will have to interject more loudly.

The Hon. R.G. Payne: You don't want to hear us because you can't answer.

The ACTING SPEAKER (Ms Gayler): Order! The honourable member is out of order.

Mr OSWALD: What I am saying is starting to hurt because, if we returned to the health system that was in place some years ago, we would get rid of the waiting lists and put excellence back into our hospital system. The situation would not develop in which 42 out of 46 surgeons at the Royal Adelaide Hospital were prepared to respond to a questionnaire, most of them complaining about the intolerable conditions under which they work. It is just not on—not in a health system of which we had expected a lot in the past and which has declined with this Government.

I would like to raise another matter which could take some time but, as I have only two minutes at my disposal, I will be brief. About a year ago the Government took away the magistrate from the Glenelg police court. It closed the court and transferred the magistrate into the city. That was the worst move that this Government has ever made in my district of Morphett in the area of trying to maintain law and order. I protested vigorously at the time as did every lawyer practising in Glenelg and the social welfare people. Women's groups that were involved with having to make approaches to the court for various orders and who needed access to the court also protested, as did the council and the police. Despite all this, the Government turned a blind eye.

We had down there a magistrate who understood the problems of Glenelg. If we had disturbances, he would have the defendants in and deal with them accordingly. He had the confidence of the district, and I ask the Government in this new budget period to reconsider the reappointment of a magistrate to the Glenelg police court. It is an absolutely vital part of the community down there and in the western suburbs. There was not a man or woman involved in law and order in the western suburbs who did not support it. It was withdrawn for reasons that have never been established other than a problem between the Attorney-General and the magistrate that we do not know about. I ask the Government to reinstate a magistrate immediately.

Mr D.S. BAKER (Victoria): Madam Acting Speaker, I will start by going through some of the documents that we have had released to us *ad nauseam* in the past couple of months by those who claim to be Treasury officials. The first documents involving the finances of South Australia were two very pleasant documents to read. They did not contain anything of much note at all but sold the State. It is claimed that they were to provide information for international and Australian investors in South Australia. I thought it was rather strange that we received these just before the budget because that is what the budget papers and the budget speeches were all about, but we put those to one side.

If these documents were issued as a prospectus in the real world, the Corporate Affairs Commission would take the Government to task, because they are absolutely contrary to what a prospectus is and they are absolutely incorrect in what they are purporting to investors in South Australia.

So, those Treasury officials put out these documents, as they put out the budget speech. As the poor Treasurer does not understand the credit side from the debit side, he allows all this stuff to go out and we are conning potential investors in this State because of this nonsense. In the real world it would not be allowed to go out.

The next thing which comes along and which is handed out with the budget is this quite glossy SAFA report. The Deputy Leader made some pertinent comments on it and referred to the pleasant photographs on page 33, likening it to all sorts of things about which I do not understand a lot. However, when one reads that document and considers the amount of money spent on it, one realises that if that was issued as a prospectus, or issued in the corporate sector, it would not stand the light of day in front of the Corporate Affairs Commission.

The Hon. R.G. Payne: Rubbish!

Mr D.S. BAKER: The honourable member thinks that he knows a little about finances. If he wants to debate this matter, I will sit down while he has a go for five minutes and then we can start talking about it. It is not rubbish, it is fact, as the honourable member well knows. It is because he does not know that he interjects like that. The next thing that happens is that the budget is handed down and, lo and behold, a document is put out in the *Sunday Mail* under the auspices of the South Australian Government, a big double spreader. It states:

The annual budget is the most important statement of the Government's finances, its economic and social policies.

It is signed 'John Bannon', who is paid with the taxpayers' money. It goes on to address industry, the welfare of families, job creation and, above all, the need to exercise responsibility over Government spending. I suppose they had Satco in mind or the *Island Seaway* or any other venture—probably the Woods and Forests Department. The direction of the budget is as follows:

1. Restraint.
2. Reduction in the scope of Government spending and therefore a drop in future interest costs to taxpayers.
3. Protection of the family unit.
4. No tax increases . . .

We go over a couple more pages to the heading 'Tax Relief for Small Business'. It states:

Small business is one of South Australia's major employers.

Land tax has been reduced. On the back page it states:

The hard decisions of the past few years and the cooperation of all South Australians have the State poised to benefit from the strength of our new economy.

Every speech on every budget since I have been in this place has stated, 'We are poised for some great benefits to this State.' What happens? All we have is more bankruptcies; all we have is more problems with small business. We are always poised and we always crash; we are right on the brink all the time. If that document was made available in the real world, people would laugh at it. When we tear the gloss and the glitter away from this budget and start dealing with facts, we start to see what nonsense it is all about. One of the great problems is that in the Treasury there are 146 people employed to write this drivel; 146 journos, none of whom know anything about finance. That is the problem—they spend all their time putting up these glossies.

The Hon. R.G. Payne interjecting:

Mr D.S. BAKER: For the benefit of the honourable member, who is now seated on the back bench, and his financial whiz-kid next door to him, I will go through a few things in the Premier's budget speech and we will see. Tell me to slow down at any time you cannot understand the figures. This is what the journos have written:

This is a budget of balance. It addresses the principal areas of industry, of commerce, of family welfare...

We are told that it reduces the State's net debt—a lovely one—and promises relief from land tax. Now we come to the good terms, the really great financial terms: we see them in every financial port—ha, ha! It states:

Business investment is expected to grow strongly in real terms ...

Does the honourable ex-Minister understand what that means? Of course he does not. It refers to a 'strong national growth rate' and 'a reduction in the real level of funds'. These financial geniuses have written all this stuff. It also states that 'local government has also borne a smaller relative share'. This sort of statement goes on and on throughout this document. It refers to a 'significant restraint in expenditure' and states that 'the bulk of Government expenditure comprises net recurrent repayments'.

These are the things written by these 146 Treasury officials to pull the wool over the Premier's eyes. He does not understand it; he does not understand one side from the other, and he gets up and mouths it out to the taxpayers of South Australia and expects them to believe it. The taxpayers of South Australia do not know what is going to happen in absolute terms. They do not want to know whether it is relative smaller expenditure; they do not want to know what is going on in unreal terms; they want to know how much this Government is going to suck out of their pay packet next Thursday in today's terms, not all the nonsense that is put forward to try and make the budget look any good at all.

Small business people want to know how much more they will be paying in land tax or payroll tax this year, how much more the Government will suck out of their business to try to allow for the mismanagement of members on the front bench. Talk about see no evil, hear no evil, do no evil! A couple of members have gone to the back bench, I see, but they are responsible for millions of dollars of taxpayers' money in this State being lost. The Treasurer of this State cannot read credit from debit and does not do anything about it. Thank goodness we have the Auditor-General, and his report is very good reading this year—as it was last year—and gets to the heart of the problem.

Of course, nothing happens, and nothing will happen until there are some people in Treasury who do not allow the Premier to mouth the good news and start mouthing some of the facts of life and where we are really going. Let us look at last year's results, when we saw this wonderful term 'financing requirements'. The budget introduced last year provided for a financing requirement of \$355 million. In any other person's terms a financing requirement means borrowing more money, but no, that is not how we sell it to the public. We are not allowed to tell people we are going further into debt: we say we have a financing requirement. That is an amazing way to put it! One says that one is going into debt to the tune of \$355 million if one is out there in the real world to make some money.

We then come to recurrent payments. This is a good one! This is written by the Treasury people. The budget speech states:

In terms of recurrent payments, members will recall that no allowance was made in the 1987-88 budget for the second tier wage increase.

That is rather interesting. I do not think that these Treasury officials had last year's book, because the Estimates of Payments for the State lists allowances for increases in wage and salary rates and other contingencies, amounting to \$82 million. However, in the Treasurer's budget speech he says:

Despite this [no allowance having been made], the Government's program of tight financial control limited the overrun in recurrent repayments to \$13.6 million ...

But he claims that no allowance was made. That is the nonsense we have to put up with. Clearly it was used in last year's budget as a sop; clearly it was used for padding. It was well stated, because 12 months down the line we forget all of those things. Then we have a look at what is going on in this year's budget. When we try to strip away the facts from the fiction, it is rather interesting. It is claimed that revenue has increased by only 6.6 per cent.

That is all very well, but what the Government does not tell us when it is glossing over the facts is that this increase is 'on a comparative basis', for a start, so that clouds the issue a little more. It is a wonder that it did not also say 'in real terms', because that would cloud the issue even more for the average taxpayer. What has really happened and what people really want to know about is that taxes in this State have increased by 10 per cent in the past 12 months and will increase by 10 per cent under this budget. We should not listen to the nonsense about 6.6 per cent, because what has happened is that the Commonwealth allowances and the Commonwealth receipts have dropped quite heavily and the Treasurer has told those 146 jourmos that he had better go out there and find out how he can rip it out of the taxpayers of South Australia. They have systematically gone through the receipts side and raised our taxes and charges. Whether or not members opposite like it, that is what has gone on.

An honourable member interjecting:

Mr D.S. BAKER: It is all here in the budget. Afterwards, perhaps if I go through it with you, you might—

An honourable member interjecting:

Mr D.S. BAKER: No, I don't think I could, because there are more than three figures, and it would be a little difficult for some of you people. But it is all there: payroll tax has increased from \$307 million last year to \$354 million. This document claims that it has not increased. Is that a reduction? As regards land tax, this glossy document claims tax relief for small business, but actual receipts amounted to \$56 million last year, and estimated receipts—relief for small business—amount to \$63 million in 1988-89.

I must have gone to a different school from that attended by those 146 jourmos and the Treasurer because I reckon in any language that that is an increase. Does the backbench member opposite still agree that that might be an increase in land tax? What about the former Minister?

The Hon. R.G. Payne interjecting:

Mr D.S. BAKER: That is what he and the Minister next to him tried to tell me when the *Island Seaway* was being built. If one keeps going through recurrent receipts—and that is what these glossies are all about in the four pages in the *Mail*—one notes that financial institutions duty has also increased. The Government then goes out and claims that it is not anti business. It makes great play in the Treasurer's speech about what it will do with land tax. I will read a little of the budget speech because it makes good reading and I have the time.

The Hon. R.G. Payne: It is worth listening to.

Mr D.S. BAKER: It is, and I will keep it to words of one or two syllables so that members can understand it. The Premier states:

In discussion of land tax it is important to analyse the factors—

Members interjecting:

Mr D.S. BAKER: You will get a financial lesson if you are quiet and listen. The Premier states:

In discussion of land tax it is important to analyse the factors which lead to increases in the revenue raised. The most important

of these by far is rising land values. Rising land values are essentially the product of demand—

that is a new economic theory—

which is heavily influenced by perceptions about the return that can be generated.

If the Deputy Speaker were here he could support what I will say because I know he dabbles heavily in the share-market. If that was a fact, BHP shares would be \$200 and some of the more speculative company shares would be worth nothing. But of course, that has nothing to do with it.

If we ask people in the real world and small business people who are paying these land taxes about the matter, they will tell the Government that this is a load of rubbish, yet these 146 journos who write this drivel have never been told because they have never been out there. Going on in regard to land tax, the Premier states:

There are, of course, other influences which require the impact of land tax to be reassessed from time to time. These include the progressive tax scale . . .

I have spoken on this before. It is the most progressive of any tax scale in this State, and it is outrageous. The Premier continues:

. . . the principle of aggregating all holdings in one ownership . . .

Against this background the Government considers it appropriate to restructure the land tax scale for 1988-89 and to provide a rebate of some of the duty which would otherwise be payable. It is not feasible to eliminate the effects of aggregation . . .

This Government is not supposed to be anti development. What happens with every developer in this State who develops one or more blocks is that, when they buy and subdivide them, the land tax assessment is aggregated, and case after case comes into my office and into all electorate offices of Government members involving people paying \$100 per block before aggregation and \$3 000 or \$4 000 a block afterwards.

If that is not anti development, I do not know what is. That encourages people to set up shelf companies, etc., which cost extra money. What happens to all those costs? They are passed on to the consumer. Then we have a wonderful assumption and a couple of members on the back bench do not understand this (I guess that is why they are on the back bench). The Premier states:

These measures will reduce estimated land tax revenues by about \$11.5 million from about \$75 million to about \$63.5 million.

I would have thought that a better example would be land tax rates of about 1976; that would be much better to sell to the public. If the Government used those figures and

reduced them, it would be saving the taxpayer about \$2 billion today. Just because the Government reduces the rate of tax it does not mean that it reduces the take. That is why this budget right through is dishonest. That is why it has been written to sell to the taxpayers of this State. Certainly, that is why taxpayers want to know what the Government is taking out of their pockets on pay day. People want to know how many small businesses will go bankrupt in the next 12 months because of the extra tax grab.

On going through the budget papers, it is quite plain that the Government is taking an extra 10 per cent in taxes from every taxpayer in South Australia. Whether or not the Government wants to gloss over it, that is a fact of life. Let me now get down to the Auditor-General's report.

An honourable member: Hurry up!

Mr D.S. BAKER: I will run out of time, so I suggest to members that they read the first few pages, because the guts of it all is there. The most relevant part is on page 2, where the Auditor-General states:

It is against that background that I again stress the importance of the inclusion of competent people with financial and management accounting qualifications, skills and practical experience as part of the executive management team of agencies. It is an important feature of most successful business organisations. It is no less important in the public sector—a factor recognised by the committee which reviewed and reported on Government financial management arrangements in 1984. As indicated in my report last year, I believe greater emphasis needs to be given to this important aspect of public sector management.

And so the Auditor-General goes on, pointing out where the taxpayers' money has been lost, where disgraceful management practices have taken place, and where Ministers, along the front bench, with a couple having gone to the back bench, have been responsible for this situation. The Treasurer of this State has not acted at all. He has spent all this time with a 146 journos and the Treasury putting out the gloss in an attempt to fool the taxpayers of this State into believing that they are not in a worse situation now than they were in 12 months ago. However, the Government cannot hide the facts forever. The fact is that taxpayers will pay 10 per cent more in taxes this year.

The Hon. J.L. CASHMORE secured the adjournment of the debate.

ADJOURNMENT

At 10.47 p.m. the House adjourned until Wednesday 7 September at 2 p.m.

HOUSE OF ASSEMBLY

Tuesday 6 September 1988

QUESTIONS ON NOTICE

GOVERNMENT VEHICLE AND EQUIPMENT

1. **Mr BECKER** (on notice) asked the Minister of Transport: To which Government agency or department does the motor vehicle registered UQK 397 and the air compressor registered TQL 269 belong and for what purpose was the equipment being used on Sunday, 10 April 1988 at 101 Russell Street, Rosewater?

The Hon. G.F. KENEALLY: Both the motor vehicle UQK 397 and the compressor TQL 269 are registered to the E & WS Department. The incident referred to involved improper use of departmental equipment by an employee who has been formally disciplined under the GME Act.

MOBILONG PRISON

8. **Mr LEWIS** (on notice) asked the Minister of Correctional Services:

1. How many prison officers at Mobilong Prison have been recruited from the population in:

- (a) the Murray Bridge Council area; and
- (b) the Murraylands Local Government area?

2. How many prison officers now working at Mobilong resided in Murray Bridge as at 30 June 1988?

The Hon. F.T. BLEVINS: The replies are as follows:

1. (a) 8.
- (b) 14—including those identified in (a).
2. As at 30 June 1988, 55 correctional officers employed at Mobilong Prison resided in Murray Bridge.

CARE CENTRES

23. **Mr BECKER** (on notice) asked the Minister of Transport representing the Minister of Health: In each of the following—Salvation Army, Whitmore Square; Joslin Detoxification Centre, Fourth Avenue, St Peters; and Archway, Nile Street, Port Adelaide:

- (a) how many staff counsellors are there for day patients;
- (b) how many staff and how many beds are there in the detoxification units;
- (c) what are the hours of operation; and
- (d) what is the estimated cost of providing a bed each day for each organisation?

The Hon. G.F. KENEALLY: The replies are as follows:

1. Salvation Army, Whitmore Square:
 - (a) The Salvation Army has three counsellors for day patients.
 - (b) There are eight supervisory, three counsellors, one manager and one superintendent attached to the detoxification unit. The unit has 28 beds.
 - (c) The unit operates 24 hours a day, seven days a week.
 - (d) The estimated cost per occupied bed day is \$38.
- Alcohol Unit, Payneham:
 - (a) One nurse and one counsellor are involved with the day patient program.

- (b) The detoxification unit has 12 beds. There are 15 nursing staff, one medical officer and two support staff (clerical/catering) attached to the unit.
- (c) The detoxification unit operates 24 hours a day, seven days a week. The day patient service operates five days a week from 9 a.m.-5 p.m.
- (d) The estimated cost per occupied bed day is \$169.

Archway, Port Adelaide:

- (a) Archway does not have a day patient service.
- (b) There are five counsellors and one superintendent attached to the detoxification unit. The unit has 18 beds.
- (c) The unit operates 24 hours a day, seven days a week.
- (d) The estimated cost per occupied bed day is \$64.

2. It is important to recognise that the two non-government agencies offer non-medical detoxification program using 'unqualified' staff. The Alcohol Unit at Payneham, operated by DASC, is a clinical service staffed by nurses and a medical officer. The aim of the Alcohol Unit's detoxification facility is to provide medical and nursing care for persons who wish to have assistance withdrawing from alcohol.

ALDRIN

24. **Mr BECKER** (on notice) asked the Minister of Transport representing the Minister of Health:

1. In view of concerns of chemists in New South Wales regarding the spraying of aldrin, why is the South Australian Health Commission advising the public that there is no danger in the use of this chemical?

2. Can the commission categorically state that the chemical will not leach from concrete building foundations?

The Hon. G.F. KENEALLY: The replies are as follows:

1. The South Australian Health Commission is not aware of the specific concerns of the chemists in New South Wales and would be pleased to receive specific advice on the concerns.

With regard to the future use of organochlorines as termiticides, Cabinet has asked the Controlled Substances Advisory Council to provide a formal report to the Minister of Health for Cabinet consideration before 31 December 1988 which:

canvasses the practical consequences and advantages or disadvantages of a total prohibition on aldrin/dieldrin, chlordane and heptachlor from 1 July 1989;

appraises alternatives, including chlorpyrifos and the organophosphates for pre-treatment and treatment of termites with particular reference to efficacy, toxicity, persistence and environmental impact.

In the meantime the Health Commission is advising the public that the organochlorines can be safely used for termite control provided they are applied by a licensed pest control operator in accordance with the regulations and code of practice. These have been recently revised under the Controlled Substances Act and provide stringent guidelines for their application.

2. The commission does not categorically state that the chemical will not leach from under concrete building foundations. The possibility of leaching under normal circumstances is however very remote.

JUSTICE INFORMATION SYSTEM

27. **Mr M.J. EVANS** (on notice) asked the Minister of Education representing the Attorney-General:

1. Will data held by the Justice Information System be available on a dial-up basis through the public telecommunications system?

2. Will the JIS be accessible through any private networks (such as CSIRONET) or through Government owned lines and, if so, will the same system be used for other purposes by other users, or is it dedicated to JIS use alone?

3. Will any data be transmitted through microwave or radio links and, if so, under what circumstances?

4. Where data is accessed remotely, by whatever means, will it be transmitted in an encrypted form and, if so, what standard of data security has been adopted?

5. Is the data held on a central computer alone, or is some of it held and/or processed remotely from the central computer?

6. Is any part of the data stored on the computer system in an encrypted form and, if so, what type of data is so stored?

7. What arrangements will be made for individuals to determine the existence and accuracy of data held about them on the system and to correct it if it is not accurate?

8. What back-up computing facilities exist to ensure that, if the primary system fails, the JIS will remain active through use of a secondary computing system?

9. What arrangements have been made to ensure that all data is protected against loss in the event of a computing equipment failure?

The Hon. G.J. CRAFTER: The replies are follows:

1. Access to the data of JIS will only be available through the use of terminals which are connected to leased lines, which in turn are connected to the JIS computers. Access to data will not be available via terminals which use dial-up facilities.

2. At present no users outside of the five Government agencies have access to the network, or the JIS computers where the user data are held. During 1989, the Court Services Department will most likely use the JIS network for communication between metropolitan and country courts on the Court Services Department computer. They will not be provided with access to the JIS mainframe computers which contain user data. Depending upon decisions taken regarding the Government data communications strategy, the JIS communications network may or may not form part of a Government wide communications network.

3. JIS use leased lines from Telecom to link the terminals and network computers to the JIS mainframe computers. The physical means of connecting locations depends on the choice exercised by Telecom. This may include microwave, copper cable or fibre optic cable.

4. Data security has been examined thoroughly within JIS. Recommendations from consultants previously employed to advise on security arrangements are being implemented. Further, the JIS has a Security Committee, whose task it is to review and monitor security arrangements. I do not believe that it is appropriate to answer the question in any more detail, as to do so will provide information regarding the security arrangements on the public record, therefore weakening those security arrangements.

5. The JIS has been designed such that all data are held in the JIS central mainframe computers.

6. As I indicated in my answer in question 4, I do not believe it is appropriate for detailed information regarding security arrangements to be placed on the public record. To do so may diminish the strength of the security arrangements made with JIS. I will again reiterate that JIS have taken security arrangements very seriously and have taken the necessary steps required to ensure that data is only accessed by persons who are authorised.

7. As you are aware, the Government has determined that the administration of information privacy principles and access to personal records will be implemented by administrative instructions from 1 July 1989. Comprehensive guidelines have been prepared by the Government's Privacy Committee. The JIS will be required to adhere to those instructions. Arrangements for individuals to determine existence of data held on the system and to correct it if it is not accurate, will be made in line with the Government's administrative instructions. JIS has, however, designed its systems so that they can conform to the privacy principles enunciated by the Australian Law Reform Commission and are in line with the recommendations of the Government's Privacy Committee.

8. JIS has two mainframe computers. One is used for the processing of use applications and the second for development of applications. If the computer processing applications fail, then the processing of those applications is switched to the development computer and development work is curtailed until the second computer is repaired.

9. JIS has comprehensive back-up procedures in place which allows data to be recovered in the event of a computer equipment failure.

MOBILONG PRISON

32. **Mr BECKER** (on notice) asked the Minister of Correctional Services: Why were staff transferred to Murray Bridge to work at Mobilong Prison not compensated for stamp duty on the sale and purchase of properties?

The Hon. F.T. BLEVINS: One of the conditions of employment of Correctional Officers is that they may be required to serve in any correctional institution in South Australia. The department follows the provisions of Commissioner for Public Employment's Determination No. 17 titled Relocation Expenses. The determination has no provision for the payment of stamp duty on the sale and purchase of properties as a result of relocation.

ELECTRICITY TRUST

33. **The Hon. E.R. GOLDSWORTHY** (on notice) asked the Minister of Mines and Energy:

1. Who were the board members of the Electricity Trust of South Australia on 30 June 1988?

2. How many meetings of the trust were held during the year ended 30 June 1988?

3. How many of these meetings did each member of the trust attend?

4. What is the annual fee paid to each member of the Trust?

The Hon. J.H.C. KLUNDER: The replies are as follows:
1, 3 and 4.

Board members as at 30.6.88	Annual Fee \$	Meetings Attended
Mr W.H. Hayes, Chairman	13 007	24
Mr R.D. Barnes, Deputy Chairman	12 070	26
Hon. G.R. Broomhill, Member	9 204	25
Mr J.A. Carnie, Member	9 204	24
Mr J.K. Lesses, Member	9 204	18
Prof. D.H. Stapledon, Member	9 204	21
Mrs J.M. Mercer, Member	9 204	21

2. There were 26 meetings held during the year ended 30 June 1988.

MARINELAND DISPUTE

39. **Mr BECKER** (on notice) asked the Minister of Labour: What action is the Government taking to resolve the industrial dispute between the Building Trades Federation and Marineland and, if none, why not?

The Hon. R.J. GREGORY: I have not been asked by the parties to intervene in the dispute. Formal conciliation and arbitration dispute settling procedures are of course available to parties involved in industrial disputes and I would expect that those normal processes would be utilised to resolve this matter.

ELECTRICITY DEMAND

42. **The Hon. E.R. GOLDSWORTHY** (on notice) asked the Minister of Mines and Energy: What is the Govern-

ment's estimate of demand for electricity, in terms of both annual and peak demand, for each of the next ten years?

The Hon. J.H.C. KLUNDER: The load and energy forecasts of ETSA for the next ten years are set out hereunder:

Year	Peak Demand (MW)		Energy Generated	
	Winter	Summer	Year	GWh
1989	1695	1805	1988-89	8750
1990	1730	1860	1989-90	9030
1991	1765	1910	1990-91	9180
1992	1800	1960	1991-92	9390
1993	1830	2010	1992-93	9520
1994	1860	2060	1993-94	9660
1995	1895	2105	1994-95	9850
1996	1930	2150	1995-96	10060
1997	1965	2200	1996-97	10280
1998	2000	2245	1997-98	10480

Note: The peak demand figures assume severe conditions and exclude interruptible loads.