HOUSE OF ASSEMBLY

Thursday 23 August 1990

The SPEAKER (Hon. N.T. Peterson) took the Chair at 11 a.m. and read prayers.

Mr S.G. EVANS: On a point of order, Mr Speaker. I can smell a strong odour of gas. I do not know whether others can. May we have an explanation?

The SPEAKER: I am not aware of any problem, but I will certainly have it checked.

The Hon. T.H. HEMMINGS: On a point of order, Mr Speaker. If you get any advance information, may I have it first?

The SPEAKER: There is no point of order.

MULTIFUNCTION POLIS

The Hon. JENNIFER CASHMORE (Coles): I move:

That this House examine the economic, environmental, social and cultural impact of the proposed multifunction polis and examine and make public all commitments so far entered into by the Government, all costs to be incurred by the Government and the specific timetable proposed for development of the project.

This is not the first time that I have urged this House to debate a project which will fundamentally affect the future of South Australia. On 7 September last year I moved a motion along similar lines. The motion was never responded to by the Government and, as a consequence, it lapsed when Parliament was prorogued. Prior to that, and even more since then, there has been intense public debate, hours of electronic media coverage and square metres of newsprint devoted to this project, but the debate in this House, where we are supposed to represent the community, has been minimal and muted. The Opposition has asked questions, Labor backbenchers have given fleeting, almost obligatory, obeisance to the concept in their Address in Reply speeches, but to date no indication whatsoever has been given of the commitments that the Government has entered into, the costs that it is willing to incur, or even the principles upon which it has negotiated this project with the Australian and Japanese Governments.

Those of us who last year were prepared to incur the cost of at least $100, in the case of anyone who wanted to attend a seminar, had the opportunity to hear first hand from speakers what was proposed. We had the opportunity to see, albeit fleetingly, slides which, in the speed of their passage, were almost impossible to assimilate. I suggest that that is not good enough. This project has got to the point where we must insist that it is brought to Parliament in some way.

Earlier this session my colleague, the member for Heysen, asked the Premier whether Parliament would be debating the issue in the form of legislation. The Premier said:

That issue has not been determined as yet, that is, the need for an indenture or some special arrangements to cover the overall development.

I find it very strange that the Premier's departmental head, Mr Bruce Guerin, appears to know more than his boss. It was barely a week previously that Mr Guerin, in addressing a seminar at Technology Park, said that the controlling body for the multifunction polis would be an international board of trustees, followed by the MFP Adelaide Development Corporation, in which ownership of the land would be vested.

How can information as basic as that to the interests of this State be handed out by a public servant to a seminar and not provided to this Parliament? There seems to me to be something dangerous indeed in the way this project is being handled and in the way this Parliament is being ignored in the handling of the project. There is no doubt whatsoever that the project will have profound effects upon the economic, political, social, environmental and cultural life of this State. It is impossible to foresee that a one-tenth increase in the population of this city will not affect Adelaide, and Adelaide as the centre of this State, in a major way. The State Government's submission acknowledges that that will be the case. Page 7.1 of the submission states:

The MFP is a set of relationships—economic, international, environmental and social.

It acknowledges:

It includes a new settlement, but it includes a set of significant changes to the operation and function of Adelaide as a whole.

Further, it is stated on page 1.2 of the submission:

If it is to be more than an inconsequential adventure in urban development, it must be able to influence in significant ways the functions and operations of an existing Australian city.

So, the Government itself acknowledges that the operations of Adelaide are to be changed in significant ways and yet, despite that, this Parliament has had nothing major in the way of information put before it by the Government. On the contrary, the Government's public servants appear to be more willing to share information, notwithstanding the fact that much of it is conflicting, in community seminars than are the Ministers, in response to questions in the Parliament.

It is barely a week ago that I asked the Premier who, if anyone, had been engaged or would be engaged to handle what is obviously a massive public relations exercise, in an attempt to sell this project to the people of South Australia. The Premier's innocent reply was that he did not know whether any consultants had been engaged. One can only presume that the Premier had a massive loss of memory. It was barely days later that an advertisement was inserted in the *Advertiser*, calling for tenders for the engagement of consultants to handle the multifunction polis project.

It is impossible for us to believe that the Premier was not aware, as the responsible Minister, that that advertisement was about to be placed, and he also must have been aware of the cost to the State on an annual basis of that consultancy. Certainly, not just streams but torrents of information about the MFP have been poured out from Government offices to the media and to the public in recent times. We have had little pamphlets; we have had substantial publications, for which a charge of $10 has been made; and we have had the submission itself. It defies belief to think that this is being produced solely by public servants. It is clear that consultants are being engaged.

The topic interested me so much that, aside from doing considerable research in South Australia on material that is available here, on a recent visit to Tokyo I arranged a meeting with officials of the Japanese Ministry of International Trade and Information (MITI) in order to clarify for myself the Japanese view of this project. I can only describe the meeting that I had with the MITI officials as one of the most difficult attempts I have ever undertaken to obtain information of a consistent and logical nature. I have the Australian Department of Foreign Affairs and Trade transcript of the discussion that took place. Every question I asked was met by a polite but, in the main, enigmatic response and an absolute insistence that Japan was undertaking this project for no other reason than for the benefit of Australia.

Everyone knows that a country's first responsibility is to act in its own interests, and to do otherwise would be unnatural and irresponsible. It follows, therefore, that Japan's interest in this project is primarily in the interests of Japan. Indeed, Japan may well be seeking better relationships with Australia and, if that is the case—and I do believe it to be the case—I would endorse that concept. However, the transcript of the interview shows Mr Harazaki stating:

> . . . Japan had only agreed to the cooperation for the feasibility study stage and that, when it came to the implementation stage, such organised involvement was not perceived. Investment decisions would be made on an individual basis and Japanese companies would be just one facet of international interest in the project. There would be no special favours for Japan.

On the other hand, the submission suggests that 80 per cent of public funding is to come from overseas and, obviously, this means largely or entirely from the Japanese Government, since the Japanese Government remains the only other Government signatory to the agreement. If that 80 per cent Japanese ownership (which in corporate terms means 100 per cent control) is to be carried out, Australia nonetheless still has to provide, according to the submission, $1.2 billion of Australian funds.

It is clear that not all those funds would come from the taxpayers—undoubtedly, some would come from private enterprise. But it is unrealistic to suggest that that kind of money could be made available. Indeed, I suggest that, if that kind of money could be made available, it should be spent on similar goals throughout this country—on urban renewal, on technological research and transfer, on economic and environmental development, and on a whole range of things that this country needs.

Initially, the Commonwealth and several State Governments were interested in this concept, but in the final analysis South Australia won this project not necessarily on its merits but, rather, by default when the other States pulled out, so I find it hard to believe that two Australian Governments would be excited to such an extent by a project which, at the very outset, they were not willing to put to the people in order to gain broad community agreement. Whatever has happened as a result of this MFP proposal, surely there must be a realisation that it was a mistake, that has been very damaging to Australia, to conduct such a major operation that, for the first critical 12 to 18 months, was shrouded in secrecy.

It is not often that I agree with the Hon. Peter Duncan, MP. However, having been on the receiving end of the Premier's abuse and accusations that I am a member of the National Front—and the Hon. Chris Sumner has hurled similar abuse at the Hon. Ian Gilfillan who, from my knowledge, would be a man without prejudice when it comes to racial matters—it simply confirms, as Mr Duncan has said, that to question this project is heresy. It should not be heresy because we are talking about the biggest thing that has happened to this State. The project would dwarf Whyalla as an industrial and economic project. It would dwarf Roxby Downs many, many times in terms of its investment and its potential. It would dwarf anything that has happened here before, yet this Parliament, on the decision of the Government, has not been willing to debate the issue—not even in a broad sense on matters of principle. For example, one of the principles agreed to in terms of the multifunction polis by Australian Governments, both State and Federal, was a review of regulations in order to facilitate the establishment of the MFP.

When I questioned the consultant who was putting slides on the screen last year about this review of regulations, I asked him whether it meant that the planning laws that applied to the rest of us in South Australia might be suspended or modified to enable the MFP to proceed. The answer was a hasty 'No'. Then there was an 'um' and an 'ah' and a defence of the fact that, if one wanted to do something new, it might be necessary to make adjustments to enable that new style or method of construction to occur.

In short, we have Governments agreeing with Governments of other countries that our laws can be suspended to facilitate the wishes of that other country, but no-one at this stage in the Parliament knows to what extent and to what degree those principles have been agreed upon. I for one find that not only unsatisfactory but also deeply offensive.

The economics of this could mean that funds that would normally be channelled State-wide for development and the benefit of our citizens will be poured into a single location. It is hard to see how it could be otherwise. Just to take a very small example I ask: which will take priority with the Government—the north-south corridor, which will make life tolerable for people in the southern suburbs in respect of access to the city and to the north of the city, or the transport system for the MFP? There certainly is not enough money for both: there is no question about that. The Premier has to come clean and indicate to us where his priorities lie. Are our resources to be poured into this project—not only our economic resources but the massive resources of the Public Service which are presently employed on the project—will they be spread in an equitable way across the whole State.

In my opinion the environmental aspects of the project are highly questionable. It is interesting that the Japanese said they had no preference because at the time I spoke to them the site had not been selected—this was mid to late June. The Japanese said that all the South Australian sites appeared greenfield to them compared to what was available in Japan. It was a novel proposition for me to consider Gillman as a greenfield site. The last time I was there was as Minister of Health refuting ALP claims that it was a danger to public health to dispose of radioactive medical waste in that area.

How times have changed! For those members who are interested in the broad impact of the contaminated site at Gillman, we should all be aware that that site is heavily polluted. Its ponding basin serves as a primitive filtration system for much of the northern regions stormwater. Barkers Inlet, which is extremely vulnerable to any development on the site, is a major spawning ground and nursery for many varieties of fish, prawns and crustaceans in the Adelaide coastal region. The fill for that area is to come from we know not where.

What we do know is that we cannot reduce, let alone eliminate, pollution simply by landfill. The citizens of Kingston in Brisbane and the Queensland Government can certainly bear testimony to that reality. We also have to bear in mind that Gillman is not merely a degraded area: a storage and filtration plant for toxic waste from the whole north-western region of Adelaide and the cleaning up and filling of it will take an enormous number of resources. There simply can be no guarantee that that can be successful.

We are being asked to believe that a Government that cannot or will not control its own pollution is going to perform a miracle on this site. We are being asked to believe that it will work in conjunction with another national Government that has one of the worst international records for environmental pollution. We are being asked to believe that, working with a Government, that is, the Government of Japan, that acknowledges that its 14 technopolis sites that have already been constructed are failures in human, envi-

ronmental and technological terms—that has been openly acknowledged in Japan; very few of the Japanese want to live in those cities—somehow all can happen afresh, anew, and that there will be a wonderful world at the MFP at Gillman.

Much more could be said about this project but, in the interests of other members who may wish to speak, I conclude merely by referring to page 6.5 of the South Australian submission. Incidentally, the submission is couched in the most extraordinary jargon which, I suggest, would make it impossible of translation into another language. It is full of double speak and manipulation of language, which makes it difficult for the ordinary person to understand.

The new settlement is to operate as a single discernible entity, and that is another contradiction in terms when one looks at the fact that the Government wants to make the MFP an integral part of Adelaide. The submission (page 6.5) talks about something that I can only think most South Australians would regard as arrogance and humbug; it refers to 'town meetings', and to the democratic process, when most of us would suspect that corporate rule will apply here. The submission states:

An MFP 'assembly' made up from elected or appointed 'village' representatives—

this MFP is going to be a collection of villages, and that has a slightly medieval flavour about it—

is an alternative or complementary option in an urban form—

and I hope that members are concentrating, because it requires a high degree of concentration to understand this convoluted language—

that clearly expresses the 'humanity' theme of the MFP concept.

Local government is not envisaged in this, but members will be delighted to know the following:

From the establishment of the first village, sensible—

and members should mark the word 'sensible'—

representative participation will be possible. As new villages are established and old villages undergo renewal or explore different ways of operating, the process of democratic participation will also evolve in a flexible way.

I regard that as a most offensive and arrogant statement. We have in this State an assembly—a citizens' assembly, a residents' assembly—it is called the House of Assembly and it is right here that these issues should be debated.

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

GAS ODOUR

The SPEAKER: Earlier in this morning's proceedings the member for Davenport asked a question about an odour, which he said was gas, and the member for Napier also had something to say. I have had the problem investigated. The smell in the Chamber is coming from fibreglass work being carried out on cooling towers which are adjacent to the inlet duct for air to the Chamber. I am advised that the work will carry on for a couple of hours. So, as far as we know, it is not a gas odour but a fibreglass odour.

An honourable member: I was the only person who was right.

The SPEAKER: The honourable member could be wrong if he keeps interjecting while the Speaker is on his feet.

COASTAL SAND DUNES

Mr BRINDAL (Hayward): I move:

That this House urges the Government to ensure the restoration and preservation of the coastal sand dunes at Somerton Park.

First, may I take a few seconds of the time of the House to commend the member for Coles on her very fine address on the MFP. I am quite sure that all members were listening carefully and I hope that those who were conducting business from their office were also listening.

I move this motion not only on my own behalf but, I hope, on behalf of all members who represent seaside electorates and who are concerned with the preservation of our beaches. It has long been a worry that those beaches have been eroding. Indeed, erosion of the beaches is perhaps one of the few things for which we cannot blame this Government.

I am given to understand that the sand in Gulf St Vincent moved in many thousands of years ago. It is very ancient and fine sand: in fact, its age and fineness are part of the problem in that fine sand moves easily. One of the problems, according to investigations carried out by those people who should know, is that no more sand is coming into Gulf St Vincent: the resource of sand along our coastline is, indeed, finite.

Since European settlement 150 years ago the problem has been exacerbated because of our propensity to go down and live next to the sea. From earliest times, in coastal areas our settlers built on the sandhills that dotted the coastline. This was most deleterious to the environment because, by building on those hills, they took away one of the great balances of this inevitable drift of the sand from my electorate towards yours, Mr Speaker.

The sandhills themselves represent a natural buffer for movement in that the natural shape of the sandhill is such that, according to the season, it dissipates the energy of the wave on its contour, drags sand out from the surface during winter and spring tides, and redeposits it during other tidal movements. So, over time the sandhills have acted as a buffer and have mitigated against that inexorable northward movement of sand.

Similarly, too, I believe that the seagrass out from our coast has had the same effect. There were thousands of hectares of this grass, which bound the surface under the sea, and that tended to trap the sand and put it back on the sandhills, rather than in moving north. The building by Europeans along on the coast of both roads and houses has taken away these natural quarries of sand.

Many believe that the depositing of effluent within our gulf has caused the dieback of hectares and hectares of seagrass, with the result that the two natural buffers to the movement of the sand have, in fact, been minimised and the sand is now moving north at a faster speed than it has ever moved before. There is a greater worry because any sand, especially fine sand such as we have, which moves beyond the actions of the waves, is then lost to the system so, while it is true to say that sand is moving north, sand is also moving to sea beyond the actions of the waves. So, no matter how many times the Coast Protection Board or local seaside councils send trucks, dredges and all sorts of things north to collect the sand and deposit it back to the south, there is, nevertheless, over the decade a net loss of sand on the coast. There will come a time when there is no longer sand on the coast—not perhaps during our time or perhaps not during 1 000 years, but that time will come. So, I believe there is a need to do everything we can to protect over coastline and the sand.

I know that through the Coast Protection Board the Government has been committed to that sort of process. It has, through the summer months, much to the horror of some of my residents, started very early in the morning and continued until quite late at night carting truckload after truckload of sand to Brighton, Somerton Park, and adjacent

beaches. That, the Minister has pointed out on many occasions, has not been without significant cost to the Government and/or significant inconvenience to the electors.

I would like to place on the record the rather great irony of some electors who love to live at the beach, who love the sand but who somehow want it to be there without the inconvenience of trundling past their front doors to get there. I commend the Government for its initiative last year in the trial dredging program, which, my information tells me, was very successful and, I believe, very cost effective. So, I hope, in terms of greater cost effectiveness to the Government and less inconvenience to beach residents that the Government will pursue that program with vigour and that it represents a medium to long-term better solution than that which has already been applied.

So, we come to the reason for the motion which specifically requests the preservation and restoration of coastal dunes at Somerton Park. If we go right along the coast from the land which is in your electorate, Mr Speaker, down to the member for Bright's electorate and the proposed marina, and take in that great coastal belt of sand which makes Adelaide unique, I believe that the only natural sandhills which are left and which are basically in their pristine value are in part of the Minda Incorporated property towards your electorate, Mr Speaker and, in most of the other electorates, the sandhills were quarried, removed and used for infill, and such sandhills that remain in places such as Henley and Grange—

The Hon. Jennifer Cashmore: And Tennyson.

Mr BRINDAL: —and Tennyson are largely an accumulation of recent years rather than the original sandhills. In Tennyson, for instance, the original sandhills are, in fact, built upon and are above West Lakes and Military Road. The sand that is currently there is a latter day accumulation.

In contrast to that, at Somerton Park we have original sand dunes in pristine condition. I am told by naturalists that they are very valuable in reflecting South Australia's natural history. They have some European significance in that the area around Minda Home was settled by an early pioneering family and those sandhills contained a very important vault, which was removed when the Government was going to put through the coastal road but which, nevertheless, renders them significant.

My current understanding is that the land at present is the property of Minda Incorporated and that there is a certain encumbrance on them, as the landowner does not want to lose the front metres of his property. Also the Government will do all it can to preserve those sandhills.

To that end, some years ago they put in a Triklon system, because the other problem with the sandhills now is natural erosion, which is speeding up because of the beach replenishment program. It being the only natural quarry left, it was, and probably still is, being eroded at a greater rate, although that is mitigated by sand replenishment. As with any fragile environment, there is also the problem of human intervention. It is a fact that the sandhills are a discreet place for those who wish to conduct activities that they do not want seen by the general public.

In the evenings, couples and all sorts of other people visit those sandhills. That is probably traditional: when I was a boy the same sort of thing used to occur, and there is no reason to suggest that that is not still the case. It is a fact, however, that the environment can be very much harmed by people seeking the privacy of those sandhills for their little picnics and for doing what they will. To that end, in order to retain those sandhills, Minda Incorporated put in a Triklon system to try to preserve pigface and a number of delicate native grasses that will grow in a sandhill environment.

Unfortunately, there are hoons within our society who think that the best they can do at night is go and cut up Triklon. So, after thousands of dollars was spent on a Triklon irrigation system, which was designed to help everyone who lives in that area and in South Australia to maintain that important asset, it was chopped up, then replaced and chopped up again. Several thousand dollars later and after many man-hours lost in replacing all this irrigation equipment, the effort was given up.

The current attitude of the Minda board is that, while it will do everything it can to retain those sandhills, it is an economic matter which now lies beyond its control and expertise. I believe that the board would not be keen to lose the sandhills. Not many landlords in South Australia own land with an unqualified beach frontage and with no likelihood of a road ever being put in.

When I put to the Director of Minda one day that perhaps the Government should take over the sandhills, he was a little reticent. As an entrepreneur who has for a number of years run a very fine institution, which has run for many decades to the good of all South Australians, especially those with intellectually differing abilities from our own, he was not anxious to lose that property, as it is land that Minda eventually could sell very profitably.

Members who know the area and know what houses on the seafront at Somerton Park are selling for at present would realise the valuable potential in that land. Houses are being bulldozed now because they are just not worth the land they are put on. Houses selling for over $1 million over that stretch of land are not uncommon. That is the sort of land we are talking about and the potential that Minda has to develop.

Nevertheless, in my conversation with him, the Director said that if the Government were to acquire the land and not put in a road but use it for sandhills, he could see no reason why Minda would not be quite happy with that. Whoever bought land behind those sandhills would still have an unrestricted beach frontage.

That gets to the gist of the problem. Sandhills are too important to belong any more to the board of Minda or to any other body, no matter how well meaning. They are by accident the last part of that heritage of South Australia. I say 'by accident' because a procession of Governments, including Liberal Governments, had the vision of putting in a great seaside or coast road stretching from Le Fevre Peninsula to Brighton. It was an act of the times or an act of misadventure that the road was not developed. Because of that, the sandhills remain, and that is to the great fortune of South Australia.

The sandhills happen to be in my electorate but their importance extends beyond my electorate because they impinge on the electorate of the member for Henley Beach and the member for Semaphore—on all electorates with coastal land. They are part of South Australia's heritage. I commend the motion to the House.

Mr FERGUSON secured the adjournment of the debate.

COMMONWEALTH GAMES BID

Mr De LAINE (Price): I move:

That this House congratulates the Premier on his outstanding effort in securing Adelaide as the venue for Australia's bid for the 1998 Commonwealth Games and, further, it recognises the work put in by the Minister of Recreation and Sport, the bid committee and staff, acknowledges the support given to this bid

by the member for Hanson on behalf of the Opposition and urges all members of Parliament to give total support to having Adelaide selected as the games venue when the decision is made in Barcelona in August 1992.

The winning by Adelaide on 11 August 1990 of the Australian bid to host the 1998 Commonwealth Games is further evidence of the professionalism of the South Australian Government and, in particular, Premier John Bannon. I congratulate the Premier on this latest success. This successful bid follows on the heels of the other momentous successes in recent years of the Premier and the Government in gaining for Adelaide the Formula One Grand Prix, the Australian Submarine Corporation's multi-billion dollar submarine replacement project and the multifunction polis.

With these recent successes, the other Australian States must be wondering what they have to do to beat South Australia. For a start, I can tell them that they have to match the absolute professionalism in their submissions and preparations for these sorts of events and, secondly, they have to match the professionalism and approach of the Premier himself—two very difficult tasks.

I also congratulate the Minister of Recreation and Sport (Kym Mayes) on his outstanding effort in supporting the Premier and being in the right place at the right time when putting the case for Adelaide's bid to the right people in the right manner. Four years ago, the Minister decided to investigate the viability of Adelaide's hosting a Commonwealth Games and, since then, together with the Premier, he has put events in train, culminating on 11 August with Adelaide gaining the support of the other delegates in the country and being selected as the host city for Australia's bid for those games.

I pay tribute to the fantastic effort of the bid committee and the enormous amount of work that it put into the successful bid. The committee comprises people from a wide range of sporting, financial, media and government fields. Their effort has been tremendous and they should be proud of their achievement. The Chairman is Tim Marcus Clark, head of the State Bank of South Australia and formerly Chairman of the Grand Prix Board. The Vice-chairperson is Mrs Marjorie Nelson, who as we all know has a tremendous record in athletics, winning gold medals at successive games: the 1950 Auckland Commonwealth Games, the 1952 Helsinki Olympic Games and the 1954 Commonwealth Games in Vancouver. She is a tremendous person and a tremendous advocate for our bid in Adelaide.

The President of the bid committee is the Right Hon. Steve Condous, Lord Mayor of Adelaide. Representing the Premier, we have the Hon. Kym Mayes, Minister of Recreation and Sport. Representing the Leader of the Opposition, we have the member for Hanson, Mr Becker, whom I congratulate on doing a very good job. Mr Ron O'Donnell, Chairman of the Australian Commonwealth Games Association, South Australian division, is also on the committee. Ron O'Donnell has been a personal friend of mine for the past 41 years and I can attest—as can my colleague the member for Henley Beach, who was also a racing cyclist and would know Ron O'Donnell as well—that he has impeccable experience, and not only in cycling. He holds the record for the number of times that he has represented Australia at both Olympic and Commonwealth Games events in the role of team manager and in coaching. He is very knowledgeable and experienced.

The other members of the bid committee are: Mr Michael Llewellyn-Smith, City Manager with the Adelaide City Council; Mr David Smith, Managing Director of Advertiser Newspapers; and George Beltchev, Chief Executive Officer with the Department of Recreation and Sport, who, as members would know, is an excellent person and does a great job in his capacity as Chief Executive Officer of that department.

I would also like to take this opportunity to commend the staff of the bid office. These people do a lot of the unglamorous work and do not usually get very much credit. I would like especially to commend them for a job well done and to recognise their late nights and long hours of hard work, dedication and effort put into the successful bid. Once again, I would like to acknowledge the efforts of Mr George Beltchev, as Chief Executive Officer and Head of the office for the bid committee; Mr David McFarlane, the Director of Sports; Ms Sheila Saville, Director of Marketing; Mr Andrew Taylor, Director of Operations; Mrs Francine Connor, Assistant Director of Marketing; Ms Cheryl Crinion, Office Administrator; Miss Jennie Paynter, Clerical Officer; Mrs Sandra Romeo, Clerical Officer, and Mrs Angela Forgione, Secretary. The effort that these people have put in is an example of the dedication to which I have just referred and that effort was highlighted in a copy of the *Adelaide 1998—Bid and Benefits* publication, in an article about Francine Connor who, as I have just said, is the Assistant Director of Marketing. The article illustrates the sort of dedication, effort and lobbying that everyone concerned with the bid entered into to try to bring the games to Adelaide. The article states:

Francine Connor, Assistant Director of Marketing, will stop at nothing to ensure the Adelaide bid message gets through. While at the Canadian 1994 Reception in Auckland, Francine was presented to Prince Edward and immediately engaged him in conversation about the bid. The Prince now sports an 'Adelaide 1998' badge.

That is typical of the effort put in by the people associated with the bid. I congratulate them and thank them for that effort. This sort of attitude has been, and will continue to be, one of the major strengths of our bid to attract the games to Adelaide when the decision is made in two years.

One of the other strengths of our bid is the top world-class venues for the 10 participating sports. Most venues are up and running; as we know, some will need to be upgraded to accommodate the games, and a couple have yet to be built. In particular, one which has yet to be built and which is of particular interest to me, is the velodrome. The velodrome has been on the drawing board for some time and, despite some of the problems that have been experienced in the development of those plans, the location and so on, those problems seem to have been ironed out.

When completed, this will be a very welcome and extremely valuable support facility for the Australian Institute of Sport's Division of Cycling which, as we all know is based in Adelaide. I expect that the velodrome will be a magnificent, world-class indoor venue, having been designed by Ron Webb, a former Australian racing cyclist, whom I know personally. Ron, who went to live in Europe just after the war, is regarded universally as the foremost designer of velodrome facilities. To date, he has designed and supervised the building of about 40 world-class velodromes throughout the world, including the velodrome being built in Greece for the Olympic Games.

In our own case, the velodrome will give a tremendous boost to cycling not only in South Australia but in Australia generally. Since the war, South Australian cyclists have represented Australia at Commonwealth and Olympic Games and world titles disproportionately in relation to our population, and against great odds, I might add. Most of that representation has been in the area of road racing where our racing season coincides with the European season. It falls during our winter months, but road facilities are much the same all over the world. However, the situation in respect of track cyclists is somewhat different. This velod-

rome will give those cyclists a much needed fillip. South Australia's representation in track cycling in the years since the war has been very scant indeed.

Mr Ferguson: They always bring home the medals, don't they?

Mr De LAINE: As my colleague the member for Henley Beach says, we bring home the medals, and Australia's record for cycling medals since the Second World War has been exceptional. Back in the late 1950s and early 1960s, when I was striving for Australian representation, training methods in South Australia for track cyclists were very primitive, especially in relation to sprinters. I have said previously in this place that our facilities were 50 years behind the times and, unfortunately, they still are, but this velodrome will certainly change that. In order to compete on the steep European tracks, we had to train on our virtually flat tracks in the middle of winter, which was out of season for track cyclists. We had to rug up against the cold and use the headlights of motor vehicles to illuminate the track when daylight hours were minimal. That was very primitive, and it is little wonder that our cyclists were rarely selected in national teams. I look forward with relish to having this marvellous facility being built in Adelaide. In addition to the world-class facilities to which I have just referred, another strength of our bid is the location of various sporting arenas to accommodate the 10 different sports and—

The Hon. Ted Chapman: How is the multifunction polis coming along?

Mr De LAINE: The multifunction polis is going well. That will come along later.

The Hon. Ted Chapman: How much later?

Mr De LAINE: A few years. The locations of the various sporting venues are all within 20 minutes of the proposed games village and the Adelaide International Airport—a major advantage that will support our bid for the 1988 games. Mr Sol Spitalnic, a leading sports administrator and Australia's Team Manager at the 1990 Auckland Commonwealth Games, recently visited Adelaide and, commenting on the facilities here, he said that they were:

> . . . outstanding . . . the highest standard I have seen anywhere. The closeness of the facilities here is tremendous. It is unbelievable. With the exception of the shooting, most of the other venues are a leisurely walk from the city. And even at those venues that are a little further out, access is not a problem because of the transport system and wide streets in Adelaide. It seems to me that in Adelaide you have been thinking about the athletes . . . and a lot of organising bodies in the past have forgotten them.

That is very true. Many of the sporting facilities and infrastructure around the world have been designed with little or no thought of the athletes who use them. Mr Spitalnic's comments, therefore, no doubt carried some weight in Adelaide's successful bid for the games.

Dr Armitage: Is the Federal Government backing the bid?

Mr De LAINE: In answer to the member for Adelaide, the Federal Government is backing the bid and will back it strongly in the next two years until the final selection of the venue on a world-wide basis is made.

An estimated $40 million (at today's prices) will be spent on infrastructure and upgrading facilities for the games. The benefits flowing from the games will be considerable. Some of the benefits will include a large increase in the State's income, projected to be $45 million at today's figures, and that should be much larger by 1998. There are also the benefits of our international standing, in terms of sports exposure for the country and the State flowing on from the Formula One Grand Prix, and the potential for tourism and business opportunities. Together with all the upgraded facilities, these are real spin-off benefits for the community. An estimated 17 000 overseas visitors will spend an extra $13 million-plus whilst here for the games.

There is another tangible benefit which has not been mentioned anywhere. From observations of what transpired following the 1956 Olympic Games in Melbourne, I suggest that after these games the games village will be a real and tangible asset to people living in this State. For the 1956 Melbourne Olympics, an Olympic village was built at Heidelberg, which in those days was on the outskirts of metropolitan Melbourne. After the games, it formed the nucleus for a major housing development, which is there today. No doubt the same will happen here.

Adelaide can organise and conduct an event of this magnitude. It has proved that with the way that the Grand Prix has been run. It has achieved world acclaim for that. I am sure that these games, if awarded to Adelaide, will be extremely successful. Tim Marcus Clark, to whom I spoke recently, mentioned the experience that had been gained here in running the Formula One Grand Prix. He also outlined the problems that he encountered and observed at the recent Commonwealth Games in Auckland, New Zealand. Without being overly critical of the organisers in New Zealand, he said that many of the problems experienced, which were not adequately handled, were mostly in respect of traffic and people management. He quoted facts and figures on the many hours that it took for fairly small crowds to get out of certain venues.

Further, he commented on what we have learnt with the Grand Prix by way of traffic and people management in Adelaide, handling much bigger crowds than will be attending the Commonwealth Games. He is confident that Adelaide can do the job so much better than it has been done in Auckland and other places. With all those strengths, I have no doubt that Adelaide will get the games. Stage 1, which has been successfully completed, was gaining the bid for Adelaide on an Australia-wide basis.

Now we have two years to prepare and finalise stage 2 of the bid on an international level. This stage will be put into full train and will culminate in Barcelona in August 1992 where the international people will vote on the venue. Some other bids have already been made and no doubt others will be made before that time. Bids have come from Cardiff in Wales and New Delhi, to name two at this stage. I am confident that, with the professionalism and the approach taken by this Government and, in particular, by the Premier of South Australia, we will be awarded these games, and I look forward to South Australia's hosting these games in 1998.

Mr OSWALD (Morphett): The Opposition and I, as shadow Minister of Recreation and Sport, have much pleasure in supporting the motion. I imagine that in Sydney on the night before the actual vote was taken, there was a lot of tension. Indeed, the Lord Mayor is on record as saying he had not experienced such tension since the time he went to Wayville to sit for his matriculation examinations. Nevertheless, it is a great achievement and one which we all applaud. We are now going into a planning year of excitement, so all Australia can come together to ensure that we in fact get the games. The tension must have been put to rest the next day, because for the vote to come out 18 to 2 in favour of the Adelaide bid is an extraordinary effort, and I think it highlights the amount of work and professionalism that went into the bid by the whole team.

It is dangerous to talk about names of those who have done extraordinarily good work, in case one accidentally and unintentionally leaves some names out, but I really must acknowledge on the record the work of the Premier;

the Lord Mayor of Adelaide (Steve Condous); Tim Marcus Clark; Marjorie Nelson; the Minister (Kim Mayes); and Heine Becker as representative of the Leader of the Opposition who, incidentally, is patron of the Badminton Association and was able to do quite a lot of work to ensure its support. George Belcher put in an extraordinarily good effort in engineering the tactics that led up to the bid and the final vote in Sydney; David MacFarlane; Sheila Saville; and Ron O'Donald in relation to cycling—the list could go on—Michael Llewellyn-Smith from the Town Hall; David Smith and many others—and, of course, the staff behind the scheme, who pulled the whole thing together.

I know that the former Speaker had private knowledge in a briefing note from the department about that area of the staff, so I simply endorse his remarks as regards the work that was put in by the staff. There was certainly a lot of strategy, which has gone on now for a couple of years. I congratulate the Minister on seeing the potential some time ago, and I congratulate the strategy team for their attitude and the way they went about planning the bid. It was extremely professional and it highlights that, on both sides of politics in this State, when we pull together for a common objective, we are second to none.

The Football Park transformation will be interesting. There is no doubt that that project will play a key role in providing an arena that will be very hard to resist when the interstate sporting bodies make their final assessment. We totally endorse the remarks made by the previous speaker. We think it is a marvellous achievement from which South Australia, and indeed the whole Commonwealth, will benefit when those visitors start flooding into Australia. It is exciting news and I can assure the House that the Opposition will provide 100 per cent support for this project; we will work together to ensure that the games are a great success for South Australia.

Mr De LAINE (Price): I thank the member for Morphett for his support of this motion. I assume that those remarks were made on behalf of members on the other side of the House. Once again, I would like to congratulate the member for Hanson on his attitude and participation in this bid. I believe that one of the strengths of the bid was the fact that it was conducted on a bipartisan basis. All political Parties in this State supported South Australia's bid. It should be a lesson to us that, if we adopt this bipartisan approach more frequently in other areas, we can succeed in almost anything we attempt. Again, I thank the honourable member for his comments and for his promise of support.

Motion carried.

WORKCOVER

Adjourned debate on motion of Mr Ingerson:

That a select committee be appointed to inquire into and report upon all aspects of the operation of the Workers Rehabilitation and Compensation Act including its administration by the WorkCover Corporation.

(Continued from 16 August. Page 350.)

Mr OSWALD (Morphett): I move:

That Order of the Day, Other Business, No. 1, be read and discharged.

Order of the Day read and discharged.

CRIME PREVENTION STRATEGIES

Adjourned debate on motion of Mr Hamilton:

That this House congratulates the Government and the Attorney-General for the ongoing implementation of crime prevention strategies including the broad-based 'Coalition Against Crime' and data mapping projects and, further, this House congratulates the Government for involving non-government representatives, business, unions, community groups, local government and the media in its fight against crime.

(Continued from 16 August. Page 357.)

Mr HAMILTON (Albert Park): I congratulate the direction that the Government is taking in relation to law and order in this State. There is no doubt that in this society, whether it be here in South Australia, in the United Kingdom or in America, the incidence of crime is increasing. Governments must find different ways to counteract those problems.

We have been advised on so many occasions by various speakers in this House of the problems and the attacks upon crime by different countries throughout the Western World. We have heard people addressing the problems in, to name a few, Great Britain, the Netherlands, France and the United States. Whilst they provide numerous examples of programs and projects designed to address crime and ways to diminish crime and its effects, I believe that South Australia should not necessarily just follow on from those crime prevention programs and strategies that originate in other Western countries.

I believe quite strongly that we have to address local issues. One of the ways in which we could do that is, as I have mentioned previously, through the Government's crime mapping program. Many of us in this place hear from constituents who say that the problem is worse in their area than it is in some other locations—in the metropolitan area of Adelaide in particular. One of the ways we can determine the nature and prevalence of a crime is through this crime mapping program which has been set up under the Crime Prevention Unit of the South Australian Police Force, and specifically the project section of that department. It is necessary not only for the police to have and understand statistical data as to the incidence of crime, but also I believe it will assist local communities in addressing particular problems. Further, it will provide the opportunity to identify problem areas and, indeed, to have target programs to address particular community problems.

The other aspect of law enforcement that I support—and I hope would be supported by my colleagues, and by all members of the House—relates to the question of socio-economic problems and the reasons why people commit crime. As I have often said in this House, I believe that, if a child is brought up in a violent society and brought up in a home where violence is the norm rather than the exception, it is no wonder that those children grow up believing violence is the norm and, of course, they commit those acts upon others out in the community. If a child is brought up in a family where there is low self-esteem, and that is constantly perpetuated and drilled into the child's mind and is reinforced outside the family home by attacks upon that child because his or her father is a criminal, my experience is that quite often when the child grows up he or she has a violent nature.

I have a strong view that law enforcement policies and the legal requirements of the courts should be utilised, but I also believe that we should address the social aspects of crime in this State. It is very easy to build more prisons and institutions, and it is easy to ask Governments for more and more money for prison officers and so forth. However, I believe we should also address the social problems in our community. If we do not, we will pay a price. In fact, we are already paying a price today. For example, a child with poor or no literacy skills who is not given the opportunity to educate himself or herself builds up frustrations and

anger, and much of that anger is vented in the community. Sometimes, initially, it involves only minor crime or acts of vandalism, but in some cases they progress to more violent acts.

We have a number of options, as I said before, including the building of more prisons and institutions to house people who commit crimes. Another option is to address the social problems. One way or another the community and taxpayers will have to pay for the areas in which we apply our funds. If we address those problems early, hopefully their impact will be reduced. I hope that, in providing more money to address social problems, we will reduce the incidence of crime and social problems in our community.

This may not work as a quick fix, but I do not believe that the Government should necessarily look for a quick fix to problems when addressing law and order issues. The Government should provide considered programs which address the issues that I have been discussing. One such program is the Blue Light program in which the police are involved, to their credit—and I praise them for it—in taking young offenders (although not necessarily always young offenders) on recreational camps.

I know that my colleague the Minister of Employment and Further Education has an interest, through his portfolio, in the way in which the police assist young people to attend camps. This gives those kids—in the main they are young men (most young offenders are young men)—an opportunity to vent their aggression in a positive way rather than in a negative way. It gives them an opportunity to learn to abseil and become involved in sport and recreational activities where they can prove themselves. Young people should be given the opportunity to prove themselves among their peers. I have often noticed that, if young men—particularly those from a poor background—are given the opportunity to prove themselves in sport, after leaving the playing fields they find that their peers come around and congratulate them and build up their self-esteem. If one has the opportunity to develop confidence and self-esteem, I believe strongly that one can go and do almost anything.

We need that basic support and this is one area in which the Government is addressing this aspect of crime in the community. It is very important to get out into the community and find out. It is easy to come down on someone with a big stick. I think most members of this House would know that, if we want to get something done, it is better to talk quietly and softly to someone and say, 'I was wondering whether you could help me out' or 'I don't think you are doing the right thing.' If we come down heavy-handedly on people who are not obeying the codes of society, as I know myself, the hair stands up on the back of the neck. My colleagues on both sides of the House know only too well that I will not be stood upon by anyone. I believe that I can discuss matters rationally and that sometimes my attitudes can be turned around. I will address this aspect in relation to the motion I will move later today.

I believe it is very important when addressing the issue of crime, particularly involving younger people in the community, that we find mechanisms by which we can get to these people to find out what makes them tick and what their aspirations and goals are. If we start doing this, I believe we will go some way towards addressing the issue of law enforcement in this State.

Another aspect is the street kids. We should go to these street kids, talk to them and find out what they want. We should not impose on them what we believe they should have; they may not want, or perhaps are not attuned to, the things we believe they should be involved in. They have their own ideas. Sometimes society tries to impose its view on some of these young kids in terms of what they should and should not have. I believe that we should get amongst some of these street kids and find out exactly the sorts of things they are looking for.

I will not cite examples for a number of reasons. It is not that I am ashamed to mention them, but I am concerned for these kids' safety. When we find out what they want, we can assist them to turn around their attitudes to become involved in lawful pursuits. That is very important to me.

I believe that students have a deep interest, investment and commitment in their schools, and quite rightly so. The majority of them are looking for a proper education and job opportunities in the future. Governments and Opposition members should encourage students and staff in schools, as best they can, with the assistance of the police, to promote the School Watch program. When goods are stolen from schools or when schools are burnt down, the community—the taxpayer—pays. I believe that the manner in which the Government is addressing these issues, with a long-term strategy, particularly in the schools area, will assist the community.

I must also mention the Police Deputies Club, a program to promote crime prevention philosophies in primary schools. The police are to be commended for what they do. They talk to these young kids and they do it magnificently; they do not talk down to them but at them and get their response. So I believe that, despite some of the statements made in this place that this Government has buried its head in the sand over crime in recent years, the evidence that I have put before Parliament indicates otherwise. Statements such as that, I think, were probably made with a rush of blood.

I do not believe they are factual. I believe that every member in this House is deeply concerned about the amount of crime in the community, and we all want to address this problem and to assist the community at large in helping people to be safe on the streets and, indeed, in their own homes. I know all members could stand up in this House and cite instances of crime and harassment of people, indeed, in the privacy of their own homes, when their belongings are stolen.

I reiterate that I acknowledge there is an increase in crime, but it is not peculiar just to South Australia or to any one country; it is a trend throughout the Western World and we have to come to grips with that. I hope that members opposite will support the proposition that I put before the House.

Mr OSWALD secured the adjournment of the debate.

VANDALISM AND GRAFFITI

Adjourned debate on motion of Mr Hamilton:

That this House enjoins the Government to initiate specific programs to effectively reduce the incidence of vandalism and graffiti in our community and that the House believes that all sections of the community including the Local Government Association be involved with the Government to formulate position strategies to address these two issues.

(Continued from 16 August. Page 359.)

Mr HAMILTON (Albert Park): I addressed an international conference in Melbourne, which my colleague the member for Fisher attended, and I congratulate him on that. Those who attended would have had many conflicting thoughts after leaving that conference. I believe it was worth while and, as I have indicated to this House, I have fixed views about graffiti. I must acknowledge that some of my views on pure graffiti have been turned around. I was

certainly not up with the jargon of graffiti artists and the like. Given some of the programs implemented by Knox City in Melbourne and the shire of Gosnells in Western Australia, I believe that this problem can be addressed.

Graffiti artists see their endeavours as an art form; they spend a considerable amount of time drawing up pieces—some legal and some illegal—and then going out into different parts of the community. I have difficulties with the illegal aspect but, if the community, the Government, local government and community groups are willing to address the problems, there can be a positive side to graffiti.

Some of these kids and adults are very talented, and at the seminar I saw some illustrations of this graffiti. I have difficulty accepting some of the very crude forms of graffiti, where people just scrawl their names or use spray cans in what I would call an objectionable form, painting filthy language and the like over public buildings. I do not believe that that is necessary. I also have great difficulty with the way in which some of these people smash up public utilities, public transport and the like.

There are many sides to the social aspect of this that need to be addressed but, because of the constraints of time, I should like to turn to those two cities I mentioned, namely, Knox City in Victoria and Gosnells in Western Australia. My recollection of the programs that have been set in train in those two cities is very positive. Unfortunately, since that information (the material supplied to me by this international conference, which is quite voluminous) is with the Attorney-General's office, I cannot quote exactly from it.

My recollection is that the local councils of Gosnells and Knox City called public meetings, and I will deal with Gosnells first. Gosnells called public meetings involving the police, schoolteachers, social workers and other sections of the community to address this problem of vandalism and graffiti in the area. In short, they came up with very positive programs involving many of these young people, together with social workers and other officers of the local shire councils, in designing buildings for the local community and, in a number of cases, painting murals on some very ugly sites around that shire.

I remember back in 1985, when I was driving through Gosnells in Western Australia, I saw a number of murals painted on bus shelters. They took my eye, and I remember pulling up and taking a number of photographs. They have changed somewhat since that time, with different attitudes of different artists, but I thought that the concept was tremendous. The people involved in this area of graffiti art are actively encouraged by the local shire council to become involved in local fetes and the like to show the community at large the very positive aspects of their involvement in community activities.

The information provided to me indicates that that is very well received by people in the Gosnells area. The extension of that is that some of these people, young adults in their twenties and thirties, have progressed to other forms of art, including pottery, leadlighting and such art forms. That is to be commended.

I believe that the House should enjoin the Government to look at this area. I see the member for Fisher nodding, as I understand, in support of my proposition to involve the local community, including the local council and many other groups, to try to come up with some positive strategies or to formulate ideas. I am not suggesting that these kids are involved in outrageous crimes, but it may well reduce the incidence of vandalism and other minor crimes.

If these issues are tackled by the community at large, from the elderly to the young, there may be a greater understanding between all groups regarding how each other feels about what is necessary in the community. I suspect, and I may be partly at fault, that the hardened attitudes that I spoke of earlier might be turned around, perhaps from both sides. I hope that the House will give support to this motion.

Mr SUCH (Fisher): I am pleased to support the motion of the member for Albert Park because I believe it is a positive step that has the support of the wider community. Graffiti is getting worse. We see evidence of it everywhere in the city—in side lanes, on shopfronts and elsewhere. We need to tackle it vigorously. It costs the STA at least $1 million a year to deal with graffiti and vandalism, and that is just one example, not to mention the problems that confront local councils and State Government agencies.

The incidence of graffiti and vandalism makes people feel uncertain about their surroundings, and they are fearful that they will be threatened personally. They are often distressed at the ugliness that is thrust upon them. Who are these graffiti vandals? Invariably, they are male, aged between 11 and 17 years. They often come from disturbed or broken homes, but they are not necessarily poor. They may well come from relatively well-off homes. There is often little effective parental control and there are a whole lot of other social problems. I acknowledge, as did the member for Albert Park, that not all of those who are keen on graffiti are graffiti vandals. There is a small percentage who have genuine artistic talent, and I call them graffiti artists rather than label them as graffiti vandals.

From my own observations and from hearing experts at the conference alluded to by the member for Albert Park, I suggest that these vandals seek attention and notoriety. They also snub authority, they tend to be non-achievers at school or in sporting activities, and they try to get peer recognition by engaging in graffiti, and it often leads to other undesirable activities such as arson, theft, burglary, standover tactics and some of the worst aspects of gang behaviour.

The strategy must be twofold: to deal with the immediate aspects of graffiti and vandalism and, as the member for Albert Park acknowledged in this motion and his earlier one, to tackle the underlying social problems, as well. Some of the suggestions that I believe should be considered in terms of short-term strategy are these: we could look at making graffiti a specific offence, and that has been done elsewhere. We could look, as has been done in Victoria, at reducing the age at which a person becomes an adult in respect of the law. In Victoria it is now 17 years and the police there tell me that it has been very effective in dealing with some older teenagers.

We need to look at giving more power to STA officials to confiscate undesirable materials on public transport that are likely to be used for graffiti or other acts of vandalism, namely, spray cans and textas. We need to give these officials the legal power to search bags. I am told they do not have that power and often act without the full backing of the law. We need to look at the possibility of restricting the sale of spray cans. That would not be easy, but we need to take a more realistic approach to that.

Furthermore, we should pursue restitution more vigorously, I trust that if the Government reintroduces the Wrongs Act in a modified form we may be able to achieve something positive in terms of restitution and repair of damage and so on. I believe that we need to look at the Juvenile Court to ensure that it is functioning properly in relation to graffiti and vandalism, as well as looking at some of the strategies tried elsewhere, such as adventure camps and the like that are operating in places such as the Northern Territory.

In relation to a long-term strategy, the action of graffiti vandals is, essentially, a cry for help. The perpetrators are saying, 'I need help; I am not happy; I am not achieving; I am not succeeding.' We have to face that aspect rather than simply resorting to punishment. However, the two issues obviously are linked. We need to address in schools the question of key values, respect for property and respect for people, and I have mentioned that topic elsewhere. We need to assist parents in raising their children, particularly during the teenage years. As time has run out on me, I indicate there are many more aspects of this issue to be covered and, at this stage, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

PARLIAMENTARY PRIVILEGE

Consideration of the Legislative Council's resolution:

1. That a joint select committee be appointed to consider and report on the extent of parliamentary privilege and the means by which such privilege may be enunciated and protected in the interests of the community and the institution of Parliament.
2. In the event of the joint select committee being appointed, the Legislative Council be represented thereon by three members of whom two shall form a quorum of council members necessary to be present at all sittings of the committee.
3. That the joint select committee be authorised to disclose or publish, as it thinks fit, any evidence or documents presented to the joint select committee prior to such evidence and documents being reported to the Parliament.
4. That Standing Order 396 be suspended to enable strangers to be admitted when the joint select committee is examining witnesses unless the joint select committee otherwise resolves, but they shall be excluded when the joint select committee is deliberating.
5. That the Legislative Council requests the concurrence of the House of Assembly to parts 1, 2 and 3 and advises the House of Assembly of part 4.

The Hon. S.J. BAKER (Deputy Leader of the Opposition): I move:

That this House—

(a) Agrees with part 1 of the resolution of the Legislative Council for the appointment of a joint select committee on parliamentary privilege;

(b) Concurs with the proposal that the committee be authorised to disclose or publish, as it thinks fit, any evidence or documents presented to the joint select committee prior to such evidence and documents being reported to the Parliament;

(c) Concurs with the proposal to enable strangers to be admitted when the joint select committee is examining witnesses unless the joint select committee otherwise resolves but they shall be excluded when the joint select committee is deliberating.

In moving this motion, I draw the attention of members to the fact that it is before us because there has been a breakdown of 300 years of tradition—300 years of absolute privilege granted to parliamentarians. Of course, in the 133 year history of this Parliament, South Australian parliamentarians have also enjoyed that privilege. It is vital that we get the question of privilege right. It was no accident that in 1688 a Bill of Rights was put forward, which clearly stated that there should be special privilege attaching itself to parliamentarians. The reason for that is quite fundamental: members of Parliament are not powerful people in their own right. Once upon a time they may well have been appointed, but now, right across the Western world, they are elected by the populace at large to represent the people. As such, they have a particular duty and a particular responsibility that can be carried out only if there is sufficient protection so that they can do, without fear or favour, those things that need to be done.

It is vital that a parliamentarian, to fulfil the role that that person is required to fulfil, has protection, and special protection at that. When we talk about the capacity of an MP to acquit his or her duties, we must look at the balance of power that prevails in the marketplace. Obviously, if we are talking about the balance of power between two individuals, there is a simple equality. However, if we are talking about the balance of power between the Government and an individual, a large conglomerate and an individual or a large newspaper and media outlet and an individual, there is an imbalance of power. That is why privilege has been granted to parliamentarians, so there shall be a balance in the system. I question that very sensitive area of balance when we talk about the case which caused the breakdown of the 300 years of tradition, the *Lewis v Wright* case.

When it was a battle between two individuals, there was an even balance, although we question the role that parliamentary privilege plays in that contest. However, when it is *Lewis v Wright and Advertiser Newspapers Limited*, we have a great imbalance. There is a very powerful interest which has the capacity, because of the resources, to override the interests of one particular individual. In dealing with privilege, it is important to understand why it was put there in the first place and why in the past it has been absolute. Whilst it is imperfect and can be abused, the fact is that it is still the best system known to enable people within the parliamentary sphere to express a point of view or an opinion, or give details or facts knowing that they cannot be subject to harassment in the media. What we have now is less protection.

Now there is the capacity for serious assertions that are made in the Parliament to be vilified in the public arena by those persons who have been mentioned under parliamentary privilege. There is now the capacity, one would assume, that a member of Parliament may have to reveal sources of information, even though the case that is before us stipulates that it applies only when there is litigation. We should not tolerate abuse, but the imperfect beast that is the law needs and requires the protection that has previously applied.

Whilst there have been people in this Parliament who have abused privilege, they have been in the minority, not in the majority. The law is an instrument that is far less perfect than parliamentary privilege. There are many instances where the law itself has been abused, if you like, and the guilty have been released and the innocent have borne the punishment, so we are not talking about perfection but about a mechanism which allows the best possible means for the democratic processes in this country to prevail and for the balance of power to somehow reach a level of equilibrium.

All members of this House would be well aware of what has preceded this motion. A motion for a joint select committee was moved by my colleague, the Hon. Trevor Griffin in another place, and passed the other place. We all remember those circumstances very well, but I will mention one or two items which are very relevant. This matter arose because, in the case of *Lewis v Wright and Advertiser Newspapers Limited,* interrogatories were entered into in the District Court where Wright and Advertiser Newspapers required that the facts, the source of information and the motives be revealed. Judge Lunn struck out that requirement, so Wright and Advertiser Newspapers took it on appeal to the Supreme Court. Two of the judges of that court ruled that some question on those matters would be entertained.

That was completely different from our understanding of the law, which had prevailed for over 300 years, providing for absolute privilege, whereby the motives of a member

could not be questioned in a court, nor the source of the information or the facts of the matter.

The one anomaly that was brought to bear in this case was that, if a member abused parliamentary privilege or made an assertion within the Parliament, the person against whom litigation was being taken did not have the right to mention the nature of the matter that had been raised in Parliament. It will be remembered that this Parliament agreed on three principles to overcome that anomaly. The first principle was:

A court can receive admissible evidence to prove as a fact that a particular statement was made in Parliament. Parliamentary privilege may render inadmissible some otherwise relevant evidence on this topic. However, *Hansard* can be received in evidence of this purpose.

We said that absolute privilege should not mean that a court should not have the right to know that a statement was made in the Parliament. The second principle to which we agreed, which goes to the heart of privilege, was:

A court cannot inquire into the truth of what is spoken in Parliament or the motive of a member when speaking in Parliament. It is doubtful whether this privilege can be waived.

The third principle was:

Any person who is attacked by a speech in Parliament has a qualified privilege to publicly answer that attack. The qualified privilege will apply so long as the answer is a reasonable response to the attack and is not actuated by malice. The truth or otherwise of the answer need not be proved.

That is an important qualifying point. We said that it was unfair that absolute privilege should apply to the extent that a person could not say that he was responding to a statement made in the Parliament and the court could not have access to that statement.

As I have said, it is an imperfect system, but it has stood the test of time reasonably well. The reason is that those who abuse parliamentary privilege are held in far less esteem than those who treat it with the respect to which it is due. We know of members who, in the view of this Chamber and of the community at large, have gone over the edge in their treatment of people's rights under parliamentary privilege. I believe that these have suffered a diminution in public confidence.

I also refer to a letter that was drawn to the attention of members of Parliament by the Hon. Clyde Cameron, who said that the absoluteness of parliamentary privilege was essential for the proper functioning of Parliament. I think we can all agree with that. I will read an exerpt from it:

After reading your letter, a very well-attended meeting of the sub-branch unanimously adopted a motion calling upon the next meeting of the Party's monthly council to congratulate you upon the steps you are taking to safeguard the privileges enshrined in the 1688 Bill of Rights. In essence, the Full Court's action in setting aside the decision of Judge Lunn means that, if a member of Parliament dares to exercise the freedom of speech guaranteed by the Bill of Rights, the South Australian Full Court will authorise the media to punish that member by publicly branding him or her as a defamer.

The letter goes on. It is strongly supportive of parliamentary privilege in its absoluteness. He then mentions his own case:

I chose, instead, to waive parliamentary privilege and allow the court to determine the matter according to law. When I subsequently told the late Edward J. Ward MHR of my decision he told me I was wrong to have waived privilege and recalled his own experience before the royal commission hearing in which he was respresented by John Barry KC (as he was then). In those proceedings Ward had volunteered to waive parliamentary privilege when questioned on the matter by counsel assisting the royal commissioner, at which point John Barry immediately sprang to his feet to object, saying that parliamentary privilege didn't belong to Ward; it belonged to his constituents, and he therefore had no power to give away that which was not his to give.

That is a very important principle. Subsequent to those events, the ALP State Conference repudiated the actions of the Attorney-General, who was going to appear as *amicus curiae* to the court to represent the case for parliamentary privilege.

A former Premier of this State, Don Dunstan, protected his friend, Mr Wright—and, indeed, was quite successful—in allowing the convention itself to overturn what I believe was a unanimous agreement among Parliaments, namely, that parliamentary privilege had to be protected in the interests of the proper functioning of this Parliament. That was an interesting situation, but at this stage I do not want to get into involved debate about the events that surrounded it.

Members interjecting:

Mr S.J. BAKER: I certainly do. At that conference the member for Hartley made a number of points (which people can read in the record of another place) including the following:

So, in summary, the situation that I am putting is that we should have a position that is a principle which will allow full public debate on matters raised in Parliament without permitting courts to make rulings on the truth or motives of what is said in Parliament. In this case, I have argued that the member of the public has a qualified privilege for defending himself or herself from attack and, in addition to that, we should have a procedure—

The Hon. T.H. HEMMINGS: On a point of order, Mr Deputy Speaker, Standing Order 120 refers to debate in another place as follows:

A member may not refer to any debate in the other House of Parliament or to any measure impending in that House.

Reading straight from the *Hansard* record of the other place is transgressing Standing Order 120.

Mr S.J. BAKER: I am actually reading from a transcript that is mentioned in another place. It is a wrong point of order. I am quoting from the ALP Conference.

The DEPUTY SPEAKER: If the honourable member is quoting from the ALP Conference that is perfectly in order.

Mr S.J. BAKER: The member for Hartley continued:

We should have a procedure in the Parliament which enables people to go into the Parliament to put a statement in the Parliament to respond to an attack.

I will not give all the details provided at the conference. We have already been provided with a full briefing on the matter. Because 300 years of tradition have been damaged, the situation we are in today requires us as a Parliament to define 'privilege', presumably, within the confines of the statutes. It is somewhat different from our understanding of it prior to this event. However, as it is an essential part of our capacity to operate effectively as Parliamentarians, and under the circumstances that prevail today, I commend the establishment of a select committee for that purpose.

The Hon. M.D. RANN secured the adjournment of the debate.

[*Sitting suspended from 1 to 2 p.m.*]

PETITION: LAND TAX

A petition signed by 134 residents of South Australia praying that the House urge the Government to inquire into the method of levying land tax was presented by Dr Armitage.

Petition received.

PETITION: BREAST X-RAY SERVICE

A petition signed by 74 residents of South Australia praying that the House urge the Government to continue and expand the South Australian Breast X-ray Service was presented by Mrs Kotz.

Petition received.

QUESTIONS

The SPEAKER: I direct that the following written answers to questions without notice be distributed and printed in *Hansard.*

SOUTH AUSTRALIAN FILM CORPORATION

In reply to **Hon. D.C. WOTTON (Heysen)** 7 August.

The Hon. J.C. BANNON: While there were general discussions between members of my staff and the former Managing Director of the South Australian Film Corporation relating to the *Ultraman* production, at no time were there discussions regarding the detailed financial arrangements pertaining to this production. The former Managing Director was working under the direction of the Board of the South Australian Film Corporation.

STATE BANK

In reply to **Mr D.S. BAKER (Leader of the Opposition)** 7 August.

The Hon. J.C. BANNON: The results of the State Bank group will be released today, Thursday 23 August 1990. The information sought will be available at that time.

In reply to **Hon. H. ALLISON (Mount Gambier)** 14 August.

The Hon. J.C. BANNON: $13.8 million of the $17.2 million contributed by the State Bank to the budget in 1989-90 was a payment in lieu of income tax. In addition the State Bank contributed $3.4 million to the budget in 1989-90 as a return on capital provided by the Government. The State Bank also paid a dividend to SAFA in 1989-90 on capital which SAFA has provided to the bank. The amount paid will be fully disclosed in SAFA's 1989-90 annual report which will be tabled in the House on 23 August 1990.

ATTORNEY-GENERAL

In reply to **Mr BECKER (Hanson)** 16 August.

The Hon. J.C. BANNON: The answer to the honourable member's question is 'No'.

PAPERS TABLED

The following papers were laid on the table:

By the Premier (Hon. J.C. Bannon)—

Remuneration Tribunals—Reports relating to—

Members of Parliament.

Members of the Judiciary.

QUESTION TIME

The SPEAKER: Before calling on questions, I wish to advise that questions otherwise directed to the Minister of Labour will be taken by the Minister of Transport.

STATE BANK

Mr D.S. BAKER (Leader of the Opposition): Has the Treasurer been briefed on the State Bank's result for 1989-90 and, if so, can he tell the House what were the major projects in difficulty which caused the bank to raise its provision for bad and doubtful debts from $71.3 million in 1988-89 to $218.4 million last year and thereby post a loss before allowance is made for the $24.5 million in Federal tax credits?

The Hon. J.C. BANNON: First, let me congratulate the Leader on his foray into television comparing. I think his career has about the same prospects as mine in that area, but nonetheless it was an interesting exercise. The State Bank of South Australia reported its annual group results and issued its report about a couple of hours ago.

I know that the honourable member will, if he has not already done so, receive not only the documents but also some sort of briefing, as is most appropriate. The results were accompanied by a comprehensive statement from the Chairman of the State Bank group on the audited profit, which is $24.1 million. In his question the Leader put into the arena a figure with a basis that ignores various provisions, tax and other adjustments.

There is no question that the result is very disappointing indeed. The State Bank, along with all financial institutions, has some major work to do, against a difficult economic background, to improve its performance. As the Chairman himself admits, this is a disappointing group profit. While there were some strong performances in various sectors of the bank—its core results are indeed strong, its provisions are generous, its capital adequacy rate is 9.1 per cent (which is well in excess of the Reserve Bank's requirement of 8 per cent), and there are all sorts of reasons why we should feel comfortable with the long-term position of the State Bank—there is no question that this past year—particularly the last half of the financial year just finished—has been a very difficult one indeed and, as I say, the outlook for the coming year is not a good one. Incidentally, it is in that context, in terms of our State budget, that I will not be requiring profit applications from the bank in this coming year, because we should ensure that we do not put undue pressure on the State Bank.

The Leader asked me about specific transactions relating to the need for greatly increased general provisions for bad and doubtful debts in this year's State Bank report. Last year the figure was $71.3 million, and this year it is $218 million. That is very substantial and reflects a range of difficult transactions in which the bank has been involved. I stress again that it does not affect its core business, and it certainly does not affect its business in South Australia in respect of its housing loan portfolio and so on—they all perform very well.

Let me put this in context. Before we start pointing the finger at the State Bank, I point out that it is in the unfortunate position of being a bit of an Aunt Sally within the parliamentary process, as all sorts of things can be said in the parliamentary forum that are not said about the ANZ, NAB or the Commonwealth Bank or any of the others in the field. To be fair—

The Hon. Jennifer Cashmore interjecting:

The Hon. J.C. BANNON: Those banks have a wide range—

The Hon. Jennifer Cashmore interjecting:

The Hon. J.C. BANNON: As far as the shareholders are concerned, if the honourable member means the community of South Australia, returns from the State Bank and its contribution to this economy have been enormous and

substantial. Without it, many South Australians would be much worse off, I do not believe that any South Australian investing in the bank—

Members interjecting:

The SPEAKER: Order! The Deputy Leader is out of order.

The Hon. J.C. BANNON: —can believe other than that the bank has really delivered the goods. The bank is going through a very difficult period. Let me return to the point: while the State Bank is subject to all this sort of criticism, and while we hear thousands of questions, statements and innuendos cast, the fact is that in this respect the bank is in no different position than most of the other trading banks in this country. I mentioned the $218 million provision. If one looks at the provision for bad and doubtful debts declared by some of the other banks, that figure can be put it in perspective.

I mentioned an increase from $71 million to $218 million. In the case of the ANZ, the half-year provision announced at this stage for 1990 is $224.5 million, which is nearly double the provision made in 1989, if that is in fact reflected in the second half. For the Commonwealth Bank of Australia, it is $298 million on the 1989 year (we have no more recent figures). In relation to the National Australia Bank, it is $325.3 million. I have just mentioned the figure of $218 million, which is the full year figure, but for the half year 1990 it is $247 million. Westpac has increased its provision from $278 million in 1989 to $585 million in the first half year.

One must say that it is most appropriate—and I certainly suggest that we should encourage the State Bank—to make provisions to as great an extent as possible. It is able to make these provisions because of the core profit that it makes. So there is a very large increase in provisions, and there needs to be a large increase in provisions; it would be other than prudent for the bank not to make it so. In doing that, it is reflecting the practice of every single bank in this country.

SLOW COMBUSTION HEATERS

Mrs HUTCHISON (Stuart): Will the Minister for Environment and Planning say what problems exist with pollution from combustion burners and what can be done during installation to ensure that correct chimney heights minimise such pollution? Some of my Port Pirie constituents have experienced serious problems from smoke and the smell of combustion burners. They have questioned what mechanisms are in place to ensure correct chimney heights, which are required by regulation, and to ensure that materials burnt in them are appropriate.

The Hon. S.M. LENEHAN: The popularity of slow combustion heaters over the years has resulted in the Department of Environment and Planning receiving a greater number of complaints from the general community about slow combustion heaters than about backyard incineration, which now, thankfully, is a thing of the past in the more enlightened council areas.

The Clean Air Act, in essence, deals with industrial pollution, and the only domestic activity covered by this Act is incinerators. This responsibility has been delegated to local government, and obviously it is appropriate that local government has the day-to-day control and implementation of this Act.

As the honourable member points out, the Air Quality Branch has identified a number of areas of concern regarding these stoves. These involve the chimney height and the type of cap on top of the chimney, the type of fuel that is burned, the degree of seasoning of the wood and the standard to which the stove is designed and constructed. If smoke is emitted from a domestic stove, it should be emitted at a height that allows it to disperse.

For some time the Department of Environment and Planning has advocated a minimum height of one metre above the apex of the roof—and I support this. On 10 May the Building Act was amended to require domestic stoves to be installed in accordance with Australian Standard No. 2918 of 1987. This provides that the flue shall protrude through the roof at least 600 millimetres and that there shall be no risk of penetration of flue gases through nearby windows or fresh air inlets.

Whilst I would have preferred that a higher chimney be specified—and the Australian Standards Association was asked to specify a height of one metre from the apex—I believe that the Building Act now allows for local councils to demand a chimney of adequate height when a new domestic stove is installed in a new house. This can pick up on the second part of that standard in terms of there being no risk of penetration of flue gases through nearby windows or fresh air inlets.

I believe that we need to move to a chimney height of one metre and I hope that local councils will support that view in terms of the requirements under the Building Act regarding the installation of new chimneys. I point out, however, that the present Building Act does not relate to existing chimneys; thus there will still be a problem for those householders who suffer from the effects of slow combustion burners. Again, I appeal to members of the community who have slow combustion burners to ensure that the chimney height is at least one metre above the apex of the roof.

STATE BANK

Mr S.J. BAKER (Deputy Leader of the Opposition): My question is directed to the Treasurer. Given that $635.2 million of the State Bank's loans are classified as non-accrual loans on which payments are overdue by 90 days or more, does the Treasurer believe that the bank's $265.6 million accumulated total for bad and doubtful debt provisions is adequate?

The Hon. J.C. BANNON: The board has fixed that amount. It is in the best position to make the commercial and accounting judgments necessary in this area. I make the point, in relation to non-accrual loans, that, first, the bank does have a very strict policy in relation to the deeming of accounts as non-accrual. It is, in fact, automatic following the 90 days or more overdue situation and, therefore, we are not talking about a doubtful debt position when talking about the treatment of non-accrual loans.

The second point I make is that I am advised that the non-accrual loans are, in fact, more than 80 per cent secured, so we are not talking about unsecured loans in these situations. Thirdly, non-accrual loans represent about 4.3 per cent of the group's loans, advances and receivables at $14.8 billion. One must, therefore, put it into that sort of perspective.

It is an unacceptably high figure—I do not disagree with that—but I suggest that, in relation to the prudent treatment of the bank's accounts, the policy I was describing earlier is being followed, that is, to ensure that adequate provision is made, that there is no attempt to hope for the best, or whatever, in the current economic climate. That is the policy of the board as reported to me, and I am in no

position to substitute my judgment as to whether the actual numbers the board then produces in pursuit of that policy are correct or not.

I can only report as I am advised: that is the policy in relation to non-accrual accounts. That is how they are arrived at, that is the amount of the assets they represent and that is the degree of security backing them.

SPEED CAMERAS

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Emergency Services inform the House of the effectiveness of the recently introduced speed cameras used by police to photograph motorists who are exceeding the speed limit? I was interested to read in the *News* of Wednesday 15 August that the new speed cameras had photographed almost 1 400 motorists in the first two months of operations. It would appear from the article that the use of a speed camera will be an effective weapon in deterring those drivers who insist on endangering other road users' lives by driving at speeds in excess of prescribed limits.

The Hon. J.H.C. KLUNDER: I thank the honourable member for his question and commend him for his continued interest in matters of road safety. I, also, read the article in the *News* of 15 August and found that, while the tenor of the argument used by the *News* was basically correct, there were one or two inaccuracies that I should like to correct now. First, from 19 June 1990 to 14 August 1990, the new speed camera photographed 2 017 motorists, 1 448 of whom received traffic infringement notices. I guess that the latter figure is the one to which the *News* was referring in the article. The article is also a little misleading in that it quoted cases where some motorists were travelling at extreme speeds. Those instances, fortunately, were very much in the minority. Some 75 per cent of the traffic infringement notices were issued to people who were travelling at less than 15 kilometres above the required speed limit for that area, and only .5 per cent of people were given traffic infringement notices for exceeding the speed limit by more than 30 kilometres per hour.

The speed camera is still in its operational trial period, that is, from 19 June to 31 August 1990. However, I believe already that it will be a valuable adjunct in the war against those people who speed more than they should. The camera is currently operational for a limited period each day, six days per week. Another camera has been ordered and is expected to be operational in mid-September. When that camera becomes operational, it is also intended to extend the use of these cameras to various periods of the night. In addition, a back-up camera has been ordered to serve as a reserve for the two operational cameras—to allow servicing, time for repairs, and so on.

I am sure that all members, including you, Mr Speaker, will join with me in supporting the use of speed-detection cameras to deter speeding motorists. Indeed, as my colleague the Minister of Transport has indicated to the House, we should all be vigilant against this very dangerous practice. For what I am about to say, I think I will get the support of even the member for Kavel, because, like me, he started his career as a teacher of physics. It is worth pointing out to the community generally that a car travelling at 80 km/h has in fact nearly twice as much energy of motion—the so-called kinetic energy—as a car travelling at 60 km/h. When a car comes to a sudden halt as a result of an accident, that energy mainly causes damage to the motor vehicle or to its surroundings.

The amount of energy released in an accident tends to be nearly twice as high when someone is travelling at 80 km/h rather than at 60 km/h. It is worth bearing that in mind. It is not a proportional situation: when one doubles the speed, four times as much energy is used in deforming and damaging the motor vehicle and its surroundings. I think that the speed-detection camera has demonstrated its capacity to be a very powerful weapon in the police armoury against speeding motorists, a weapon that will have some considerable effect in decreasing the number of deaths and injuries on our roads.

SOUTH AUSTRALIAN FOOTBALL

Mr INGERSON (Bragg): Does the Minister of Recreation and Sport have an interim report detailing the possible ramifications of a South Australian football side entering the AFL or is the so-called report merely a letter from a departmental official to the South Australian National Football League? If the Minister has that report does he intend to make it public? On 19 August the Minister told the media he had a 'report' into the viability of a South Australian side entering the AFL and detailing the consequences to football in this State. The Minister also stated that it was an independent inquiry. Further inquiries to the Minister's department reveal that the 'report' was a letter from Department of Recreation and Sport head, Mr George Beltchev, to SANFL chief, Mr Leigh Whicker, and not a detailed report, suggesting that in fact the Minister was grandstanding.

The Hon. M.K. MAYES: It is interesting that the member for Bragg should raise this question. There is probably a reason why it was not raised by the member for Morphett—because the member for Morphett put out a press release on this very issue, headed 'Sports Minister kicks an own goal'. It is very interesting; I wonder to which particular code the member for Morphett was addressing his question. For the edification of the House, I will elaborate. Rule 641 for Australian Rules Football of the South Australian National Football League code reads as follows:

> If a defending player kicks or takes the ball over the goal or behind line, a behind shall be scored.

That illustrates how good this Opposition is. It got the wrong code. They do not even know the rules of our Australian game. In the lead-off in the press release they suggest that the defending player gets his own goal. It is not possible. This just shows how abysmal this Opposition is. We have a difficulty—

An honourable member interjecting:

The Hon. M.K. MAYES: Well, he certainly missed the point!

Members interjecting:

The SPEAKER: Order!

Mr S.J. BAKER: On a point of order, Mr Speaker, contrary to Standing Orders, the Minister is not responding to the question that has been asked.

The SPEAKER: There is no point or order. I would ask the Minister to end his remarks quickly.

The Hon. M.K. MAYES: It is appropriate to elaborate, because the Opposition has picked up something from a radio program on Monday morning and has not understood or has not listened to what was said. I clearly said that on 14 August an interim report was provided to the SANFL. That report is in the form of a letter to the General Manager. There are attached figures which come as part of the report and associated document. Those figures, which are carefully and clearly prepared as part of that report, belong to the SANFL, as I made very clear during the radio interview. I made that very clear on numerous occasions in that radio

interview. I also made it clear in the interview on the Sunday that those figures are, and remain, SANFL property. If the Opposition wishes to obtain those figures associated with and forming the foundation of that report, it should approach the SANFL. That is the most appropriate and the proper way to deal with it.

The letter, which forms the basis of the interim report forwarded to the General Manager of the SANFL by the Executive Officer of the Department of Recreation and Sport, highlights two points coming from the analysis which was prepared. I should make it clear that, again, the media assumed that it was a Treasury report. Let me clarify that. The investigation was conducted by a Treasury officer and by the Director of the Department of Recreation and Sport. People have to listen very carefully. The Opposition has difficulty in understanding, but I say again that it was prepared by the Director of Recreation and Sport and a Treasury officer. It was prepared using the SANFL figures on an interim basis. That interim report formed the basis of the letter which was forwarded to the General Manager. I will quote from that interim report:

> Whilst there is further work to be done in developing an appropriate financial model, we are happy to provide you with two preliminary conclusions.

I will just reflect on what has been said by the Opposition to question the independence of the report, which continues:

> On the basis of assumptions made by the SANFL, there would be a significant adverse impact on the finances of SANFL clubs. The assumptions made by the SANFL are reasonable in view of Western Australia's experience of fielding a team in the AFL competition.

Mr Ingerson interjecting:

The Hon. M.K. MAYES: I am pleased that the member for Bragg assumes that everyone knows that, because that has not been the experience from my conversations with numerous members of the football community or the community in general. It is important to note that this is an independent report based on the SANFL figures, which figures were tested against various assumptions in the community. That was made quite clear in my interview. It is a misunderstanding which has been picked up by the Opposition and by some of the media. Obviously, the Opposition has great difficulty in hearing and understanding what is being said. That is easy for me to understand, given the heading which the member for Morphett gave to his press release when he attacked the Government. We, the community and the sporting community realise that it must be very worrying when the shadow spokesman for sport does not know which particular code he is dealing with when he issues a press release.

COMMONWEALTH GAMES

Mr McKEE (Gilles): My question also is directed to the Minister of Recreation and Sport. In view of the progress made by this Government in relation to securing the Commonwealth Games for this State, will the Minister explain what plans are in store for the housing of athletes in the Northfield area?

The Hon. M.K. MAYES: I am delighted and pleased that the member for Gilles has raised this matter because the proposed site for the village is in his electorate. I am sure that he would be more than delighted to have not only the village built there but also the people who will attend the Commonwealth Games from 24 March to 4 April 1998. The village will be developed to accommodate approximately 4 500 athletes and team officials. The site is bounded by Grand Junction Road and Fosters Road and will be utilised by the competitors for the 16th Commonwealth Games in Adelaide.

The facilities that will be needed in the village are as follows: a medical centre; a very comprehensive administration centre; a dining centre, which will need to seat between 1 400 and 1 500 people; a bank; a travel centre; laundry facilities; a shopping mall; a communications centre; media facilities; an interviewing centre; an entertainment centre; a transport centre; training facilities for track and field; warm-up track; a total security system; and recreational and swimming facilities.

I think the centre must provide a comprehensive environment for athletes to relax and enjoy themselves whilst they are waiting to compete in events—that is fundamental and will be a major feature. A housing development is also proposed in the village concept. Obviously, it would then be available to the community immediately after the games. Of course, the intention would be that the Commonwealth Games body—whether it is a company or an association—would not purchase it but have control for the period leading up to the games when the first athletes come in up until the last athlete and team official leaves.

I can assure the honourable member that it will be a village of quality and that it will enhance his electorate. Certainly, it will draw a focus which I am sure his constituents will enjoy in the coming years. It will always be remembered as part of the Commonwealth Games facility and, I am sure, it will be a feature of Adelaide, particularly of Northfield, many years after the conclusion of the Adelaide Commonwealth Games. I thank the honourable member for his question. For the edification of his constituents and the community at large, it is important that they know the location of the Northfield village.

JUNIOR SPORTS POLICY

Mr OSWALD (Morphett): My question is to the Minister of Recreation and Sport. When does the Government intend to release its junior sports policy? I understand the sports bodies most affected by this policy document have not had an opportunity to study the Forrest and Burton reports on which the junior sports policy is based. I am advised that these reports recommend that interstate competition at primary school level be discontinued, which is of major concern to sporting bodies.

The Hon. M.K. MAYES: I am delighted to have this question from the member for Morphett because it is an important aspect of this Government's policy, and it is of concern to the community that we have a comprehensive sports policy. Of course, the Minister of Education and I have identified that there is a need to consider a number of aspects in the junior sports area because we definitely lose contact with a significant segment of our community at a particular point—particularly young women immediately after high school age who tend to drop their sport and recreation activities. That is of great concern. We do lose other segments of our community as well.

The junior sports policy is a culmination of the draft school sports policy prepared by the Education Department in 1987, the Forrest review of school sport in 1989 and the Burton task force in 1990. Extensive consultation has occurred with sporting groups, the parents, schools, coaches and teachers during that period. I am sure that that is fully acknowledged by those people in the community.

The policy has been approved by the two departments: the Education Department and the Department of Recreation and Sport. As the honourable member is obviously

curious about the Opposition's role in this, I indicate that the Opposition will be briefed. The Director of the Sports Institute will meet with the shadow Minister on Monday 27 August to fully brief him on the policy.

It is important to acknowledge that the policy proposes that interstate primary school sport be phased out and replaced by talent squads and sports camps so that more children in this age group can receive high quality coaching. That is appropriate to their stage of development, and to equip them for future high level involvement in sports. The talent squads and sports camps will be planned and organised by State sporting organisations in consultation with the Junior Sports Development Unit. Once the honourable member has had that briefing he will be better equipped to understand what we are driving at and what we are trying to achieve.

Mr Hamilton interjecting:

The Hon. M.K. MAYES: Yes. The honourable member thinks I am being too optimistic, but I am confident that he will have a better understanding of the policy.

CYCLEWAYS

The Hon. J.P. TRAINER (Walsh): Will the Minister of Transport advise the House on the progress of the Glenelg cycleway project and the Government's future cycleway plans?

The Hon. FRANK BLEVINS: I thank the member for Walsh for his question. I am pleased to inform the House that the design of the 'Westside Bikeway' is nearing completion for the first stage between the city and Morphett Road. Those details have been discussed and agreed with by officers from the three councils concerned, that is, Adelaide City Council, West Torrens and Glenelg councils. Plans will be placed on public display in the councils' offices in mid September with a view to obtaining formal council approval in November. Construction is currently scheduled to commence in January 1991 and is expected to take about three months. Particular attention in the design has been given to safety considerations and the plan incorporates a number of traffic signal proposals along the route.

Investigations are continuing into the second stage of the bikeway between Morphett Road and Glenelg with a view to this being implemented in a subsequent financial year. With regard to other bikeway proposals, as yet no firm recommendations have been formulated but possibilities are being assessed within the Department of Road Transport and by the State Bicycle Committee. Those matters should be clarified within the next few months.

PROPERTY TAX

Mr SUCH (Fisher): My question is directed to the Minister of Water Resources. How much revenue does the Government expect to generate on an annual basis as a result of its recently detailed property tax based on an acceptance of the recommendation of the Hudson water pricing review for an additional charge of 78 cents for every $1 000 that residential property values exceed $100 000, and will the rate and property value be indexed annually in line with the CPI?

The Hon. S.M. LENEHAN: I thank the honourable member for his question. I would like to correct the honourable member in terms of his assertion that we are talking about a property tax. That is—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: —a gross misrepresentation.

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: It indicates not only a gross misunderstanding but also misrepresentation of the Hudson report. I would be delighted to provide the honourable member with a copy of the Hudson report—

Members interjecting:

The Hon. S.M. LENEHAN: I am delighted. Unfortunately, I can only provide the honourable member with a copy. I understand that Mr Hudson gave a thorough and detailed briefing to the then shadow Minister of Water Resources. Let me assure the honourable member that his claim is not the case. I will again spell out to the House exactly what was asked of Mr Hudson by the Government when it asked him to review the system of water rating in respect of the provision of water in South Australia. He was asked to do a number of things.

First, he was asked to look at a fundamental user-pay system which at the same time preserved a social equity or social justice component and also incorporated into that water rating system a conservation ethic and philosophy. I believe that Mr Hudson has come up with what, on any sensible analysis, could be seen as a true user-pays system. I am happy to go through this time and time again. He has also managed to pick up the whole concept of conservation and has looked at the question of social justice and social equity.

I believe that the scheme that will come into being at the end of June 1991 will be much simpler, more easily understood by the community and fairer; it will be a scheme under which the vast majority of South Australians will not pay any more for their water. Those South Australians—

An honourable member interjecting:

The Hon. S.M. LENEHAN: I would be very pleased to explain, if the honourable member would pay me the courtesy of allowing me to do so. Many South Australians who live in properties of a very high value, who pay a high rate for their water and who have a large allowance but do not use it are elderly and either live alone or in small family groups. They will be better off under the Hudson proposal, because they will pay for water that they use as opposed to the existing situation whereby they are not using the allocation. Also, those people will be able to control their water bills by regulating the amount of water they use. Research has shown that in some areas of very high property values in excess of $500 000—

Mr Ingerson interjecting:

The Hon. S.M. LENEHAN: I did not know that the member for Bragg had a property worth more than $500 000.

Mr Ingerson interjecting:

The Hon. S.M. LENEHAN: Well, that is fine. It has been shown that, where people have very highly-valued properties—up to $1 million or more—many of them use their full allowance not necessarily because they need to but because they work on the principle 'If I am paying for it, I will use it'.

Let me assure the House that people like the member for Bragg will be able to reduce their water rates by applying conservation techniques and philosophies to the use of water. For example, they will be able to implement drip sprinklers and other forms of environmentally sound watering systems. They will be able to introduce things such as shower roses and special fittings on taps in order to cut back on water. I would be very surprised if the member for Bragg and other people in his category were not much better off

under the proposed system. It will be very interesting to see the results.

Regarding the figures at the end of the day, I can tell the honourable member that the other criterion with which Mr Hudson was charged by this Government was that the scheme should be revenue neutral. In other words, at the end of the day no more revenue would be raised under the new scheme as compared with that raised under the existing scheme. Therefore, the simple answer is that, at the end of the day, the system should be revenue neutral with respect to the amount of money we raise at present.

SUBORDINATE LEGISLATION ACT

Mr M.J. EVANS (Elizabeth): Will the Minister of Education, representing the Attorney-General, advise the House what steps the Government is taking to ensure that the regulations automatically repealed by the sunset provisions of the Subordinate Legislation Act are withdrawn from effect, and will he consider the printing of an expiry or 'use-by' date on all new or reprinted regulations to ensure that the public are aware of the expiry date?

The Subordinate Legislation Act Amendment Act 1987 provides that all regulations made on or before 1 January 1970, and all subsequent regulations amending those regulations, will expire on 1 January 1991, but a few months away. This, of course, will encompass a substantial volume of statutory rules and regulations.

The Hon. G.J. CRAFTER: I thank the honourable member for his question, and his suggestion of having a 'use-by' date on those regulations is one, I would think, which has considerable merit. I will refer the details of his question to my colleague in another place and bring back a reply.

AYERS FINNISS LIMITED

The Hon. JENNIFER CASHMORE (Coles): Is the Premier aware that Ayers Finniss Limited, a subsidiary of Ayers Finniss Holdings, which is in turn a subsidiary of the State Bank, was registered on 16 August 1989 as Cayuga Pty Ltd? Does he known why it ceased as a proprietary company on 3 November 1989 and became Cayuga Ltd until 29 November when it became Ayers Finniss Ltd, on the same day that the original Ayers Finniss Limited became Ayers Finniss Holdings Limited? Can he explain why such company arrangements were considered necessary for a State-owned merchant bank, what benefits accrued under such arrangements and to whom?

The Hon. J.C. BANNON: I will refer that question to Ayers Finniss and provide a reply for the honourable member.

PACKAGING REGULATIONS

Mr FERGUSON (Henley Beach): Is the Minister of Health aware that the Commonwealth Government plans to repeal regulations on packaging and has the Department of Health made any similar determinations? In 1986 some progress towards uniformity of packing standards was achieved by agreement from the States to the National Foods Standards Code covering the quality and labelling of processed food and drink.

In a report in the *Financial Review* of Tuesday 24 April 1990 it was suggested that the Commonwealth was arguing that, if companies were denied the freedom to choose how they package their products, unnecessary costs would be imposed on the food industry, without providing any benefit to consumers.

The Hon. D.J. HOPGOOD: From memory, that *Financial Review* article was addressing an area that would be more of interest to the Minister of Consumer Affairs than to me. One must distinguish between packaging that is there to sell a product, as it were, and packaging that is there as part of consumer advice as to the health standards and quality of the ingredients. However, as I understand it, the Commonwealth has in mind a national food authority and its task will be to develop and recommend standards to the National Food Standards Council, which comprises the State and Northern Territory Health Ministers and the Commonwealth Minister for Consumer Affairs.

I am reliably informed that the authority will have as its priorities the protection of health and safety, the provision of sufficient information about ingredients to enable consumers to make informal choices, and the promotion of fair trading practices. Within all this, it is inherent that there should be some streamlining of the present procedures, and the deregulation obviously would also be in the hands of the authority and would be carried out where appropriate. I do not have any information on exactly when the Commonwealth is likely to legislate, but I anticipate that there would be consultation with the States, as such legislation would almost certainly require complementary legislation from the States and the Territory.

PHARMACEUTICAL CHARGES

Dr ARMITAGE (Adelaide): My question is directed to the Minister of Health. With the introduction of the pensioner charge of $2.50 per prescription from 1 November, will the Government impose that charge on pensioners who obtain pharmacy supplies from public hospitals?

The Hon. D.J. HOPGOOD: I understand that the assistance and remissions that pensioners currently obtain will continue. However, where non-pensioners go to a hospital as outpatients, almost certainly the charge will apply. Of course, there will continue to be no charge for inpatients. Obviously, the Government has to act to protect a situation in which everyone rushes to outpatient departments of hospitals to obtain pharmaceutical goods. However, subject to that protection applying, the present provisions will remain.

THIRD PARTY APPEALS

Mr HAMILTON (Albert Park): Will the Minister for Environment and Planning advise whether the Government has decided to introduce third party rights of appeal provisions for West Lakes residents? The Minister would be aware that my constituents make constant representations to me on this matter.

The Hon. S.M. LENEHAN: I am delighted to be able to inform the honourable member that the Government has decided to extend third party rights of appeal to West Lakes residents. I think it is important that I give a very brief background to the decision taken by the Government and outline the way in which this will proceed. The present West Lakes regulations allow for public comment on development applications, but no opportunity is afforded for members of the public to appeal against a planning decision of the council.

Third party appeal rights were excluded from the West Lakes regulations in order to provide reasonable certainty

that the major works and undertakings envisaged under the indenture agreement would be carried out. As the development at West Lakes has now reached a point where the requirements of the indenture have been met by all parties involved, the planning regulations have established the basic pattern of development and the encumbrances have set the desired character of the area, I believe that it is now appropriate for us to amend the regulations, and I am currently having prepared an amendment to section 42 (1) *(b)* of the Planning Act which will embody the provisions of the West Lakes regulations and which will ensure that third party appeal rights will then apply.

As this decision impacts quite severely on Woodville council and Henley and Grange councils, there has been extensive consultation with both councils in the preparation of the amendments to the West Lakes regulations. I thank the honourable member for the work that he has done in ensuring that he has kept this item very high on the Government's agenda.

REPLY TO QUESTION

The Hon. E.R. GOLDSWORTHY (Kavel): My question is directed to you, Mr Speaker. Will you take steps to ensure that an answer I received today from the Minister for Environment and Planning to a question I did not ask is not printed in *Hansard*. I have received today a reply to a question without notice, dated 21 August, asked (as the reply states) of the Hon. S.M. Lenehan by the Hon. E.R. Goldsworthy, on 8 August 1990, on the subject of a subdivision application by Stephen Wright. I did ask a question without notice on that day: it was directed to the Minister of Mines and Energy and referred to the Williamstown mill. In due course, I received a reply (a fairly abusive one, as I recall, but, nonetheless, a reply).

Members interjecting:

The SPEAKER: Order!

The Hon. E.R. GOLDSWORTHY: Later in the day there was a debate on the question of parliamentary privilege, and at no time during that debate did I ask the Minister for Environment and Planning a question. I made some statements about the *Lewis v Wright* defamation case, but at no stage did I seek the sort of information that the Minister seeks to thrust upon us today. I ask that you ensure that this does not appear as an answer to a question that I did not ask.

The SPEAKER: I will certainly investigate the matter if the honourable member is convinced that he did not ask the question. Perhaps in consultation involving the honourable member, the Minister and myself, we can clear up this matter.

TREASURY OFFICIALS

The Hon. J.P. TRAINER (Walsh): Will the Premier assure the House that State Treasury officials are, in general, of a more genteel demeanour than the Federal Treasury staff members who allegedly caused concern with their conduct on Tuesday at a post-budget function in Parliament House, Canberra? My concern arises from reports in today's press concerning the behaviour of invited guests to the annual Treasury Department function in Canberra, which marks the culmination of the intensive effort involved each year in compiling the Federal budget.

The Hon. J.C. BANNON: I have seen reports of this incident that the honourable member has raised, and it is appropriate that he should raise this question on budget day. I must admit, from the reports that I saw, that it appeared that most of the incidents which have been described involved not so much Treasury officials as members of Parliament and journalists, but perhaps I was wrong there.

Treasury officials in South Australia are of extremely sober and serious demeanour. They have worked extremely hard during the past few weeks. This budget has been particularly difficult in terms of deadlines to meet because of the late occurrence of the Premiers Conference, so they have done a superb job in producing the documentation and material in time for its presentation on schedule. That applies not only to the Under Treasurer but to every member of the staff. Naturally, having worked day and night on this sort of task, one must appreciate that there would be a desire to let the hair down, as it were. We will be having a few quiet drinks in celebration not so much of the content of the budget as of a task extremely well done. If, indeed, matters look like getting out of hand, I am sure we can call on your good offices, Sir, and those of the member for Walsh and others to protect the name and dignity of the House, but I am sure that will not be necessary.

ENERGY CONSUMPTION

The Hon. D.C. WOTTON (Heysen): Is the Minister of Mines and Energy aware that the Victorian Government has accepted a tender from Philips to supply 30 000 low-energy compact fluoro globes which will be supplied to low income earners in that State in an attempt to reduce energy consumption, greenhouse emissions and the cost of living? Is the Government considering a similar energy conservation scheme for South Australia; and, if not, why not?

The Hon. J.H.C. KLUNDER: I thought I had made it perfectly clear on a number of occasions both publicly and in this House that I am willing to look at any single measure or group of measures which will reduce the greenhouse effect, provided that they do so at a reasonably economical rate. The same answer applies to the question asked by the honourable member as to any other questions asked on this matter.

ACCESS CAB SCHEME

Mr HERON (Peake): Will the Minister of Transport inform the House of the most recent developments in the access cab scheme and say how successful it is?

The Hon. FRANK BLEVINS: I thank the member for Peake for his question. From 1 January this year the access cab scheme in metropolitan Adelaide was enhanced by raising the subsidy for wheelchair users from 50 per cent to 75 per cent of the metered fare. There are currently 2 300 members of the scheme in Adelaide who are wheelchair users. Also from 1 January wheelchair users undertaking employment-related tertiary study are eligible for full reimbursement for taxi fares in addition to their normal allocation of 10 vouchers a month.

The subsidised transport scheme has been extended to the seven major country centres: Mount Gambier, the Riverland, Murray Bridge, Whyalla, Port Pirie, Port Augusta and Port Lincoln. Excellent cooperation from local government and the respective communities has been received. Existing community and private enterprise services are being utilised with some Government assistance, where required, in the administration of the scheme.

On 1 July 1990 the scheme was further expanded by removing the age barrier, which was 16 years and over. Now any person, irrespective of age, who meets the entry criteria will be granted membership. It is anticipated that up to 1 000 additional members will join the scheme. As a consequence, the Government has taken steps to purchase another five 'stretch' taxis. It is intended that delivery of the first vehicle from the manufacturers will be very soon.

Members interjecting:

The SPEAKER: Order! The Minister will direct his remarks through the Chair.

The Hon. FRANK BLEVINS: I am very sorry, Sir.

Mr Becker interjecting:

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

The Hon. FRANK BLEVINS: They get me into trouble, Sir. The eligibility criteria for the scheme are kept under continual review, and considerable improvements have been made in the management and operation of the scheme, making it both more efficient and user-friendly. I think that demonstrates to the member for Peake and to the House the Government's commitment in this area. Through ministerial life we spend very large amounts of money—and there is no doubt that from time to time we should perhaps pause and wonder whether a particular program is worth it. I have not had the pleasure of being in charge of a more important, more cost-efficient and more effective program than this one. The difference it has made to the lives of people with disabilities has been enormous.

Also, Ministers do not often get 'thank you' letters; most of the letters are either begging from the Opposition or letters of complaint about one thing or another. It is heartening in this area to have so much personal contact and so many letters and phone calls from people whose lives have been quite literally changed by this program. As I said, I think, it is taxpayers' money, and taxpayers' money has never been better spent than in this area.

FISHING LICENCES

The Hon. H. ALLISON (Mount Gambier): What is the Government's policy on fishing licence sales being subject to stamp duty? Will the Minister of Fisheries issue a clarifying statement for the benefit of the State's fishing industry? The Commissioner of Stamps has issued a circular expressing the view that sales of fishing licences are liable to stamp duty and warning that penalties will be imposed on unstamped documentation. The amounts involved are considerable. For example, one licence sale now being finalised in the South-East will attract stamp duty of $8 830. Concerns about such costs are compounded by the view of a Fisheries Department officer in the South-East that there is doubt that licence sales are in fact dutiable.

The Hon. LYNN ARNOLD: This matter covers an important area—not only whether fishing licences should be dutiable by the Commissioner of Stamps for stamp duty but also the broader question of whether licences are in fact property. It has been the view of Ministers of Fisheries—myself included—that licences should not be considered as property, but that matter has been contested in court. In terms of contest in court, I refer to the case of *Kelly v Kelly* and the judgment that licences have characteristics of property. That may not be the exact quote, but it is certainly close. That brings into question the fact that there could be a legal interpretation that the licence could be—

The Hon. TED CHAPMAN: On a point of order, Mr Speaker: the matter the Minister is raising is, as I understand it, *sub judice*. The court decision that was taken to which he referred, *Kelly v Kelly*, has concluded but it is subject to appeal, in which case I think it is appropriate and in accordance with Standing Orders that he stick to answering the question and not deal with the case.

The SPEAKER: Question Time has expired, therefore, the answer is irrelevant. I must apologise to the Minister of Fisheries and to the House; my attention was distracted. I did not hear the reference made. Was any reference made as the honourable member alleges?

The Hon. LYNN ARNOLD: The honourable member's raising a point of order was correct. The case of *Kelly v Kelly* has concluded. However, had I been given the chance to continue my reply, I would have mentioned that the matter is subject to further consideration. Another matter which is independent, although parallel to the court matter raised by the honourable member for Mount Gambier, is that of licences being dutiable, and implications are being drawn from the court judgment referred to. That matter has been the subject of a separate approach by the Department of Fisheries to the Commissioner of Stamps as, indeed, it has been by SAFIC to the Commissioner of Stamps.

I have indicated that I also want to hear the Commissioner's view on this matter. Ultimately, I think there will have to be legal determinations (and that was canvassed by means of the point of order), but also from the Government's viewpoint there will have to be a considered across Government view as to the nature of fishing licences and the implications for various areas of Government activity.

REPLY TO QUESTION

The SPEAKER: Order! The honourable member for Kavel raised a question with me during Question Time. I have perused *Hansard*. The member for Kavel, as part of his question, advised the House of a question asked by the member for Murray-Mallee some time ago. The member for Kavel did not ask that particular question of the Minister and I direct that the purported answer be withdrawn. I believe that the answer was an honest mistake in an effort to provide information, as was considered at the time.

PERSONAL EXPLANATION: PUBLIC ACCOUNTS COMMITTEE

Mr HAMILTON (Albert Park): I seek leave to make a personal explanation.

Leave granted.

Mr HAMILTON: On Tuesday 21 August last the member for Morphett made incorrect statements about the Public Accounts Committee of which I have been Chairman since 17 August 1988. The first incorrect statement is:

> Without doubt the Government has told it (the Public Accounts Committee) to lay off Government departments, not to create waves, not to use its efficiency auditing . . .

I can give an unequivocal assurance that as Chairman of the Public Accounts Committee I have never received any instruction from the Premier—directly or indirectly—to 'lay off' or 'not to create waves'. No Premier of this State will direct me to do that. Secondly, the member for Morphett asserted:

> Parliament has not received a report from the Public Accounts Committee for 16 months.

Thirdly, the member for Morphett reiterated this untruth when he stated:

> It is an absolute disgrace that two years have passed and we have not an annual report.

In respect of the honourable member's second and third points, the last Public Accounts Committee financial report was ordered to be printed by the House of Assembly on 24 August 1989.

The Hon. T.H. Hemmings: Up yours!

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

Mr HAMILTON: A strenuous and sustained effort by both the committee and all its staff working on the Justice Information System inquiry was the reason for the delay. The next annual report will be presented shortly. Its delay has been influenced only in part by the last election. The committee's examination of the Auditor-General's Report for 1988-89 (and I point out that the Auditor-General was away) was not completed until June 1990. That examination will form an important part of the report. Finally, I point out that since I have been Chairman we have received two deputations—one from Queensland and one from overseas—to look at our Public Accounts Committee.

Mr OSWALD: Mr Speaker, I rise on a point of order: this is not a personal explanation, and I ask you to rule accordingly. It is an attempt by the committee to defend itself—that is all it is.

The SPEAKER: Order! There is no point of order, but I ask the honourable member to draw his comments to a close.

Mr Hamilton: I've finished, Sir.

Members interjecting:

The SPEAKER: Order! The member for Henley Beach is out of order.

SITTINGS AND BUSINESS

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

That the House at its rising adjourn until Tuesday 4 September at 2 p.m.

Motion carried.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. J.C. Bannon)—

Financial Statement 1990-91—Ordered to be printed (Paper No. 18).

Estimates of Receipts 1990-91—Ordered to be printed (Paper No. 6).

Estimates of Payments 1990-91—Ordered to be printed (Paper No. 9).

Economic Conditions and the Budget 1990-91—Ordered to be printed (Paper No. 11).

Capital Works Program 1990-91—Ordered to be printed (Paper No. 83).

The Budget and Its Impact on Women 1990-91—Ordered to be printed (Paper No. 81).

Public Works Certificate 1990-91.

The Budget and the Social Justice Strategy 1990-91—Ordered to be printed (Paper No. 30).

APPROPRIATION BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act for the appropriation of money from the Consolidated Account for the financial year ending on 30 June 1991, and for other purposes. Read a first time.

The Hon. J.C. BANNON: I move:

That this Bill be now read a second time.

BUDGET SPEECH 1990-91

In doing so I present the Budget for 1990-91.

The fundamental requirements of a State Budget are that it maintains and strengthens the State's financial base, while providing the services which the community requires in the most cost-effective manner possible.

These requirements have been central to the budget strategy of my Government since coming to office in 1982.

Meeting them demands of the Government careful judgement and at times a willingness to take unpalatable and often unpopular decisions. Within the community it calls for common purpose and an understanding of the position and progress of the State over the longer term.

Mr Speaker, the coming financial year will be a difficult one and will indeed call for careful judgement, tough decisions and community understanding.

The last decade of this century offers great opportunities for the continued development of South Australia. However, the national economic slowdown, continuing external account imbalances, and an international environment hostile to our commodity exports, will mean that progress will be hard won. In addition, the Commonwealth's declared policy aim of reducing funding to the States means that there are no easy solutions, nor can the difficult decisions be delayed.

The combination of these circumstances and events will mean that the Government will experience difficulty in ensuring that financial strength is enhanced and the required services provided in 1990-91. Nevertheless, it is determined to do so.

Members may well question the rapidity with which these difficult circumstances have arisen.

In my speech to the House when introducing last year's Budget, I indicated then that we could look confidently to the year ahead.

The predictions were that growth was not expected to be as high as had previously been the case, but that South Australia should at least equal the national level.

In the event, growth in both the National and the State economy was stronger than predicted over the whole year and as a result the 1989-90 Budget was able to withstand to a large extent the slowing in economic activity that emerged late in the financial year.

I have already informed the House of the size and nature of the reductions made by the Commonwealth. The decisions made at the Premiers' Conference in June meant that South Australia was at least $180 million worse off in 1990-91 compared with last year.

Further detailed analysis following the presentation of the Commonwealth Budget has revealed that the impact is in fact in the order of $235 million.

I would make the point that the true picture cannot be understood from simply looking at the total figures included in the relevant Commonwealth budget paper. These figures include funding that is simply passed through the State budget, higher education particularly, and they are also subject to timing variations and other adjustments.

After account is taken of these factors it is clear that rather than maintaining grants in real terms, the State has suffered real reductions of $87 million which comprises $46 million lost from financial assistance and capital grants and $41 million from special purpose payments. This last figure takes into account a partial restoration of special assistance for water quality programs.

A further reduction of $51 million results from the decision by the Commonwealth to depart, for the first time, from the use of three-year data for calculations by the Commonwealth Grants Commission. The decision was made despite a Commission recommendation to the contrary, and after the Prime Minister wrote to all Premiers supporting the continued use of the three-year period.

In addition to these reductions from what the State could have reasonably expected to receive we have also experienced the impact of the proposed national benchmark salary for teachers, which will add a further $34 million in a full year to our outlays as well as the loss of $63 million in 1990-91 dollars as a result of the Commonwealth's decision to discontinue special debt relief assistance to the State which had been in place for the last three financial years.

Mr Speaker, these circumstances clearly determine the shape of this Budget.

We face a fundamental change in the State's economic and financial environment and we must respond to that change.

We face a need to restructure the public sector so that it can operate on a significantly reduced level of funding. The process to achieve this without dislocation and hardship must quickly be established.

Above all, the State's financial base must be maintained and our fiscal reputation and credibility carefully protected.

These essential economic aims will remain paramount in 1990-91. However, they must be pursued within the context of social justice and compassion and as part of a wider vision of the State's future.

Concurrent with these aims the Budget also provides for a maintenance of the services which the community has come to expect. Furthermore, it continues to develop the infrastructure and policies which support my Government's vision of South Australia as

a modern, secure and innovative community, well able to turn the promise of the 1990's into reality.

The Budget Outcome

While the financial year just passed has been one of growth in the national and South Australian economies, there was a general slowdown as the year progressed reflecting the effects of the Commonwealth Government's high interest rate policy.

The average level of employment in South Australia was 3 per cent higher than in 1988-89 and the average unemployment rate was the lowest for a financial year since monthly ABS surveys began in 1978.

There was a strong growth in output and employment in the manufacturing industry for most of the year, though there were signs of weakness towards the end of the year as the rate of spending throughout Australia slowed.

The good levels of housing activity seen in the previous year were continued through 1989-90.

The level of other construction activity was underpinned by major projects in both the private and public sector such as Myer-REMM and the Entertainment Centre. Rural production and incomes in the State were boosted by a doubling in the size of the wheat crop from 1988-89's weak level and by a large increase in barley production. The value of South Australia's mineral production also increased significantly, due mainly to the increasing importance of Olympic Dam production of copper, uranium-oxide and gold. The State's tourism sector also showed strong growth during the year.

The overall performance of the South Australian economy was solid for 1989-90 but in recent months there have been emerging signs of weakness as interest rates remain high.

The slowing of the economy was reflected in the budgetary outcome for 1989-90. The deterioration in the Budget derives largely from a significant shortfall of $46 million in certain receipts having a net impact on the Budget.

Revenue from stamp duties on property transactions was $19 million lower than expected as a result of a weakening property market and stamp duty receipts on motor vehicles were $3 million lower than expected reflecting lower turnover and lower prices for motor vehicles. Business franchise licence fees for liquor and petroleum were $4 million lower than expected because of reduced sales activity.

The shortfall of $23 million in the State Bank's estimated contribution to the Budget was, as I have already explained to the House, a result that reflects the impact of developments in the economy on the performance of almost all financial institutions during 1989-90.

It is pleasing to note, however, that despite these adverse developments the overall deterioration in the Budget financing requirement for the year was only $26 million or, as I have pointed out previously, a variation of about a half of one per cent in a Budget of over $5 billion.

The Government was able to keep its expenditure for the year about $20 million below the levels budgeted for after allowance is made for those payments that do not have a net effect on the Budget.

The contribution to the Budget by SAFA was estimated in the Budget at $385 million, including $60 million brought forward from 1988-89 operations. I am pleased to report that despite the difficult financial environment SAFA met that contribution and has reported an operating profit for the year of $336 million or $11 million more than the Budget estimate for operations in 1989-90.

The budget financing requirement outcome for 1989-90 was $180.5 million, $26.2 million higher than the budget estimate of $154.3 million but still $19 million or 9 per cent lower than the 1988-89 outcome.

Looking more broadly at the State public sector financial performance during the year, it is important to note that in real terms the overall stock of net indebtedness declined by 2.9 per cent in the year ended 30 June 1990.

The level of net indebtedness expressed in real per capita terms or as a percentage of Gross State Product has been falling consistently in recent years.

Mr Speaker, I believe that it is an indication of the basic soundness of the Government's financial management that the Government has been able to sustain through 1989-90 the improvements in borrowing and indebtedness that have been achieved in recent years.

FINANCIAL OBJECTIVES

Outlook

I have already alluded to the financial and economic environment which will constrain our objectives for 1990-91.

It seems likely that the slowdown in the national economic growth rate will be reflected in the performance of the South Australian economy.

Manufacturing production and retail and wholesale sales will be affected by the decline in spending growth throughout Australia. This will be offset to some extent in this State by the submarine and other defence-related projects. In some sectors, steel production being one, growth should be maintained by a re-orientation of production to the export market.

The rural outlook is much less buoyant with wheat and barley production certain to decline from the near record levels of last year, and the prices for wheat and wool are also likely to be weaker.

The level of housing construction appears likely to be maintained but the present over-supply of office space in Adelaide and in most mainland capital cities means that the outlook for non residential construction is poor.

In summary, there will be a significantly lower level of economic growth in the coming year, but it seems likely the South Australian economy will fare no worse than the national economy.

Clearly, the economic outlook will affect the State's Budget.

Members are well aware of the direct link between economic activity and the State's own sources of revenue. In the past, in common with all the States, we have been able to cushion the impact of reductions in Commonwealth funding due to the buoyancy of the economy.

The economic outlook clearly removes that leeway. This comes on top of the severe reductions I have referred to in Commonwealth funding and gives rise to a double jeopardy we must eliminate.

The means available for us to do so in the short term are limited given the nature of expenditure within the Budget. However, a combination of revenue increases and expenditure reductions is unavoidable. Indeed, it would be irresponsible not to act.

The revenue decisions contained in the Budget represent a substantial adjustment. However, they are in keeping with what some other States have announced and represent the first major change for seven years.

In summary, the Budget provides for a reduction in real terms of 0.8 per cent in gross outlays, and notwithstanding the revenue rate increases, a reduction in real terms of 1.9 per cent in total receipts. A major aspect which impacts on the receipts is a reduction in real terms of 3.6 per cent in Commonwealth grants. Overall workforce levels for Budget sector agencies are planned to remain constant on a June 1990 to June 1991 basis. This results in a financing requirement of $260 million an increase on last year's record low of $180.5 million. Nevertheless this is 24 per cent lower than the average real level of the financing requirement for the last eight years including this budget.

OUTLAYS

I turn now to the outlays side of the Budget.

At the election in 1989, my Government put before the people an agenda for South Australia in the 1990's. That agenda had four cardinal points. First, recognition of the role of families as the basic core of our community and the direction of Government initiatives and policies towards ensuring that their needs are met, their aspirations recognised, their problems dealt with.

Second, a determination to put the basic priorities of Government—health, education, transport and community safety—at the forefront of all financial and administrative planning.

Third, a commitment to a sustainable environmental future and a determination, through a new approach to planning, to ensure that a balance between investment and the environment is maintained.

Fourth, the development of an economy which is strong, which is outward-looking, which is based on high quality, high value products, and which provides jobs with skills.

Despite the difficult economic circumstances, the Government is determined to maintain the momentum towards completing that agenda.

Essential community services have been maintained and in selected circumstances, improved in this Budget.

The Budget provides additional funding for the ongoing costs to the State of the National Child Care Strategy and for additional child care services provided under the social justice policy. Over the next two years an additional 3 500 children or 17 per cent more than at present will have access to child care.

Funding of $1.7 million is also provided for improvements to a range of activities under both the Home & Community Care and Supported Accommodation & Assistance Programs.

The provision of affordable housing for South Australian families remains a high priority. Since 1984-85 this State has experienced a sustained reduction in the real level of Commonwealth assistance for housing. This will continue in 1990-91 with a further real reduction in funding of $15 million to a total of $96.1 million. However, following the Premiers' Conference I was able to negotiate a partial contribution of special assistance for programs associated with water quality. This in turn has allowed the Government to reallocate $12 million to support the housing program.

In addition, the HomeStart Loans Scheme launched in September 1989 will assist in compensating for the reduction in the Housing Trust's public housing program and in maintaining the level of industry activity.

Help for families will also be a priority for the Social Justice Strategy. The 1990-91 Budget provides an allocation of some $21.1 million for Social Justice initiatives comprising $11.3 million of new recurrent initiatives and $9.8 million for capital projects. A particular aspect of the approach in 1990-91 will be a strengthened emphasis on vulnerable groups in the community, including people with disabilities, homeless young people, and on issues related to locational disadvantage.

The provision of health services remains one of the basic responsibilities of Government. This Budget provides just over $1 billion to the South Australian Health Commission. The allocation of resources in 1990-91 reflects funding for a number of major new initiatives together with the continuation of additional funding under the Metropolitan Hospitals Funding Package. This funding package was announced in 1989 and provides for an injection of $11.6 million per annum into metropolitan hospital budgets and will total $46.4 million in real terms over four years.

During 1990-91 the new 120 bed hospital will be opened at Noarlunga and the Riverland Regional Hospital will be commissioned at Berri.

The education of young South Australians ranks with the provision of health services as a basic priority for Government. This Budget provides $782 million from State sources

to the Education Department for primary and secondary education. The allocation will provide for the maintenance of teaching numbers to manage present enrolment levels.

It will also provide funding of $1 million to meet the Government's election commitment to establish the Orphanage Foundation for teacher in-service training and development. In addition it will fund the continuing implementation of the curriculum guarantee package and allow the Department to proceed with Stage 2 of the "Immediate Post-Compulsory Education" initiative for years 11 and 12 of secondary schooling.

Security and safety are essential services demanded by our community. The Government has responded to these needs through the innovative Crime Prevention Strategy commenced in 1989-90. Funds of $1.5 million are provided to develop and fund crime prevention programs managed and operated within the community. Funding will also be continued for government programs such as Blue Light camps, School Watch, Homeassist and other programs with a crime prevention focus.

The Budget also continues the three year program commenced in 1989-90 to employ an additional 152 police officers. In 1990-91 funds are provided for an additional 97 officers as well as 32 clerical personnel who will be employed in general policing areas to release existing police officers from clerical duties.

My Government is proud of its record of concern for the environment and determined that South Australia will maintain a leading role in this important area of Government action.

The budget includes an environmental levy—a surcharge of 10 per cent for 5 years on the base sewerage rate—to provide the funds required to undertake essential environmental improvement works. It applies to all customers discharging to the Engineering and Water Supply sewerage system. In 1990-91 the surcharge will realise estimated revenue of $9.1 million and the same amount in a full year. The funds have been specifically earmarked by the Government for environmental improvement projects.

The Budget provides $11 million for the Native Vegetation Management Scheme and $2.6 million for continued funding of the National Soil Conservation Program. Of particular significance is the provision of $4.3 million to allow the commencement of a scheme to achieve the land disposal of sludge from the Glenelg and Port Adelaide Treatment Works as well as schemes to achieve the land disposal of effluent at Mannum and Murray Bridge.

Without an efficient and vibrant economy the community will not be able to produce the wealth that is required to meet the costs of the services it needs. Specific economic development measures in this Budget include a three year funding package for the Department of Industry, Trade and Technology that will enhance the Department's ability to respond to needs in the manufacturing sector, investment attraction, trade and promotion. In addition funding of $500 000 has been provided to the Department of Mines and Energy to enable participation by South Australia in the National Geoscience Mapping Accord which is aimed at optimising the net benefit to the community from petroleum, mineral, soil and water resources. The Department has also received funding for a program to encourage increased exploration activity. The rural base of our

economy remains vital to our prosperity and significant funding has also been provided for agricultural research and development.

The development of the Multi-Function Polis provides exciting opportunities for South Australia to attract new investment and forge international trading links. Funds are provided for preparatory work associated with this important venture.

Health and safety in the work place as well as training and skills enhancement are both vital aspects of any moves to modernise our manufacturing industry and provide a platform for the development of the new industries for the twenty-first century.

The Budget provides additional funding for both the Department of Labour and the Occupational Health and Safety Commission in relation to the introduction of new Safe Manual Handling Regulations and the associated Code of Practice under the Occupational Health Safety and Welfare Act.

The Department of Employment and Technical and Further Education will receive a total of $168.5 million of which $148 million will be provided from State sources. With the advent of the Commonwealth Government's Training Guarantee and award restructuring there is anticipated to be substantial pressure on the TAFE system to provide increased programs and services which support the economic objectives of the Government.

The Government has responded to these needs by providing some additional funding while also requiring the Department of Technical and Further Education to reallocate resources from lower to higher priority programs and to raise some revenue from those who use the TAFE system.

In 1991 an administration charge of 25 cents per hour for students undertaking TAFE courses and subjects will be introduced. An appropriate concession policy will be determined for disadvantaged groups in order to facilitate continued access to the TAFE system.

In total, outlays of $6 billion will be made in the Budget in 1990-91. This represents an increase of only 6.2 per cent over last year's and well below the expected rate of inflation of 7 per cent for the coming year.

In determining its outlays the Government has sought to strike a balance between the need for expenditure restraint and the legitimate requirements of the community.

A feature of the Budgets of all State Governments is the importance of wage and salary payments for employees involved in providing services—teachers, nurses, police, administrative officers, and so on.

There has been relative restraint in wages in the public sector in recent years. For 1990-91, however, in addition to base National Wage Case decisions, the Government is faced immediately with significant cost pressures from award restructuring for Government Management & Employment Act employees and national benchmark salaries for teachers—a total additional cost in a full year of at least $70 million.

The Government has decided that any additional costs that arise from the new award structure for Government Management & Employment Act employees must be absorbed by employing agencies without additional funds being provided from the Budget.

In the case of the teachers' national benchmark salary the Government has already made an offer to the South Australian Institute of Teachers based on a benchmark salary of $37 200 per year.

The Budget contains no funds for the costs of the teachers' benchmark salary beyond those reflecting the Government's offer.

The Government believes that these decisions are appropriate given the need for expenditure restraint, and that they reinforce the intention that to the greatest extent possible new initiatives and additional spending must be met by the reallocation of resources.

In relation to employment, restraint in aggregate terms is necessary and will be achieved. However, the Government believes that some increase is essential in high priority areas. In this Budget these areas of growth include Children's Services, Employment and Technical and Further Education, Correctional Services and the Police Force.

RECEIPTS

The magnitude of the financial shortfall facing South Australia is such that it cannot be corrected without increasing the revenue available to the State.

I have always maintained that tax increases should be a last resort. We have taken steps to reduce the real growth in expenditure and we will take further steps to reduce the cost of the public sector in years ahead. However, a large gap remains. The alternative of borrowing to cover the shortfall is not available to us, and even if it were, it would be irresponsible to do so.

I have indicated that the Government believes the community demands that the level of services it enjoys should be maintained. I do not believe the community would tolerate sudden reductions in expenditure on education, health and welfare. Indeed, the evidence is that demands on the Government are increasing.

The Federal Government, which substantially controls the State's funds, has made it clear that it expects the reduction in Commonwealth Grants to be translated into a reduction in services offered by the States. There is no doubt that over time the level and quality of South Australia's community services will need to be adjusted back to the levels of other States.

However, we would commit a grave disservice to our community if we attempted to do so overnight. The dislocation this would cause would carry with it costs that would be inequitable and damaging.

With the exception of a change to the fuel franchise, and the levy on the consumption of tobacco products the Government has been able to avoid any increases to tax rates for six Budgets. In a number of areas there have, in fact, been reductions. We have also

been able to ensure that charges for major Government services have been kept at or below increases to the CPI.

In the case of electricity, for instance, there have been real reductions in each of the last six years.

A range of tax measures has been included in the Budget. To a significant extent they mirror changes that have already been announced in New South Wales and Victoria.

In total, $140 million will be collected in tax revenue in 1990-91 and $211 million in a full year as a result of these measures.

I would stress that, even after allowing for this additional revenue, total receipts will still decrease in real terms.

In deciding upon the package of tax measures included in the Budget, the Government was required to balance a concern for avoiding a reduction in the competitiveness of South Australian industry with the need for fairness in the incidence of the burden of the additional taxation on the South Australian community.

Members will also appreciate that the extremely narrow tax base which all State Governments experience adds further difficulty.

Given these factors the Government has decided that the major adjustments will be made to Financial Institutions Duty. This is one of the few areas in which State Governments are able to raise revenue by means of a measure which is both broad based and progressive. In addition its direct impact can be partly offset by the fact that Financial Institutions Duty imposed in respect of credits or deposits in bank accounts is a tax deduction to the account holder who pays the duty if the credit or deposit represents assessable income.

Consequently the Government has decided to lift the rate of FID from 0.04 per cent to 0.095 per cent. The maximum duty payable on any one transaction will be set at $1 200 as is the case in New South Wales and Victoria.

The revenue derived from these measures is expected to amount to $49 million in 1990-91 and $74 million in a full year.

The Government has also been forced to address the problem of funding the $12 million assistance which has been provided to the District Council of Stirling to enable it to meet the major proportion of its liabilities resulting from the 1980 Ash Wednesday Bushfire. In the course of discussions with the Local Government Association the Government has agreed to the establishment of a Local Government Disaster Fund. Consistent with the LGA's proposals, the Fund will provide the means to fund the assistance to the Stirling Council and in the future help meet the cost of providing assistance to local authorities which face unusually high expenditures as a result of natural disasters. The Fund will be financed by a surcharge of 0.005 per cent on FID which will remain in place for five years. Full details of the administrative arrangements of the Fund will be released when discussions with the LGA have been completed.

The major adjustment to the level of Financial Institutions Duty has enabled the Government to avoid increases in taxes which have a more direct impact on families and low to middle income earners, such as stamp duties on transactions concerning property transfers and motor vehicle sales. In particular, the Government has been able to avoid the imposition of an increased duty on petroleum and diesel fuel. Given the fact that the duty levied in South Australia is significantly lower than that levied in other States, particularly New South Wales, the Government had decided that an adjustment would be necessary. However, given the likelihood of petrol price increases resulting from the current Middle East crisis the Government now believes that it should not take action that would add an additional burden to ordinary South Australians which would add pressure to the Consumer Price Index within the State.

The decision in relation to Financial Institutions Duty has also enabled the Government to maintain a more generous payroll tax regime in South Australia than that which applies to its major competitors New South Wales and Victoria.

During its entire term of office the Government has been able to avoid any increase in the rate of payroll tax despite increases in every other State except Queensland. Indeed the only changes that have been made have been to raise the exemption level and to extend the benefit of the exemption level to more employers.

However, the circumstances facing the Government in 1990-91 are such that an increase can no longer be avoided. New South Wales and Victoria have both announced new rates of 7 per cent. By the measures I have referred to the Government will be able to keep the rate in this State to 6.25 per cent.

The new rate will take effect from 1 October 1990. From that date also the exemption level of $400 000 will apply to all taxpayers and will no longer reduce as payrolls rise. The effect of this change is that tax payable on payrolls up to $2 million per annum will remain the same and larger employers will pay an extra 1.25 per cent tax only on that part of their wages bill which exceed $2 million.

As a further means of offsetting the effects of the rate increase the exemption level applying to all employers will increase to $414 000 from 1 January 1991 and $432 000 from 1 July 1991, thereby maintaining its value in real terms.

As well as these changes to the structure of the tax (which will make it much easier for taxpayers to assess their liability) the Government will legislate to bring fringe benefits into the tax base. Most other States have now moved in this direction in order to keep abreast of changes which are occurring in the market place in employee remuneration. To simplify the administrative task as much as possible for employers the fringe benefits liable for tax will be those on which fringe benefits tax is payable to the Commonwealth.

The Government has taken all possible steps to ensure that the changes to the payroll tax system do not adversely affect small business. I particularly draw the attention of honourable members to the fact that the new structure will mean that tax payable on payrolls of up to $2 million per annum will remain unchanged.

The changes to payroll tax rates will add $45 million to revenues in 1990-91 and $70 million in a full year.

The levy on the consumption of tobacco products was increased in 1983 from 12.5 per cent to 25 per cent. Since then the only increase in the duty has been an extra 3 per cent to finance the activities of Foundation South Australia. The rate of duty in South Australia is now the lowest of all the States.

The Government has been urged by the Ministerial Council on Drug Strategy and by health bodies to raise the rate of duty as a further deterrent to smoking. The argument has been put to the Government that price increases are the most effective way of preventing or reducing smoking particularly among young people.

In response to these requests and as a means of assisting with the difficult budget task for 1990-91 the Government proposes to increase the rate of duty to 50 per cent which brings South Australia into line with Western Australia and Tasmania. The new rate will take effect from 1 November 1990 and is expected to raise an extra $27 million in 1990-91 and $40 million in a full year.

There will be no changes in the rates of Liquor Licence fees.

Two changes are proposed in relation to Stamp Duties. The first concerns an increase in the rate of duty payable on compulsory third party insurance policies to that applying to all other forms of insurance (except Life Assurance). This increase to 8 per cent allied to a new monthly licensing system is expected to produce an additional $11 million of revenue in 1990-91 and $12 million in a full year.

This change needs to be viewed within the context of the major reduction in recent years in the cost of compulsory third party insurance. The Government is continuing to work with SGIC to keep premiums as low as possible.

The second change concerns stamp duty on Certificates of Compulsory Third Party Insurance. This duty which is paid into the Hospitals Fund has not been increased since 1974 when it was set at $3 per policy. It is proposed to increase the duty to $15 with effect from 1 January 1991. The proceeds will continue to be paid into the Hospitals Fund. This measure is expected to raise an extra $4.5 million in 1990-91 and $9 million in a full year.

Earlier this year the Government established a review of Land Tax. The review group which reported at the end of May, suggested radical changes to the present system. In releasing the report the Government rejected two recommendations which advocated imposing land tax on the principal place of residence and on primary production land.

Details of the Government's response to the other recommendations of the Review are contained in the papers which I will shortly table. The implications for the Budget however are that the Government has decided to reduce the rate of land tax to ensure that the assessments for 1990-91 do not represent an increase over the previous year in excess of the CPI. The other major change that the Government will introduce is an amendment to the Landlord and Tenant Act to prohibit the inclusion in lease documents of provisions automatically passing on the cost of land tax to tenants.

There will be no change to Motor Registration Fees, including concessions provided to pensioners. However, some other concessions particularly applying to primary producers and local government will no longer apply. Where appropriate the fees

charged for services will be set to ensure that the cost of providing those services is recovered from users. Also, increased registration charges for heavy commercial vehicles will be implemented to improve cost recovery from these operators. The additional revenue, subject to the actual implementation date, is estimated to be $4.8 million in 1990-91 and $8 million in a full year, and will be applied towards the Department of Road Transport's roadworks program.

As I have stressed all States are facing the need to make significant adjustments to revenue following the decisions of the Premiers' Conference. The decisions that my Government has made represent our determination to preserve our competitive advantage while at the same time ensuring that an unfair burden is not placed on family budgets.

ESTABLISHING THE PROCESS OF CHANGE

Mr Speaker, as I have outlined, this Budget aims to respond to the fundamental changes that have taken place in our State's economic and financial environment.

That response must, in turn, include far reaching and fundamental structural change within the public sector. Consequently, the Government has decided to commence immediately the process of reviewing the operations of all Government agencies.

The review will be based on six key principles—

- to redefine the areas in which the Government must, or desirably should, be directly and operationally involved with a view to ceasing lower priority activities consistent with Government policy;
- to maintain direct services to the public in required areas at current levels or improve them;
- to achieve a fundamental shift in the level of productivity in the public sector, particularly via increased use of the skills of employees and greater sharing of resources between agencies;
- to reduce costs, particularly through reducing overheads and unnecessary operational procedures and structures;
- to restructure organisations utilising the new classification structures agreed to under the structural efficiency principles to fit them not only for the immediate task but also for the next ten years;
- to establish a new management/operational ethos of innovation, minimum resource use for maximum result, regarding people as the major (but not sole) resource and fundamental service orientation.

While all Ministers and Chief Executive Officers will be responsible for determining areas in which substantial improvements are possible, a special group, which will report to me, is being established to oversee the process of change. The group will be led by the Minister of Finance and will include the Under Treasurer, the Director of the Office of the Government Management Board, and a Chief Executive Officer from a non central

agency. Relevant Ministers will join the group in relation to the review of agencies within the Minister's portfolio.

The group will have the authority to seek external expertise as and when appropriate.

The co-operation and involvement of the public sector trade unions will be essential for the success of this process and it is my intention that appropriate consultative mechanisms will be established.

The Government is determined that the process of structural change should proceed as quickly as possible. To ensure that a momentum for change is established significant changes within the central agencies will take place immediately. The functions of the Cabinet Office, the Office of the Government Management Board, and some of the functions of the Department of Personnel & Industrial Relations will be consolidated into a new Office of Cabinet & Government Management within the Office of Premier & Cabinet.

The objective of the change is to ensure a co-ordinated central agency approach to assisting Ministers and Chief Executive Officers in making the necessary management changes if productivity is to be improved and overheads reduced. By reducing the number of central agencies from four to three, and by consolidating these functions, savings will be made in both staffing and accommodation costs. Equally importantly, the changes will provide a clear indication to all agencies of the type of effort the Government is seeking in reducing overheads and improving the overall performance of its administration.

FINANCING THE BUDGET

Over the past decade the presentation of the State's accounts has undergone dramatic change reflecting both a process of reform within the management of the State's finances and a new emphasis on the level of debt. The most obvious change has been the move towards the presentation of the account within the National Accounting Format. This means of presentation is recognised as providing a more detailed picture of the State's finances. It particularly focuses on the financing requirement for the Budget. However, there are significant differences in the composition of the financing requirement of the State Government as opposed to the Commonwealth. By far the vast majority of our borrowings go towards the provision of economic infrastructure and community facilities. It has been a standard principle that such expenditure should be met over time so that future generations make a contribution to the costs of the facilities that they will enjoy and the infrastructure from which they will benefit. Over the past few years the Government has in fact been able to maintain its capital works program while at the same time borrowing less. This has been accomplished through the increased use of internal sources of funds. Nevertheless while seeking to reduce borrowing levels the Government believes that the principle I have outlined is a sound one.

The financing requirement for 1990-91 is $260 million compared with the Budget outcome for 1989-90 of a financing requirement of $180.5 million. There are three important points to consider in relation to this financing requirement—

First, in only two of the last eight years has the financing requirement, measured in real terms, been lower.

Second, the 1990-91 financing requirement is about 24 per cent below the real terms financing requirement average of $341 million for the last eight years.

Third, the 1990-91 estimate follows a year in which the financing requirement was the lowest it had been for the last eight years due in part to the carryover of $60 million of SAFA contribution into 1989-90 and to the impact on the SAFA operating result in that year of $59 million in debt relief provided by the Commonwealth.

Members would also be aware that not all public sector spending takes place within the Budget sector. Consequently, to obtain an overall view of public sector expenditure and borrowing it is necessary to go beyond the Consolidated Account.

I made reference earlier to the decline in recent years of the level of net indebtedness expressed in per capita terms or as a percentage of Gross State Product. The outlook for the State public sector in 1990-91 is for a further reduction in the level of net borrowings and other financial arrangements. This reduction will be of the order of 8.6 per cent in real terms.

STATE FINANCIAL INSTITUTIONS

It is appropriate in this context that I make some brief comments about the main financial institutions of the State—namely the South Australian Government Financing Authority, South Australian Finance Trust, the State Bank of South Australia and the State Government Insurance Commission. I am today tabling the Annual Report of SAFA for 1989-90 which also incorporates information about the South Australian Finance Trust. The financial results of the State Bank for 1989-90 are also being released today, while those of the SGIC will be available shortly to the Parliament through the Report of the Auditor-General.

Although it is the case, as the House is aware, that our State Bank has not escaped the difficult circumstances which have generally prevailed in the banking industry in recent times it does need to be emphasised that our State's financial institutions, whether taken individually or as a group, remain in a very strong financial position, as evidenced, for example, by the large net asset backing which they each have. I would draw attention particularly to the central role played by SAFA in the State's financial system and I invite members to study the very considerable amount of detail which is conveyed in its Annual Report. To my knowledge SAFA is the first statutory authority in this country to have its Annual Report for 1989-90 tabled in Parliament and that in itself is an indicator of the Authority's and my own commitment to the maximum flow of information in this area. Without going into great detail here I note that the operating surplus achieved by SAFA in 1989-90 was above budget at the record level of $336 million. SAFA is recognised not only in this country but overseas as the best structured and most successful of the States' central finance agencies.

In a relatively small regional economy such as ours and one in which there are very few substantial private sector financial institutions headquartered we make no apology for

the Government's firm policy of support for our financial institutions. I undertake that that support will continue.

RELATIONS WITH OTHER LEVELS OF GOVERNMENT

The South Australian government has led the way in proposing reform in the relationship between the Commonwealth and the States. I have pressed the Commonwealth since 1986 to conduct a serious examination of the problem of overlap and duplication of functions between the Commonwealth and the States. It is pleasing to see that the Commonwealth government has now responded with a proposal for a review of inter-governmental relationships. The South Australian government will willingly participate in that review.

We intend to go further. The government has begun a broad ranging review of its relationship with local government in this State. A clear division of responsibilities between the levels of government is required. In co-operation with local government we shall take a fresh look at the arrangements, particularly financial, that govern that relationship at present.

One of the keys to successful reform in the relations between State and Local Government, (as with the Commonwealth) is that the issues be dealt with not in terms of individual functions but in terms of the overall roles, responsibilities, and interests of the respective levels of Government. It is necessary that, as we reform the relationships between the State and Local Government, it is done on a fully co-ordinated basis having regard to the overall financial and other policies of the State and in full consultation with the local government community as a whole.

The Minister of Local Government and I have commenced high level consultations with the Local Government Association on a reform package and I do not wish to pre-empt what might be agreed and announced later in this financial year. However, one aspect of the package which I have already referred to concerns the creation of the Local Government Disaster Fund.

CONCLUDING COMMENTS

The form of the Appropriation Bill is similar this year to last year.

Clause 1 is formal.

Clause 2 provides for the Bill to operate retrospectively to 1 July 1990. Until the Bill is passed expenditure is financed from appropriation authority provided by Supply Acts.

Clause 3 provides a definition of Supply Act.

Clause 4 provides for the issue and application of the sums shown in the First Schedule to the Bill. Sub-section (2) makes it clear that appropriation authority provided by Supply Act is superseded by this Bill.

Clause 5 provides authority for the Treasurer to issue and apply money from the Hospitals Fund for the provision of facilities in public hospitals.

Clause 6 makes it clear that appropriation authority provided by this Bill is additional to authority provided in other Acts of Parliament (except, of course, in Supply Acts).

Clause 7 sets a limit of $20 million on the amount which the Government may borrow by way of overdraft in 1990-91.

I commend the Budget to the House and in doing so place on record my appreciation of all those involved in formulating the Budget and its information papers.

Honourable members will be aware that Mr Bert Prowse retired as Under Treasurer in June of this year. Mr Prowse has been appointed to the Board of the State Bank and the Board of the State Government Insurance Commission. It is of great satisfaction to me that the State will be able to continue to take advantage of his experience across the broad spectrum of our financial institutions.

The House will also be aware that Mr Peter Emery has been appointed to succeed Mr Prowse as Under Treasurer. He and his officers are to be commended for continuing the high standard of presentation which has become the hallmark of our State's budget documents.

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

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. J.C. Bannon)—

South Australian Government Financing Authority—Report, 1989-90.

State Bank—Report, 1989-90.

WORKER'S LIENS ACT REPEAL BILL

The Hon. G.J. CRAFTER (Minister of Education) obtained leave and introduced a Bill for an Act to repeal the Worker's Liens Act 1893. Read a first time.

The Hon. G.J. CRAFTER: I move:

That this Bill be now read a second time.

This Bill arises out of the report of the Select Committee of the House of Assembly on the Operation of the Worker's Liens Act 1893. The terms of reference of the select committee were to consider and report on the operation of the Worker's Liens Act 1893 and whether it should be amended or repealed.

The committee concluded that the Act, with the exception of those sections dealing with the disposal of goods held under common law liens, was no longer properly effective, nor was it achieving its original objective and in instances is counterproductive. The committee concluded that the Act is a major impediment to the effective resolution of a builder's insolvency and that the current insolvency laws gave protection to workers. The committee concluded that it was inappropriate for suppliers of material to the building industry to be in any different position to other suppliers of materials.

The committee concluded that legislation in establishing trust funds is not an appropriate means of ensuring payment to subcontractors. The cost to the public to establish, enforce and police such a fund would bear heavily on the industry. The committee further concluded that a low premium, compulsory insurance scheme could be established to protect small, labour only subcontractors and small suppliers of materials in the event of a builder's insolvency.

The committee was strongly in favour of voluntary agreements for contractual trust funds or direct payment to subcontractors as part of industry self-regulation. The committee noted that $462 234.91 was held in the Registrar-General's Trust Account—Worker's Liens as at 30 June 1990. As a considerable portion of this has been in trust for a number of years, action to deal with the dormant balance would be needed if the Act is repealed.

The committee recommended that, in the light of more effective substitutes being available, the Worker's Liens Act 1893 be repealed, and that sections 41 and 42 be transferred to an appropriate Act. The committee further recommended that industry consultation take place in respect to trust funds, voluntary or compulsory insurance schemes, direct payments and bank guarantees. I seek leave to have the remainder of the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Remainder of Explanation

This Bill repeals the Worker's Liens Act 1893. A separate Bill amending the Unclaimed Goods Act 1987 will deal with the substance of sections 41 and 42 of the Act. The Minister for Housing and Construction has initiated consultation with the industry in respect of trust funds, voluntary or compulsory insurance schemes, direct payments and bank guarantees to protect labour only or small subcontractors and small suppliers of materials.

Mechanisms exist under the Unclaimed Moneys Act 1891 for the dormant money in the Registrar-General's trust account to be transferred to the Treasurer and this will be done. The Government has long been concerned with perceived deficiencies in the operation of the Worker's Liens Act 1893 and the select committee's thorough examination of the operation of the Act has confirmed that the Act is ineffective and indeed, in some instances, counterproductive. In the light of the committee's findings there can be no course but to repeal the Act.

Clause 1 is formal. Clause 2 repeals the Worker's Liens Act 1893.

Mr INGERSON secured the adjournment of the debate.

UNCLAIMED GOODS ACT AMENDMENT BILL

The Hon. G.J. CRAFTER (Minister of Education) obtained leave and introduced a Bill for an Act to amend the Unclaimed Goods Act 1987. Read a first time.

The Hon. G.J. CRAFTER: 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

It arises out of the report of the select committee of the House of Assembly on the Operation of the Worker's Liens Act 1893. The terms of reference of the select committee were to consider and report on the operation of the Worker's Liens Act 1893 and whether it should be amended or repealed. The select committee recommended that the Worker's Liens Act 1893 be repealed, and that sections 41 and 42 of the Act be transferred to an appropriate Act.

Sections 41 and 42 of the Act enable a person who has common law lien over goods to dispose of them, that is, where a person has performed work on goods and not been paid for the work, the goods can be sold and the money owing for the work performed is paid out of the proceeds of the sale. Notice must be given to the owner of the goods of the proposed sale and the sale must be by auction. Any surplus money is paid to the clerk of the court nearest to the place of the sale. Evidence placed before the select committee indicated that these sections were necessary and effective.

The Unclaimed Goods Act 1987 provides for the disposal of goods which the owner fails to collect from a person who has possession of the goods. Court approval is required for the sale of goods where the value of the goods exceeds $500. This Act is the most appropriate one to contain provisions for the disposal of goods over which there is a common law lien. To transpose directly sections 41 and 42 of the Worker's Liens Act into the Unclaimed Goods Act would draw a distinction between goods on which work had been done and goods which had merely been left with a person. In the first case no court approval would be required before the goods were sold whereas court approval would be required in the second instance if the goods were worth more than $500. This distinction is unwarranted and to require court approval in the first instance would be to add an extra step in procedures which have operated without problems since 1893.

It is noted that court approval is not required to dispose of goods under the Warehouse Liens Act 1990 (which replaced the 1941 Act) nor under the Residential Tenancies Act 1978 and there is no evidence that these provisions are not working well. The Unclaimed Goods Act appears to be little used and no useful conclusions can be drawn from the operation of the Act.

While it is acknowledged that the Unclaimed Goods Act was enacted only recently and court approval is an integral

part of the procedures for disposing of goods under the Act, the experience obtained from the operation of the Worker's Liens Act, the Warehouse Liens Act and the Residential Tenancies Act suggests that a court order is not necessary before goods are disposed of at a public auction after proper notice of the proposed sale has been given.

Accordingly, this Bill amends the Unclaimed Goods Act by removing the requirement that the court must approve the sale of goods worth more than $500 and provides for the sale of goods where a bailor neglects or refuses to pay for work done on the goods in the same manner as goods which have not been collected from a bailor. In all cases, appropriate notice of the proposed sale must be given and the sale must be by public auction, unless a court directs otherwise.

The Government believes that the Act as it is proposed to amend it provides sufficient protection for those whose goods are unclaimed without imposing unnecessary additional procedures on those who were accustomed to using the procedures under sections 41 and 42 of the Worker's Liens Act. The procedures under the Unclaimed Goods Act are slightly more onerous than those under the Worker's Liens Act, for example, longer periods of time and notice of the sale must be given to the Commissioner of Police. However, those procedures improve the rights of the owner of the goods without unduly imposing on the bailee of the goods.

Clause 1 is formal. Clause 2 amends section 3 of the principal Act, an interpretative provision, by striking out the definitions of 'scale 1', 'scale 2' and 'scale 3' which are no longer necessary because of the amendments to section 6 of the principal Act effected by clause 4 of this Bill.

Clause 3 amends section 5 of the principal Act which deals with unclaimed goods by inserting subsection (1a) and paragraph *(ca)* in subsection (2). Subsection (1a) provides for goods over which the bailee has a worker's lien and that have not been handed over to the bailor because of the bailor's failure or refusal to pay for the work to be regarded as unclaimed goods. Paragraph *(ca)* of subsection (2) requires a request by a bailee to the bailor to collect bailed goods to state the amount of any worker's lien the bailee has over the goods.

Clause 4 amends section 6 of the principal Act which deals with the sale or disposal of unclaimed goods by striking out subsections (2) to (6) and substituting new provisions. The requirement that the sale or disposal of unclaimed goods worth more than $500 be authorised by a court is removed.

New subsection (2) requires that subject to any contrary direction by a court, unclaimed goods be sold by public auction and notice of the time and place of the proposed sale be given to the bailor and the Commissioner of Police at least one month before the proposed sale and be given at least three days before the proposed sale in a newspaper circulating generally throughout the State.

New subsection (3) provides that the notice to the bailor may be given by post and, if the identity or whereabouts of the bailor is unknown, by advertisement in a newspaper circulating generally throughout the State.

Clause 5 amends section 11 of the principal Act, the regulation-making power, by removing the power in subsection (2) to vary the scales of value of goods fixed in section 3 of the principal Act. This amendment is consequential on the removal of those scales of value effected by this Bill. The clause substitutes a new subsection (2) which empowers the making of regulations that specify the information that must be included in a notice under the principal Act.

Mr INGERSON secured the adjournment of the debate.

APPROPRIATION BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as may be required for the purposes mentioned in the Bill.

STAMP DUTIES ACT AMENDMENT BILL (No. 4)

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as may be required for the purposes mentioned in the Bill.

TOBACCO PRODUCTS LICENSING ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as may be required for the purposes mentioned in the Bill.

PAY-ROLL TAX ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as may be required for the purposes mentioned in the Bill.

FINANCIAL INSTITUTIONS DUTY ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as may be required for the purposes mentioned in the Bill.

LAND TAX ACT AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as may be required for the purposes mentioned in the Bill.

MARINE ENVIRONMENT PROTECTION BILL (No. 2)

In Committee.

(Continued from 22 August. Page 526.)

Schedules 1 and 2 and title passed.

The Hon. S.M. LENEHAN (Minister for Environment and Planning): I move:

That this Bill be now read a third time.

The Hon. D.C. WOTTON (Heysen): The Opposition supports the legislation at the third reading, but I indicate my disappointment with a number of areas. First, as a result of the debate in this place yesterday and last evening, we have been able to reach agreement regarding two further amendments approved by the Minister. This means that the Minister has now approved about 51 amendments and, as a result, the legislation is much improved. However, I am disappointed that the Minister has not been able to accept the amendments relating to the sludge issue.

It is certainly not my intention to go into a lot of detail on this matter. I believe that the Minister indicated last night—and she will correct me if I am wrong—that some $12.5 million was to be set aside for the cost of pumping sludge from Glenelg to Port Adelaide, and from Port Adelaide to Bolivar, yet in the budget today we find that some $4.5 million has been set aside to commence this exercise.

My concern is with the length of time that this project will take. We see that $4.5 million of the $12.5 million has been set aside for the next 12 months. It is vitally important that the Minister indicates how long it will take for this project to be completed. I express my disappointment and dissatisfaction that the Minister was not prepared to accept the two amendments in regard to this issue. The amendments suggested quite clearly that the project to pump sludge from Port Adelaide to Bolivar should be completed by the end of 1991 and the rest of the sludge, as it relates to other parts of the State, by 1993. I am particularly interested in a response from the Minister regarding the time frame for the Port Adelaide project.

The other matter concerns the specialist committee which the Minister has not been able to accept. Again, I will not go into detail about that, but I find it extremely frustrating that the Minister has not been able to accept this amendment. Whilst she has not accepted the amendment or the need for a separate specialist committee, the Minister continues, at this stage, to look to amend the legislation in regard to that committee. I do not know what the latest amendments are—I have no idea. The Minister made reference to further amendments which she intends to have introduced by her colleague in another place. I find this incredible. It is well over 12 months since the legislation was first put together.

Mr Ferguson: And don't we know.

The Hon. D.C. WOTTON: It is all very well for the member for Henley Beach to say, 'And don't we know.' I suggest that the fact the Minister is still introducing amendments to her own Bill suggests very clearly where the problem rests. It does not rest with the Opposition, it rests clearly with the Government which has not been able to get its act together as far as this legislation is concerned. The mere fact that, at this stage, further amendments are to be introduced in another place when the Minister was unable to get her act together to introduce them in this place is extremely disappointing and frustrating for all members who want to see this legislation introduced as soon as possible, and the Opposition certainly fits into that category.

The legislation vindicates the attitude of the Liberal Party and the Democrats during the last debate earlier this year and, as a result, we have much improved legislation. If the Minister had been able to have the original Bill passed, we would have had weak and flawed legislation, so at least we will have an Act that is much improved. However, I foreshadow that in the other place the two amendments that were not passed in this place will be canvassed again, and I can assure the Minister and the Government that we will be pressing to ensure that the Government supports these amendments at that time.

The Hon. S.M. LENEHAN (Minister for Environment and Planning): This Bill as it comes out of Committee has 48 clauses and two schedules. I thank all members who participated in the debate last night and again briefly this afternoon, and I wish particularly to acknowledge the contribution of the member for Heysen as the shadow Minister. It is important that the honourable member recognise that there are in the Bill a couple of new initiatives that were initiated by me, namely, the bond and the way in which it will operate. I want to pick up a couple of the points made by the honourable member, given that we had to cut short the debate last evening because of the time constraint.

First, I have not been prepared to accept the amendment which was again proposed (as it was proposed when this Bill was debated in April this year) and which relates to the establishment of a totally new and separate Environment Protection Committee. I remind the honourable member, as this is budget day, that we were looking at a costing of some $120 000 to establish that committee, and I acknowledge that that figure included some travelling costs. Last night I canvassed the arguments, and I have canvassed them previously in this House, as to why this is not the most appropriate way to go. We have a committee operating—the Environmental Protection Council—and a subcommittee has been established, which is already getting on with the job, although I will not delineate all the roles and functions that that subcommittee is already pursuing.

I want to pick up on the point the honourable member has tried to make that somehow, because I have indicated that I will introduce two minor amendments to the clause relating to the committee, the whole thing is flawed. I do not believe that two minor amendments indicate that, in terms of my ability to respond sensitively to my discussions with the Australian Conservation Foundation and the South Australian Conservation Council. I will be very happy to provide those amendments to the honourable member so that he has ample opportunity to respond to them.

The Bill was not acceptable to the Government last time it was debated in Parliament because of the inclusion of two provisions that we were not able to accept, and it is interesting that the Opposition has again introduced those same two amendments. One would have to question the integrity of motive of the Opposition, given that I have willingly and quite positively embraced and incorporated in the Bill—which has passed the first reading, second reading and Committee stages—the vast majority of amendments proposed by the Opposition. The fact that members opposite will insist on these other two amendments will indicate to the community at large that they are prepared to put in jeopardy this valuable and vital piece of legislation for the environment of South Australia.

The second amendment that I will not and cannot accept is that moved by the member for Heysen in relation to the setting of dates for the removal of sludge from Port Adelaide to the Bolivar sewage treatment plant. As I indicated to the House last night, I have freely acknowledged that a pipe connects Port Adelaide with Bolivar. However, out of commonsense and courtesy to the member for Heysen (and I would be really pleased if he would listen to this) since midnight I have obtained further information, from which he will see clearly that it is not possible—forgetting philosophical concerns—for me to accept the amendment with respect to Port Adelaide. The reason is that the existing system linking Port Adelaide and Bolivar is very old, and many parts of it are more than 50 years old. It is also a hybrid system. It could not under any circumstances be relied upon to meet the environmental requirements. I could not guarantee the integrity of that system to carry out the

pumping of sludge from Port Adelaide to Bolivar on a full-time basis.

Without taking too much of the time of the House, I should like to make a couple of points that will support the argument that it would be a total physical and engineering impossibility to construct a new pipe before the end of the year. It is a distance of 34 kilometres, and a new pipe and a number of pumping stations would have to be provided. The sludge transfer system was developed only as an emergency backup to sludge disposal to the sea. The additional sludge load would result in odour problems from the sewerage system and an increase in the likelihood of odours at the Bolivar sewage treatment works. To attempt to overcome the above odour problem, high chlorine doses are required at several locations. Consequently there is an increased risk of producing chlorinated organics. Surely, the honourable member will not ask the Minister for Environment and Planning to take such outrageous risks with the environment. By putting chlorine into the system to prevent odours at Bolivar, we run the risk of creating chlorinated organics, as well as incurring a significant operating cost.

I am also concerned that, if this pipe were to burst—and we cannot guarantee its integrity—the environmental risks would be totally unacceptable, given the consequences of an uncontrolled discharge of sludge from such a burst. I can assure the honourable member that if it were possible to use this existing pipe to pump the sludge from Port Adelaide to Bolivar, of course, any Minister operating in these tight financial times would have seized upon the opportunity and implemented such a program forthwith. I want to refer to the question that the honourable member asked me, and I will just wait until—

The Hon. D.C. Wotton interjecting:

The Hon. S.M. LENEHAN: He has asked a question and I am going to answer it. The total cost of the provision of a dedicated pipe to pump sludge from Glenelg to Port Adelaide and from Port Adelaide to Bolivar is in the vicinity of $12.5 million. As the Premier has just said in his budget speech, some $4.3 million has been allocated in this year's budget to allow for the first stage of achieving the land disposal of sludge from Glenelg and Port Adelaide to Bolivar.

I will be providing in the Estimates Committee a detailed program of the timing of that disposal of sludge. However—and I say this for about the tenth time—we will have sludge out of Gulf St Vincent by the end of 1993. We went to an election with that commitment, and we are honouring it by allocating funds in the budget. We have introduced an environmental levy and have clearly identified that the first priority of that levy will be to remove sludge from the gulf. We have outlined to the House—in fact, with the permission of the Treasurer I outlined last night, before the budget was brought down—that funds have been allocated in the budget for this program. That indicates, over and above any requirement that the Opposition wants arbitrarily to include in this legislation, a total and deep commitment of this Government to cleaning up our marine environment with respect to the requirements of the Engineering and Water Supply Department.

I will be insisting that the Bill remain as it is with respect to the two amendments that have been moved and defeated in this House. If the Opposition again wants to be responsible for destroying this legislation in the other place by insisting on these amendments, it makes that decision in the full knowledge of the fact that the Government will not accept those amendments. I accepted a number of other amendments from the Opposition last night and I am sure that indicates—

The Hon. B.C. EASTICK: On a point of order, Mr Speaker, there is a certain protocol relative to what is said in the third reading stage and I suggest that the Minister's indication of what might happen in the other place has nothing to do with the third reading in this place.

The SPEAKER: I ask the Minister not to make such reference.

The Hon. S.M. LENEHAN: In conclusion, I again thank all members who participated. I believe that this is an excellent piece of legislation and I thank the members who contributed positively to the passage of this Bill through the House. I commend the third reading to the House.

Bill read a third time and passed.

SUPPLY BILL (No. 2)

Returned from the Legislative Council without amendment.

WORKCOVER

The Legislative Council concurred with the resolution of the House of Assembly contained in message No. 6 for the appointment of a joint committee on the workers rehabilitation and compensation system and will be represented on the committee by three members, of whom two shall form the quorum necessary to be present at all sittings of the committee. The Legislative Council advised the House of Assembly that it has also resolved that the joint committee be authorised to disclose or publish, as it thinks fit, any evidence or documents presented to the committee prior to such evidence or documents being reported to the Council.

The Hon. R.J. GREGORY (Minister of Labour): I move:

That the members of the committee to represent the House of Assembly be Messrs M.J. Evans, Ingerson and the mover.

Motion carried.

ADMINISTRATION AND PROBATE ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

The Hon. J.P. TRAINER: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

STAMP DUTIES ACT AMENDMENT BILL (No. 4)

The Hon. FRANK BLEVINS (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Stamp Duties Act 1923. Read a first time.

The Hon. FRANK BLEVINS: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

At present insurance companies pay an annual licence fee at the end of February which is calculated as a percentage of net premiums collected in the previous calendar year. The rate for general insurers is 8 per cent and the rate for life offices is 1.5 per cent.

It has been the usual practice when these rates have been increased to introduce the necessary legislation in the budget session of Parliament. As a result the changes have become law around October-November. The licence fee payable in the following February has been calculated at the higher rate and applied to all premiums collected in the previous year. The insurance companies have complained strenuously that this practice gives them insufficient opportunity to recover the higher licence fee from their clients.

It is clear that the system of levying tax once a year, while administratively convenient both for the State Taxation Office and the insurance companies, is inequitable when rates of duty change.

The system works to the disadvantage of insurance companies when rates rise. However, were rates to fall (or be removed) it would be very difficult for the Government to ensure that duty collected by companies at the higher rate in anticipation of their February licence fee payments was returned to clients. In the extreme case there is no legal power to collect duty from a company which closes its doors on 31 December and declines to take out a licence for the following calendar year.

In May 1989 the Premier wrote to the Insurance Council of Australia (ICA) and the Life Insurance Federation of Australia (LIFA) suggesting a change to a monthly system of paying licence fees. After negotiations with both groups the Under Treasurer wrote in January 1990 suggesting an arrangement whereby:

- annual licence fees based on 1989 premium income would be payable on 28 February 1990;
- monthly returns would be introduced from 1 July 1990 with the first payment due on 15 August 1990 calculated on July premiums.

The ICA which represents companies paying over 90 per cent of the duty has accepted this proposal. The LIFA has not accepted the proposal. Therefore from the 1991 licensing year, it is proposed that general insurance companies pay their licence fees by monthly instalments while life insurance companies continue to pay on an annual basis. For 1991 the general insurers will be required to pay only 11 monthly instalments but thereafter will pay 12 instalments each year.

Discussions will continue with the life insurers on the proposal to shift to a monthly licensing system and on several associated matters.

In calculating their licence fees general insurers are at present permitted to deduct from gross premiums any commission or discount and any portion of those premiums paid by way of reinsurance. Duty is payable on the net amount. In other States only amounts paid by way of reinsurance are deductible.

Many of the general insurers operating in this State are national companies and their systems are operated on a national basis.

If the basis of the tax on general insurers in this State were changed to gross premiums (less reinsurances) there would be uniformity throughout Australia and the national systems operated by these companies would reflect the legal position here as well as in other States. The Government has agreed to change the method of levying tax in this State in the interests of harmonising collection procedures.

The extra duty payable may be as much as $4 million in a full year.

The rate of duty payable on compulsory third party insurance policies is presently only 0.5 per cent. The State Government Insurance Commission has a monopoly of such insurance.

The rate payable on other forms of insurance (except life insurance) is 8 per cent. To forestall any possible criticism that the Government is favouring a statutory authority over its private sector competitors the rate of duty on compulsory third party policies will be raised to 8 per cent with effect from the 1991 licensing year.

With the new monthly licensing system the change is expected to produce an extra $11 million of revenue in 1990-91 and $12 million in a full year.

In 1968 the Liberal Government of the day introduced a stamp duty of $2 on certificates of compulsory third party insurance lodged with the Registrar of Motor Vehicles. The proceeds were paid into the Hospitals Fund and used to help defray the costs of public and subsidised hospitals. In 1974 the duty was increased to $3 per policy and has not altered since.

It is proposed to increase the duty to $15 with effect from 1 January 1991. The proceeds will continue to be paid into the Hospitals Fund.

This measure is expected to raise an extra $4.5 million in 1990-91 and $9 million in a full year.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure. The provisions of the measure relating to insurance businesses are given retrospective effect to 1 July 1990. The provision adjusting the amount of duty on the insurance component of a motor vehicle registration application is to have a commencement date of 1 January 1991.

Clause 4 amends section 32 of the principal Act which contains definitions of terms used in the provisions relating to insurance business. The clause adds new definitions of 'general insurance business' and 'life insurance policy'. 'General insurance business' is defined as any assurance or insurance business not relating to life insurance policies. 'Life insurance policy' is defined so as to make it clear that the term does not include a policy covering personal accident or workers compensation or a policy complying with Part IV of the Motor Vehicles Act 1959, that is, a compulsory third party policy.

Clause 5 replaces sections 33 to 42 of the principal Act which relate to annual licences for insurance business and the duty on such licences. New provisions are inserted dealing with annual licences but also providing for monthly returns for general insurance business and the payment of duty on such returns. New provisions are also inserted providing for the keeping of records, default assessments, penalty duty and refunds of overpaid duty in respect of insurance business.

Proposed new section 33 prohibits the carrying on any assurance or insurance business in South Australia without an annual licence. The maximum penalty for such an offence is increased to $10 000 from the current penalty of $100 for each month or part of a month for which default continues.

Proposed new section 34 provides for applications for an annual licence. Applications are to be made in a manner and form determined by the Commissioner and are to be verified by statutory declaration. Duty payable on an annual licence is to be paid to the Commissioner at the time of lodging of the application.

Proposed new section 35 authorises the Commissioner to issue an annual licence on payment of the duty (if any) payable on it and provides that any such licence comes into force on the date specified in the licence (which may be a date earlier than the date of its issue) and remains in force until 31 December of the year in which it is issued.

Proposed new section 36 requires monthly returns to be lodged with the Commissioner in respect of general insur-

ance business. The date for lodging such returns is fixed as the fifteenth day of each month. The returns are to be verified by statutory declaration and to be accompanied by payment of the duty (if any) payable on the returns (for which, see clause 5).

Proposed new section 37 requires duty paid on an annual licence or monthly return to be denoted by cash register imprint.

Proposed new section 38 corresponds to existing section 34a and provides that a company, person or firm taking over some other insurance business is liable for any unpaid duty in respect of premium income received by the former business after the period in respect of which such duty was last paid by the former business.

Proposed new section 39 requires any company, person or firm that is or has been required to hold an annual licence to keep for five years all books and records required for the accurate calculation of duty in respect of insurance business.

Proposed new section 40 provides for the assessment and recovery of unpaid duty (together with penalty duty) where there is default in the payment of duty or non-compliance with the requirement to take out an annual licence or lodge a monthly return.

Proposed new section 41 provides for penalty duty where there is late payment of duty on an annual licence or monthly return. This penalty duty is fixed at the same rate as applies under section 20 of the principal Act—$50 or an amount equal to 10 per cent per month up to the amount unpaid, whichever is the greater. The new section also provides for a penalty of further duty equal to any amount that is required to be paid as a result of a default assessment. The Commissioner is authorised to remit the whole or part of any penalty duty under the section.

Proposed new section 42 provides for a refund of overpaid duty.

Clause 5 amends the second schedule to the principal Act which sets out the various instruments subject to duty and the amounts or rates of duty on those instruments. The clause amends the item relating to annual licences so that the current level of duty of $1.50 for every $100 or fractional part of $100 of premium income from life insurance policies remains payable on an annual licence. In the case of policies for general insurance (that is, policies other than life insurance policies), the clause provides for duty to be payable on the monthly returns rather than the annual licence and at the rate of $8 for every $100 or fractional part of $100 of premium income. Accordingly, the duty in respect of these policies becomes payable monthly but at the current rate for all general insurance other than compulsory third party which is increased from $0.50 to $8 for every $100 or fractional part of $100 of premium income. The clause further amends the schedule in this area by removing, for general insurance only, the current provision for deduction of commissions and discounts in calculating the premium income that is dutiable.

The clause also increases the compulsory third party insurance component of the duty on applications for motor vehicle registration from $3 to $15 where the registration is for 12 months, and from $1.50 to $8 where the registration is for six months.

Clause 6 provides for the repeal of the third schedule to the principal Act which sets out the form of annual licences. The form of annual licences is, by an amendment made by clause 4, left to be determined by the Commissioner.

Clause 7 contains transitional provisions. The clause makes it clear that although the amendments providing for monthly returns are brought into force from 1 July 1990, the first return required is for general insurance business carried on in July 1990. The clause also provides that the returns required in respect of the period before the enactment of the measure are not required to be lodged until the fifteenth day of the month commencing after the enactment of the measure.

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

TOBACCO PRODUCTS (LICENSING) ACT AMENDMENT BILL

The Hon. FRANK BLEVINS (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Tobacco Products (Licensing) Act 1986. Read a first time.

The Hon. FRANK BLEVINS: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The levy on the consumption of tobacco products was increased in 1983 from 12.5 per cent to 25 per cent to help the Government overcome its inherited budget problems and the impact of the natural disasters early in that year. Since then the only increase in the duty has been the extra 3 per cent to finance the activities of Foundation SA in replacing tobacco sponsorship, promoting a healthy lifestyle supporting sport and culture and preventing illness and disease related to tobacco consumption. The rate of duty in South Australia is now the lowest of all the States.

The Government has been encouraged by the Ministerial Council on Drug Strategy and by health bodies to raise the rate of duty as a further deterrent to smoking. The view has been urged upon us that price increases are the most effective way of preventing or reducing smoking particularly amongst young people.

There is now a large number of studies which show that demand for cigarettes varies inversely with price. The price elasticity of demand amongst teenagers is particularly high which is significant in view of the fact that lifetime smoking habits tend to be set in the teenage years.

It is significant also that price increases have a greater impact on tobacco consumption by low income groups. Increasing tax on tobacco products is therefore likely to be less regressive than might be imagined from a simple analysis of tobacco consumption prior to a tax increase.

By way of response to these concerns and as a means of assisting with the difficult budget task for 1990-91 the Government proposes to increase the rate of duty to 50 per cent which is equal to the highest rate applying elsewhere in Australia. The new rate will take effect from 1 November 1990 and is expected to raise an extra $27 million in 1990-91 and $40 million in a full year.

An amount equal to 3 per cent of the tax base will continue to be paid to the Sports Promotion, Cultural and Health Advancement Fund for application by Foundation SA in carrying out its charter.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 varies the rates payable in respect of fees for tobacco merchants' licences. The new rates will come into operation on 1 November 1990. A provision will also be included to allow the Commissioner to reassess a licence

fee if to do so is appropriate on account of amendments effected to the principal Act.

Clause 4 inserts a penalty provision at the foot of section 24. This corrects an oversight in the original measure.

Clause 5 varies the percentage of licence fee revenue that must be paid into the Sports Promotion, Cultural and Health Advancement Fund.

Clause 6 specifically provides that the amendments are to apply in respect of all tobacco merchants' licences that operate on or after 1 November 1990.

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

PAY-ROLL TAX ACT AMENDMENT BILL

The Hon. FRANK BLEVINS (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Pay-Roll Tax Act 1971. Read a first time.

The Hon. FRANK BLEVINS: 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

During its entire term of office the Government has never increased the rate of payroll tax, despite increases in every other State except Queensland. The only changes made have been to raise the exemption level (by much more than the growth in wages) and to extend the benefit of the exemption level to more taxpayers by reducing the rate at which it tapers off.

However the circumstances facing the Government in 1990-91 are such that an increase can no longer be avoided. New South Wales and Victoria have both announced increases which take the rate of tax in those States to 7 per cent. By concentrating its revenue-raising efforts as much as possible on other measures the Government has managed to keep the rate in this State to 6.25 per cent.

The new rate will take effect from 1 October 1990. From that date also the exemption level of $400 000 will apply to all taxpayers and will no longer reduce as payrolls rise. The effect of this change is that tax payable on payrolls up to $2 million per annum will remain the same and larger employers will pay the extra tax only on that part of their wages bills which exceed $2 million.

As a further means of offsetting the effects of the rate increase the exemption level applying to all taxpayers will increase to $414 000 from 1 January 1991 and $432 000 from 1 July 1991, thereby maintaining its value in real terms.

As well as these changes to the structure of the tax (which will make it much easier for taxpayers to assess their liability) the Government will legislate to bring fringe benefits into the tax base. Most other States have now moved in this direction in order to keep abreast of changes which are occurring in the market place in employee remuneration. To simplify the administrative task as much as possible for employers the fringe benefits liable for tax will be those on which fringe benefits tax is payable to the Commonwealth.

The Government will also move against two practices which are becoming more prevalent as devices for avoiding liability for tax. The first of these involves establishing what purports to be a contractual relationship between employer and employee which masks the true nature of the relationship. The second involves an arrangement whereby the employer makes payments to a third party (such as a trust) for the services of an employee. Payments made under such arrangements are already taxable in several other States. Genuine contracts will not be affected by the changes.

In total it is expected that these measures will result in a net addition to revenue of about $45 million in 1990-91 and about $70 million in a full year.

This Bill does not contain provisions dealing with contractual arrangements or payments to third parties. A separate Bill will be drafted for those purposes and circulated to appropriate bodies for comment. Where possible the Government prefers to follow this practice in order to ensure that taxation legislation presented to the Parliament is effective and readily understood by taxpayers.

Since the introduction of the Pay-Roll Tax Act 1971 the methods of remunerating employees have altered dramatically.

In recent years there has been considerable growth in the use of non-cash wages, resulting in considerable income tax loss. To prevent such loss, the Commonwealth introduced a Fringe Benefits Tax (FBT) in 1986.

The use of non-cash wages has also had a detrimental effect on pay-roll tax revenue, to the extent that it is now necessary to amend the Act to counter business practices which, although not designed specifically to avoid the tax, have resulted in the pay-roll tax base being significantly eroded.

Victoria has taxed 'benefits' which fall outside the conventional pay packet since 1980. New South Wales, the Australian Capital Territory and Tasmania have all enacted legislation to tax fringe benefits.

The current definition of 'wages' in the South Australian Payroll Tax Act includes wages, salaries, bonuses, commissions or allowances paid in cash or in kind to an employee. Although this definition may well extend to embrace some fringe benefits payable in certain circumstances, the broad nature of the definition would inevitably be the subject of interpretation and require clarification in the courts.

It is proposed that the definition of wages under the South Australian Pay-roll Tax Act be extended to include as wages all benefits, paid or payable to or in relation to employees. The value of such benefits is to be calculated on the same basis as specified in the Commonwealth's Fringe Benefits Tax Assessment Act 1986. This is a similar approach to that adopted in New South Wales, the Australian Capital Territory and Tasmania.

Under the new legislation, liability for pay-roll tax on fringe benefits paid will be determined by the Commonwealth fringe benefits tax legislation. The Commonwealth legislation specifies in great detail how to value benefits for FBT purposes. In general, the values are determined on the basis of the costs to the employer, rather than the value to the employee. As pay-roll tax is also calculated on the cost to the employer, rather than the value to the employee, the FBT approach is suitable for pay-roll tax purposes.

The major advantage of the FBT approach is that employers need not maintain a separate set of records to determine their liability. The same record for calculation of both FBT and pay-roll tax will be acceptable. This will significantly reduce the cost to taxpayers of complying with the proposed amendment.

Such an arrangement also has administrative advantages for the State in that the method of valuation is determined by the Commonwealth, the State can rely on Commonwealth rulings and precedents, and each time the FBT Act is changed it will automatically apply for pay-roll tax purposes.

Employers are required to lodge only one fringe benefits tax return for all their Australian operations. South Australian employers will be required to furnish their returns on the basis of benefits provided to employees whose services are rendered in South Australia. Where this cannot be achieved through current wages systems, employers who also operate in other States will be be able to submit a reasonable basis for apportionment for consideration by the Commissioner.

Under the proposed changes, cash allowances not subject to FBT are still taxed for pay-roll tax purposes unless they represent a direct reimbursement of employment related expenditure.

The current prescribed values for meals, accommodation and quarters will be replaced by the FBT values.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure, which is proposed as 1 October 1990.

Clause 3 makes a series of amendments to section 3 of the principal Act to include 'fringe benefits' within the definition of 'wages'. A fringe benefit will have the same meaning as in the Fringe Benefits Tax Assessment Act 1986 of the Commonwealth, subject to any exceptions prescribed by regulation. The value of any fringe benefit will be taken to be its value for the purposes of the Commonwealth Act.

Clause 4 amends section 9 of the principal Act to increase the rate of pay-roll tax from 5 per cent to 6.25 per cent, in respect of wages paid or payable on or after 1 October 1990.

Clause 5 amends section lla of the principal Act in two respects. Firstly, the 'prescribed amount' under this section is to be increased to $34 500 per month from 1 January 1991, and $36 000 per month from 1 July 1991. Secondly, the 'tapering' provisions that have applied under this section are to be removed.

Clause 6 provides for amendments to section 13a of the Act that are consequential on the charge to the rate of pay-roll tax and the increases in the 'prescribed amount' under section lla of the Act. These amendments are related to the operation of sections 13b and 13c of the Act. 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 whole 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 the relevant period and are necessary to ensure that alterations to the prescribed amount under section lla are taken into account in any relevant calculations, and that adjustments are based on the number of days in respect of which the employer paid or was liable to pay wages. Furthermore, it is necessary to relate the adjustments to two periods (or notional 'financial years') during the period 1 July 1990 to 30 June 1991, due to changes in the rate from 1 October 1990, and the abolition of 'tapering' from that date.

Clause 7 makes a consequential amendment to section 13b of the Act on account of the introduction of two adjustment periods under section 13a for the year 1 July 1990 to 30 June 1991.

Clause 8 lifts the level (expressed according to the rate of wages paid per week) at which an employer must register under the Act. The increase is connected to the increase to the prescribed amount under section lla.

Clause 9 amends section 15 of the Act to allow an employer to apply to the Commissioner to use estimates in calculating the value of fringe benefits for the purposes of a return under the Act. The Commissioner will be able to grant an appropriate approval subject to the employer complying with conditions determined by the Commissioner.

Clause 10 amends section 18k of the Act in a manner similar to the amendments proposed under clause 6, except that these amendments relate to the grouping provisions. The amendments are relevant to the operation of section 18*l* relating to annual adjustments and section 18m in cases where members of a group do not pay taxable wages or interstate wages for the whole of a financial year.

Clauses 11 and 12 are consequential on the introduction of two adjustment periods under section 18k for the year 1 July 1990 to 30 June 1991.

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

FINANCIAL INSTITUTIONS DUTY ACT AMENDMENT BILL

The Hon. FRANK BLEVINS (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Financial Institutions Duty Act 1983. Read a first time.

The Hon. FRANK BLEVINS: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The New South Wales and Victorian Governments recently announced their intention to raise the rate of Financial Institutions Duty in those States from .03 per cent to .06 per cent. The maximum duty payable on any one transaction will also be raised from $600 to $1 200.

In order to help meet the cost of maintaining a more generous pay-roll tax regime in South Australia, the Government has decided to lift the rate of FID in this State from .04 per cent to .095 per cent. The maximum duty payable on any one transaction will be set at $1 200, the same as in New South Wales and Victoria.

The revenue derived from these measures is expected to amount to $49 million in 1990-91 and $74 million in a full year.

The Government has also decided to establish a Local Government Natural Disasters Fund to meet the cost of providing assistance to local authorities which face unusually high expenditures resulting from natural disasters. Full details of the arrangements will be released when discussions with local authority representatives have been completed.

The fund will be financed by a surcharge of .005 per cent on FID which will remain in place for five years. By the end of that time it is expected that other sources of funding will have been developed. The first call on the fund will be repayment of the loans made available by the South Australian Government Financing Authority to pay the Stirling bushfire claims. The surcharge should produce about $4 million in 1990-91 and $6 million in a full year.

One of the chief attractions of FID is that it is a broadly-based tax and so can be imposed at a low rate. Therefore it has little impact on the average family. On reasonable assumptions about income, mortgage repayment and loan repayment obligations it is likely that such a family would pay less than 40 cents per week at present rates.

Even after the proposed increase in the rate to .1 per cent the cost to the average family will be less than $1 per week.

The Government is conscious of the need to avoid raising the level of the duty to the point where it becomes attractive to companies to redirect their banking transactions outside the State. At the time FID was introduced in 1983 stories abounded of retail stores sending overnight bags out of the State carrying the weekly takings. While these stories have been exposed as nonsense the possibility of such practices developing becomes greater as the rate of duty rises. If the Government becomes aware of practices being adopted which avoid the receipting of money within the State then legislative action to protect the tax base will follow.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 inserts new definitions of 'the prescribed percentage' and 'the relevant amount'. These definitions are necessary on account of the changes to the rate of financial institutions duty.

Clause 4 deletes redundant matter from section 5 of the Act.

Clause 5 is an amendment to section 22 of the Act that is consequential on the changes to the amount of financial institutions duty payable under the Act. This is because it is relevant to identify in each return under the Act any amount that results in duty of or above the amount included in section 29 (2) of the principal Act (the maximum amount of duty payable in respect of a particular receipt).

Clause 6 amends section 23 of the principal Act in a manner consistent with the amendments effected by clause 5.

Clause 7 varies the rate of financial institutions duty payable under the Act. The rate is determined by the application of the definition of 'the prescribed percentage'. The maximum amount of duty payable in respect of a particular receipt is also altered.

Clause 8 deletes redundant matter from section 31 of the Act.

Clause 9 will allow Territories to be prescribed under section 32 of the Act. Section 32 allows short-term money market operators to establish exempt accounts. The provision specifies the classes of receipts that can be paid into these accounts. One class is receipts received from accounts located in any 'prescribed State'. It is now appropriate to refer to Territories as well.

Clause 10 is an amendment of section 37 of the Act that is consequential on the changes to the rate of duty.

Clause 11 makes consequential amendments to section 76 of the principal Act.

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

LAND TAX ACT AMENDMENT BILL

The Hon. FRANK BLEVINS (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Land Tax Act 1936. Read a first time.

The Hon. FRANK BLEVINS: 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

In each of the past four or five years the Government has received complaints about land tax. Reduced to the simplest terms these complaints are:

- that liability for tax grows more rapidly than land values;
- that the tax is based on land values which do not reflect the capacity of existing owners to pay the tax.

Protests against the tax were particularly strong in 1989-90 and the Government responded by forming a review group with the task of reporting on possible changes to the present method of levying land tax which would be revenue neutral. The review group was instructed to consult with a reference group formed by the Chamber of Commerce and Industry representing the various industry bodies which wished to see changes to the land tax system.

The review group reported at the end of May, suggesting radical changes to the present system. In releasing the report the Government rejected two recommendations which advocated imposing land tax on the principal place of residence and on primary production land.

The other recommendations were:

- the abolition of the general exemption and the introduction of a proportional rate of tax;
- the adoption of capital value as the tax base for land tax purposes;
- the introduction of legislation to prohibit the inclusion in lease documents of provisions requiring tenants to bear the cost of land tax;
- the investigation of options for permitting at least those landowners with large tax accounts to meet their obligations in instalments rather than annually.

The Government has decided to introduce an amendment to the Landlord and Tenant Act to prohibit the inclusion in lease documents of provisions requiring tenants to bear the cost of land tax. This will restore the appropriate link between increases in the value of property and the responsibility for land tax. It will also enable tenants to budget more reliably for outgoings during the term of the lease.

At present, land tax bills are paid in one annual instalment. Several submissions to the review group called for land tax payments to be spread more evenly throughout the year like other charges, such as water rates and council rates, where provision is made for quarterly payment of accounts.

Land tax is based on land ownerships at a specific date—namely, the 30 June immediately prior to the year in which the land tax account is payable. All changes in ownership effective at the 30 June date need to be notified and objections processed before land tax accounts are issued. It takes up to five months for these ownership details and valuation issues to be finally determined, which explains why land tax accounts are not ready to be issued until November/December.

Under the present system quarterly billing of the annual land tax account is not feasible. It would be possible to introduce a system which would allow the annual land tax bill to be paid in four instalments in the calendar year following the 30 June assessment. An interim arrangement would need to be devised in order to determine quarterly accounts for the September and December quarters of the financial year in which the new payment arrangements were introduced.

However, there would be significant additional costs due to the need to send out four land tax accounts per year, rather than one as at present; there would also be additional staffing costs due to the increased number of transactions and inquiries needing to be processed each year. The Government concluded that these extra costs (which would be met ultimately by taxpayers) could not be justified. Annual billing will therefore be retained.

The argument for a proportional rate of tax is that it removes any possibility that liability for tax will increase more rapidly than the rise in land values. This is a major criticism of the current land tax system. Moreover it removes all scope for tax avoidance and eliminates the need to aggregate properties in order to achieve equity—individual properties are taxed the same whether in single or multiple holdings.

However, a truly proportional tax structure would require the present general exemption of $80 000 to be eliminated (since the rate of tax in the $0 to $80 000 range is presently zero). This would add about 90 000 new taxpayers to the system.

A proportional tax rate would also produce a radical shift in the incidence of land tax in favour of larger landowners to the detriment of smaller landowners. Amongst existing taxpayers there would be many more losers than winners, all the losers would be in the lower value ranges and most would pay between $500 and $1 000 extra tax per annum.

Notwithstanding the attractions of a proportional tax structure it is considered that these incidence effects would be too severe for small businesses to bear.

The site value of a property represents the value which is attributable to the efforts of the community. The owner of a property does not contribute to its site value but reaps the benefits of the efforts of others both in the private sector (who enhance the value of other properties by developing theirs) or in the public sector (which provides a wide range of public services). Economists argue that site value is the proper basis for taxing land because it—

- appropriates for the community a share of the value which the community has contributed;
- does not tax value added by the owner and so provides no disincentive to development.

Notwithstanding the strong theoretical argument for imposing land tax on the basis of site value those who have complained most about land tax have supported a change to capital value as the tax base. Their argument is principally related to one of the major complaints about land tax—the fact that it is not related to the capacity of the existing owners to pay the tax. It is their view that the more developed a property the better able is the owner to generate revenue to pay land tax.

This support for capital value as the tax base has one very important qualification—it must be introduced in conjunction with a proportional tax structure. No support has been expressed for a progressive tax structure applied to capital values since this would merely reallocate the burden of land tax (in an unpredictable fashion) amongst existing taxpayers.

To adopt only the recommendation relating to capital values might exaggerate the main problem (rapid increases in tax). It could also send the wrong signals to developers since they would not only pay higher tax as the development proceeded but a higher rate of tax.

While it is not proposed to adopt the review group recommendations for a proportional tax with no general exemption it would be desirable to take steps to address the problem which the group has identified with the present system by broadening the tax base. This will be achieved by retaining the present exemption threshold of $80 000.

In addition a revised tax scale will be introduced which incorporates lower rates of tax for all except the largest landowners. The new tax scale will be:

Value	Rate of Tax
$	
0- 80 000	Zero
80 001- 300 000	0.35%
300 001-1 000 000	$770 plus 1.50%
Over 1 000 000	$11 270 plus 1.90%

This will add an extra 6 000 taxpayers to the base (27 500 compared with 21 500 in 1989-90) because of valuation increases. The proposed rates compare with effective rates of .375 up to $200 000 and 1.7 per cent above that value for 1989-90. The metropolitan levy of .05 per cent on values in excess of $200 000 will be abolished.

This scale will produce revenue of about $78.5 million. This represents an increase of 6.8 per cent over tax assessed in 1989-90 of $73.5 million which is broadly in line with CPI estimates for the year. One of the major demands of the various land tax protest groups was that increases in land tax be kept to the CPI.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure. The time chosen for the commencement is consistent with section 10 (3) of the Act that provides that taxes imposed under the Act are to be calculated as at midnight on the thirtieth day of June immediately preceding the relevant financial year on the basis of circumstances then existing.

Clause 3 deletes the definition of 'the metropolitan area'.

Clause 4 provides for a new scale of land tax under section 12 of the Act. The levy that applies in relation to the metropolitan area is also to be abolished.

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

LANDLORD AND TENANT ACT AMENDMENT BILL

The Hon. FRANK BLEVINS (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Landlord and Tenant Act 1936. Read a first time.

The Hon. FRANK BLEVINS: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The recent report of the Land Tax Review Group recommended that legislation be introduced to prohibit the inclusion in commercial lease documents of provisions requiring tenants to bear the cost of land tax.

The practice of incorporating in leases a clause which requires the tenant to meet the cost of land tax defeats the purpose for which land tax was devised. It is the owner who benefits from the increment to value and it is the owner who should be responsible for contributing a share of that increment to the community.

When the tenant agrees to accept responsibility for land tax it must be assumed that the rent he or she agrees to pay is correspondingly lower. However, the tenant can only guess what liability for land tax will be. Should it exceed expectations, as has frequently been the case in recent times, the tenant is left with the obligation to pay more (in rent and land tax) than is economically rational while the landowner reaps the benefit of the increase in the value of the

property. It may be some years before the tenant is able to renegotiate the lease and restore the level of his or her outgoings to an economically rational level and thereby 'pass back' to the landowner the burden of land tax.

The lessor will naturally try to ensure that the level of rent payable by the tenant is sufficient to cover expected land tax increases as well as a return on investment consistent with market conditions. In periods of high demand this may lead to tenants paying in aggregate more than under the present system. However, at least tenants will be in a position to make a choice before signing the lease in full knowledge of the level of outgoings for which they are committing themselves rather than being caught part way through a lease with responsibility for a level of outgoings for which they have not budgeted.

The prohibition will apply only to leases entered into after this amending Act has been passed.

Clause 1 is formal.

Clause 2 provides for a new section 62b. It is proposed that it be a term of every commercial tenancy agreement entered into on or after the commencement of the measure that the landlord will bear any tax imposed in respect of the relevant premises.

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

ADJOURNMENT

The Hon. FRANK BLEVINS (Minister of Transport): I move:

That the House do now adjourn.

Mrs KOTZ (Newland): I wish to address my previous statements on adult literacy programs and the lack of support by State and Federal Governments. My previous comments related the sad story of excessive promotion of support by this Government to literacy programs, on the one hand, and the lack of substance to that support with programs already floundering from lack of funds, on the other. It would appear that the Minister of Employment and Further Education has been extremely busy setting the proverbial smokescreens around this most important issue.

The Minister has been prolific in his promotion of these programs, but I did say 'it would appear' that the Minister had been busy. However, I suggest that the true scenario being presented by this Government is one of appearance and appearance only. The promotion of press releases, brochures, pamphlets and an assorted arrangement of literature imposes unrealistic costs and removes funding from the viability and implementation of programs that should deal with adult literacy. The persons in our community who need assistance are not being helped by all this wonderful promotion.

Previous funding arrangements provided grants to train volunteers with the necessary skills to run these programs and provided a salary for a coordinator to be placed in a supervisory position in each core group. We now have trained volunteers willing and able to participate in these programs and coordinators to supervise and assist the programs, but the people whom these programs are meant to assist, the adults with literacy problems in our community, are not guaranteed that the programs already in operation will continue; nor are they guaranteed that the fluffy and delightful pamphlets, brochures and press releases will do any more than provide the shell without the essential core.

TAFE colleges providing existing programs fund those programs through their already overburdened budgets. The Minister cannot hang his fabricated promotional hat on these programs. Why does this House continually hear misrepresentations placed on record by Ministers of this Government? Why does this Government not come clean with the true position on matters of public concern? It is an insult to the people of this State, whom we represent, to hear the fabrications tendered in this place as answers to the serious questions which affect the welfare and needs of our community. They deserve to be treated in an appropriate and responsible manner.

This is the year of promoting international concerns over adult literacy. The Labor Government in South Australia cannot in all honesty claim to share these international concerns. The Minister of Employment and Further Education, with all his running around, has been running on the spot. If, on behalf of the Government, the Minister had expended half that energy in funding programs rather than promotional brochures we would be well on our way to addressing this problem. In this dollar-for-dollar value society that has developed under Labor Governments, it can be argued that several hundred thousand dollars to fund these programs is a minor investment in a problem that conservatively costs the economy $3.2 billion a year through lost productivity. If the health and social costs are added, that figure is probably a great deal larger.

I have not spoken about the overall literacy problems that affect our society generally. I have not mentioned the fact that children also suffer literacy problems. A recent article in the *Sunday Mail* covered an organisation that has been looking into the problems of literacy for a great many years. I will read from that article because it puts into words the area that I have not yet touched on. Headed 'Literacy: Don't forget children', it states:

> Despite tough economic conditions, and often with limited resources, our grassroots organisations continue to perform some of society's most important functions.
>
> Behind the rat-race of our 1990 lifestyle is a network of organisations, helping the elderly, counselling victims of crime, catering for the sick and disabled and finding employment for those in need.
>
> Although there are many well-known charities and service groups, there are also organisations we hear little of. Similarly, there are problems we hear little of.
>
> One which has grabbed the headlines recently is the problem of literacy. It is estimated that more than one million Australians have literacy problems.
>
> While there has been a call for a return to the three-Rs system of education, there are some who need a little more attention to be able to blossom in an information-oriented world.
>
> The Specific Learning Difficulties Association (SPELD) provides advice and support for both children and adults who have specific learning difficulties in areas of literacy and maths. Its services include counselling, assessment, tutoring, speech and language therapy and training programs for parents and teachers.
>
> SPELD's executive director, Mrs Shirley Dibden, said there have been frightening figures emerging from literacy surveys in Australia. 'These figures would not be so horrendous had we a system that made absolutely sure no child would leave school without the literacy skills needed to cope with an increasingly information-driven society', she said. 'There is no doubt the adult literacy programs run through the TAFE colleges fill a great need, but the point is: don't let children down by passing them by. I have been working in this field with children and adults for over 20 years and I know that it is much quicker and cheaper in time and money to get children over this hurdle than it is with adults'.

Many hundreds of volunteers in our communities are willing to give their time and effort to support and assist with literacy programs, but they need funding support from this Government. They deserve to be supported as they are a resource in themselves that cannot be bought and paid for, a resource that this Government cannot afford not to support.

They do not need a Minister posturing on this important issue: they need positive support. Literacy and the problems

contained within our school systems are other areas that must be addressed. Like everything else that is extremely important to our communities, Government funds will be needed to support these programs and projects. In the past, over a great many years, we have conducted surveys and tests and we have come up with a great mountain of books in support of conducting some form of literacy education within schools. This area is still a problem that we have not attempted to resolve in any way at this stage. Special education has received only a small part of the funding that has gone to the education system. We need to take that area and improve it to the point where our children, who are the future of our country, leave school with greater skills in communication in all the areas that are required for their future and ours.

Mr QUIRKE (Playford): It is often the role of members of Parliament to come into this place and make statements on issues of public concern and interest and to take up positions they hope will be picked up by the Government and other responsible people in the community. I rise in respect of one of those occasions today. I do not wish to take up unnecessarily the time of the Parliament, given that most of today's concerns relate to the State budget, but I do draw the attention of the House to a legal case that was before the courts about one or two weeks ago. I refer to this because it is a matter of extreme concern to many members of the public, to a number of my constituents and, I am sure, to many bank employees and people who fulfil similar functions in other financial institutions in South Australia.

I refer to the case of a convicted bank robber who, after being sentenced to a period of imprisonment, had his sentence suspended and was allowed to walk from the court on a three-year, $500 good behaviour bond. From my investigations I understand that if this person breaches the bond he will be brought back before the court to have the sentence further considered.

From my knowledge of such charges it is extremely unusual, where a person has flourished a knife in a bank and demanded money from staff, for such a person to be sentenced in this way. I have no doubt that the judge's summing up in this case was very appropriate. I also have no doubt about the facts which were contained in several media articles and which culminated in a lengthy article in Saturday's *Advertiser* detailing the demise of this man and the problems he has had over the past five or so years.

I do not doubt that it is true that this man had fallen on extremely hard times. When the judge in his summing up stated that this man was not so much to be condemned but pitied, it is probably correct. I understand that over the past five years this man has lost over $1 million—although I have no idea what that would be like; I have never had $1 million and doubt whether I will ever see that much money. However, I am sure that that would be a very traumatic experience. Also, this man had lost his wife, has problems with his children and has, in many respects, suffered all sorts of other social and financial calamities—and today I will not add to that.

However, I feel that a principle is involved here—that is, if you rob a bank in South Australia and if you use a knife, gun or whatever weapon to demand money with menace, it is appropriate that the courts sentence you to a term of imprisonment. A term of imprisonment, regardless of its length, is the only sentence that a court should contemplate in such a situation. The *Advertiser* of 15 August details this case for the public. In summing up, the judge said:

> There can be no doubt your background is both tragic and perhaps one of the most unusual to come before this court. Such offending can never be condoned but the fact is you are as much to be pitied as condemned.

The article continued to describe the events that happened on that day. It continues:

> The judge said that at about 1.50 p.m. on May 9, Mimmo had walked in to the Pulteney St branch of the Westpac bank, flourished a knife at one of the tellers and demaned $1 000.
>
> After the teller had handed over about $500, Mimmo said: 'That's enough.' He had walked out of the bank and along the street, followed by the bank manager. Justice Olsson said police had arrived, Mimmo was arrested and the money was recovered. 'All in all, it was a very amateurish hold-up and no-one was really exposed to any danger,' he said.

The public has a right to expect that for hold-ups, whether of TABs, bottle shops, delicatessens, banks, financial institutions, etc., and when violence is used or threatened, a term of imprisonment is an appropriate response from a court. In this case it might well have been the prerogative of the judge to show mercy, and I think the community would support that prerogative.

A period of imprisonment would cost the taxpayer money and at the same time would probably do little to deter the offender. However, where the law is concerned in this instance and in others of this type, it is appropriate that the community should make clear that in South Australia, if people rob a bank or a person and threaten violence, a term of imprisonment will be imposed.

Consequently, I have raised this matter tonight, and I wish to put on the public record that I believe the matter was dealt with inadequately by the courts. Although I wish no further punishment upon this individual, the principle of the sanctity of human life, and the safety in which our citizens, bank employees and others can go about their duties, demands that the community imprison people such as this, making quite clear that this behaviour will not be tolerated in our State.

Over the past five years a great deal of progress has been made, by banking institutions in particular, in the provision of safety equipment, screens and anti-robbery apparatus to protect staff members in the course of their duties should an armed hold-up occur. The Bank Employees Union, the Federated Clerks Union and other relevant bodies have drawn attention to this matter in the interests of their employees. I simply want to draw to the attention of the House that the people in the community who use these banks also have rights. They should be able to use those institutions freely without the fear of armed hold-up of any kind. The law should provide adequate deterrents and they should be administered properly by our courts.

Mr GUNN (Eyre): I want to express my concern and annoyance about one particular aspect of this budget. I have always believed that all South Australians should be treated fairly and reasonably. We currently have a Government in power in this State which is a minority Government, rejected by the majority of citizens. At page 14 of the budget speech the Premier states:

> There will be no change to motor registration fees, including concessions provided to pensioners. However, some other concessions particularly applying to primary producers and local government will no longer apply. Where appropriate the fees charged for services will be set to ensure that the cost of providing those services is recovered from users.

He goes on to talk about increasing the cost in relation to heavy motor vehicles. Clearly, that statement indicates that the concessions which have applied for many years to people who use their vehicles of necessity in making their income in the rural, mining and fishing industries will now be denied them. We should clearly examine the context in which this decision has been made.

It has been estimated, according to the media this week, that rural industry income in Australia will probably fall by nearly 50 per cent. We have a group of people who live away from the centre of population. From the way in which this Government is conducting itself, it would appear that, if people do not live within 25 kilometres of the GPO, they do not count. What are the facts? It has been accepted that the registration fee for commercial vehicles, trucks and utilities that are used for the purposes of earning income should be reduced by 50 per cent because those vehicles are used off road to a large extent. They are used purely for the purpose of obtaining income, not for pleasure.

May I also point out that in these communities there is no regular STA bus service and I note from the budget papers that the STA will lose $130 million this year, to which all those taxpayers outside metropolitan Adelaide will contribute. This is a ridiculous decision made by a Government that obviously has no understanding of the situation. I am appalled that I have to get up in this House and complain vigorously about this sort of conduct. I would have thought that anyone with an ounce of commonsense would know that most of these vehicles are driven on dirt roads. The road system in this State is deteriorating rapidly. Millions of dollars are spent in the metropolitan area on all sorts of harebrained schemes, the Government is increasing the Public Service and there are thousands of cars with blue number plates racing around in South Australia. I am going to start counting them and taking the number of those vehicles because of what this Government has done.

I am appalled to see these vehicles in some of the places that I see them. We will find out some of the facts in the near future. What about the people who live outside local government areas? They will be whacked, too. What about the people on Kangaroo Island? They will also be affected. What about the people in the opal mining fields? They have already suffered massive increases in relation to their right just to mine. Now they will lose their primary producer registration concession.

What is the purpose of this exercise? Is the Government not aware that we are facing economic difficulties? Is it not aware that, as a result of the situation in the Middle East, we will lose a considerable amount of our wheat market, that the live sheep trade is facing severe difficulties, and that the value of sheep has dropped dramatically in the past few months? Yet, it is to remove this longstanding concession. Many people who use trucks for these purposes travel very few kilometres a year but their costs will obviously be doubled. We are talking not about a small sum, but about hundreds and hundreds of dollars.

People's incomes are falling rapidly. They do not have these vehicles because they like to see them parked in the sheds; they have them because they are an essential part of their ability to earn an income. May I say, it is an income that benefits all South Australians. In this State and this nation we seem to have a great ability to penalise, to control, to interfere with, to generally annoy and to frustrate anyone who wants us to do anything constructive, to develop or improve the overall welfare of the citizens of this State. This is another classic example.

Unfortunately, the Premier has given very few details, obviously hoping that this measure will slip through the net and that people will not really understand until they get their next registration notice. However, I can assure him that people will fully understand what is taking place. I wonder who made this recommendation; I wonder where it came from; I wonder whether it was discussed with industry. What is the purpose of an exercise of this nature, because most of these vehicles are used on the job? They do thousands and thousands of kilometres per year and do not go on the roads.

What about the people in the pastoral industry? Their vehicles probably never see a bitumen road and they are driving on tracks. Will they be whacked with this particular increase? I wonder who was the architect of this exercise, because it is another example of how, if you do not live within the metropolitan area, you will be penalised. One thinks of the sorts of expenditure programs this Government is engaged in, yet it has already tried to reduce schools and hospital services in rural areas.

There has been a tremendous fight to get any justice in relation to the reductions in these cases. Of course, these people are labouring under excessively high rates of interest and also suffering from the losses in the export income because of the international situation. They are suffering because of the over-value of the Australian dollar.

I want to protest strongly to the Premier and to the Government about the decision to which I have referred. I believe it is ill conceived. It has been made in haste and it has failed to understand the need for a little fairness in the system and a little equity in relation to the raising of revenue.

I mentioned earlier some of the other effects on my constituents, and I quote from a letter from the Coober Pedy Miners Association, as follows:

> There are few miners who are fortunate enough to peg a claim which will yield sufficient opal for them to remain for a few months on one claim. It is more the norm for individual miners to register more than six claims per year and some partnerships register around 30 claims (large ones) per year. These high prices will prohibit the activities of many miners and discourage prospecting, the very element needed for survival of the opal mining industry. The Director-General has stated that his department's costs are in excess of revenue received but it is felt that placing these high percentage costs on the industry will disadvantage our South Australian opal fields at a time when they are all experiencing a prolonged economic slump.
>
> All opal fields and particularly Coober Pedy, are suffering economically. Opal is becoming increasingly difficult to locate as there have been no viable new fields, producing good quality opal, discovered for some years and old fields are producing little as they are virtually worked out. Production costs are spiralling and demand for the product is low with prices for same grade opal some 50 per cent less than at the same time in 1989.
>
> Coober Pedy's economy depends on the opal mining industry and the tourist industry (which to a great degree is dependent on a viable mining industry). Should the mining industry collapse, there shall be no alternate form of employment for the majority of the town's citizens . . .

Some of these charges have increased by up to 66 per cent, others by 50 per cent and some by 60 per cent. Those are the sorts of charges being inflicted upon the industries of this State that have the ability not only to maintain our standard of living but to help increase it. All they want is a fair go. They are sick and tired of being interfered with and controlled by outside groups who have no practical understanding and whose agendas are quite different.

We have these odd-bod people coming into these areas and endeavouring to impose their will upon local people. We have bureaucracies and Government departments set up not to help but to hinder. We have environmental nonsense overriding common sense, and bureaucratic controls that have gone absolutely out of control in this State. However, the Premier sits by while all this happens, and washes his hands of it—yet he will spend $50 million on an entertainment centre. And when it comes to the only two industries—destroy them!

Motion carried.

At 5.9 p.m. the House adjourned until Tuesday 4 September at 2 p.m.