

## HOUSE OF ASSEMBLY

Thursday 29 August 1991

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

## CONSUMPTION TAX

**Mr QUIRKE (Playford):** I move:

That this House condemns moves by the Liberal Party at both the Federal and State levels to bring in a broadbased consumption tax.

Usually when a policy is being pursued by a Party at the Federal level that is manifestly unfair, iniquitous and against any sense of social justice, the State partner is the silent one. However, in this case both the Leader of the Opposition and the Deputy Leader have put on record here that they fully support this move at the Federal level. One can only surmise that the impact it will have in South Australia is of little interest to them. In his Address in Reply speech, the Leader of the Opposition said:

I welcome the opportunity to argue the benefit of a consumption or goods and services tax, because I can assure members opposite that, if they were prepared to tell the truth as to its effect, and if they were prepared to look at the best interests of Australia and South Australia, they would end up eating their words.

We indeed welcome the debate, and we welcome the support of the Leader of the Opposition for the consumption tax, because it shows us who the Liberals really represent: the Ferrari set, those people out there who want to get the large consumer items more cheaply, those people who can afford to pay the general consumption tax. Further, the Leader said:

There is no doubt that a goods and services tax will reduce that problem.

He is talking about the cash economy. It may well indeed provide some benefits in that area. He continued:

It is rather interesting to note, when listening to members opposite, that we would be the only people in the world who paid a goods and services tax, but the fact is that 21 of the 23 OECD countries—and many are our competitors—have a goods and services tax.

When addressing the speech that I made in this House and the pamphlet that I put out to my electorate, he said:

If they considered what goods incur a 20 per cent wholesale sales tax now—

and I underline the words 'wholesale sales tax'—

they would see that the list includes bicycles, motor vehicle parts and accessories, oils and lubricants, detergents, soap powders, starches, toothpaste, non-alcoholic beers . . .

The supermarket trolley does not contain just detergents, soap powders and toothpaste, though. In any case, that tax is a wholesale tax. Someone ought to explain the difference. A wholesale tax at the last point of wholesaling is much less than a tax almost at the same level at the point of sale. The mark-up on many of those items on the shelf is 100 per cent or more.

The supermarket trolley contains many more items such as bread, milk, meat, cheese and many other products on which my constituents would be paying 15 per cent more if such a tax were to be introduced. We were told by the Leader in here that a statement to the effect that taxes would be placed on mortgages and financial transactions was not accurate. What do we know to be accurate? We are told that we will find out by Christmas. At this stage we do not know and, by the time we address this problem again in just over a month, we will not know then either, because

the reality is that the Liberal Party has not worked it all out yet. The Liberal Party people at both Federal and State levels are saying that they have all the answers. They tell us that one reason is that it is to fight the cash economy.

It is nothing of the sort. It is a move to tax the ordinary, the poor and the battlers in this community to pay for an end to the capital gains taxation, to pay for high income tax earners to get further cuts, and to pay for their natural constituency. Members of the Liberal Party go on to say—and they have said it in this House—that a trolley load of groceries would wind up at either the same price or even less. If that is the case, why are they supporting such a measure? The reality is that the Liberal Party knows that it is a tax measure that will hit ordinary people out in the supermarkets and in the shops. The beneficiaries of such a tax are the people buying large consumer items, the big ticket items. Indeed, the member for Napier has quoted in this place figures on the price impact on a Mercedes. Not only did we have the Leader of the Opposition endorsing this tax but we also had the Deputy Leader endorsing that policy. I refer to *Hansard* (page 402) where, in giving some gratuitous advice to the Prime Minister, the Deputy Leader stated:

It is about time that the Prime Minister understood that.

He is talking about elections and giving advice on how to win them. He continued:

Given the present statistics, if he embraced some of the far reaching policies of the Liberal Opposition, he would go a long way to shoring up his own position and making the next election a real contest, but he has not done that.

I will mention the goods and services tax very briefly as part of a—

**The SPEAKER:** Order! I draw the member for Playford's attention to Standing Orders, which provide that a member is not allowed to refer to debates in the same session of Parliament. I ask the honourable member to take that on board and not to refer to debates in the same session.

**Mr QUIRKE:** Thank you, Mr Speaker. I will not go ahead with that quote but, in essence, it endorses that the Deputy Leader supports the concept of a broadbased consumption tax which will affect all the constituents in my patch. I must say that the people of Australia would be worse off. They would see a wholesale shift from the present level of tax at the bottom end of the tax collection area to the top end. Capital gains tax, as I understand it, has affected only a couple of per cent of people in our community to date. It is a fair tax and I believe that the fringe benefits tax was also a fair tax and brought about a much better and more equitable situation. If those rorts are to be brought back in to provide benefit for the people who are the large consumers and high income earners, it will be undertaken by the Opposition on the basis that it will increase charges for electricity, gas, Telecom and in a whole range of areas like that.

**The Hon. D.C. Wotton:** Water rates?

**Mr QUIRKE:** Indeed, water rates are probably a good example: a 15 per cent consumption tax across the board on all these items would affect everyone in this State. The State Opposition should stand up for the people of South Australia and say that a 15 per cent consumption tax across the board will hurt every person in this State. It will shift the burden of tax to the poorer half of the community. It is in the interests of the rich and the Liberal Party, who represent them in this place, to ensure that the consumption tax is brought in. Where this is concerned, it will bring about the most iniquitous changes in taxation since Federation. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

### COUNTER RECESSIONARY PACKAGE

**The Hon. T.H. HEMMING** (Napier): I move:

That this House calls on the Federal Government to implement a counter recessionary package aimed at promoting employment and training opportunities bringing forward major infrastructure programs and expanding initiatives announced in the March Industry Statement.

Members will be aware that I put this motion on the Notice Paper prior to the Federal budget in the hope that the Federal Government would heed my call. Unfortunately, I have to tell the House that my call has not been a complete success, as the counter recessionary measures announced in the Federal budget can only be described as somewhat limited. However, besides my efforts, others also have made strong representations to Canberra. Our Premier has pushed strongly for major infrastructure projects to be brought forward, and for an immediate cut in interest rates. In June the Minister of Employment and Further Education released for presentation to the Federal Government a 12 point plan for jobs recovery. To me, that was really the catalyst of how we could address the problem of unemployment, especially youth unemployment in this country and, more particularly, in this State.

I am a little bit disappointed that the Federal Government chose to pick up only a few of those points in its budget. Looking at the 12 point plan, which I understand was circulated to most members of Parliament (and I am sure you received one, Sir), the rationale included in the document can be described only as rigorous and clearly demonstrates that it is possible to kick-start employment recovery without damaging the Federal Government's medium or long-term budgetary position. That was the important part of the 12 point plan: it could work within the framework of the Federal Government's budgetary policy. The Minister made that perfectly clear when he spoke to his Federal counterpart.

The 12 point plan was very simple, but I think that the problem was that, because the plan was simple, some of the gurus in Canberra could not understand the benefits that unemployed youth in this country would gain from it. The first point in the plan states:

Bring forward the commencement of infrastructure projects of national strategic importance and encourage private investment in these projects by removing impediments and providing tax incentives.

To satisfy the trade union movement, the second point advocates further wage-tax trade off. The third point, which has been picked up by many people, relates to a reduction in real interest rates. Next is an increase in and reordering of payments of subsidies to employers to retrain staff and to take on new staff. I am sure that you, Sir, have had many young constituents come to your office who have knocked on the doors of employers time and again seeking a job, but are turned away. Unfortunately, they then become apathetic, and I sympathise with them.

The fifth point refers to speeding up reforms to education and training systems, including a better targeting of Austudy to assist the most disadvantaged in the community. Sixthly, to increase the number of higher education places. Next, a review of the taxation policies and practices nationally which hinder employment development and/or skew investment into non-productive areas. With respect to that point, we do see investment taking place currently. Sure, there is investment, there is still money around, but it is not going into those areas where it will provide a productive mechanism to get young people into the work force.

The eighth point is to implement immediately the proposed national small business strategy. Members opposite

often talk about the plight of small businesses, and I have no problem with that. If the Federal Government had picked up this particular point, it would have helped small business. The ninth point is to increase funding to the Office of Labour Market Adjustment. The tenth point is to develop and implement national conservation corps and national community service corps programs based on the highly successful South Australian Youth Conservation Corps pilot program for long-term unemployed young people. Every time I have spoken to people who have had some dealings with our own Youth Conservation Corps pilot program I have heard nothing but praise. It is twofold: it gives people an incentive to be out there working, but it is also part of the environmental conservation program. I do not wish to embarrass him, but the Minister needs to be congratulated with respect to this particular area.

Another matter which is dear to my own heart is the next point which refers to stimulating private housing construction activity as a vehicle to generate additional employment and housing opportunities for low income earners. It has been documented time and again that the housing industry is the biggest employment generator that we have in the country at the present time. I like to recall the days when the Federal Government was perhaps a little more humane with respect to the Commonwealth-State Housing Agreement which dealt purely and simply with public housing. It not only provided a roof over the heads of those people in need of accommodation but also employed many thousands of people in the community.

The final point, which perhaps should have been the first point—maybe Mr Dawkins had become a little bored by the time he reached this—was to hold, as a matter of urgency, a national employment summit. I am sure that my colleague the Minister of Employment and Further Education was somewhat pleased that the Federal Government heeded some of his calls and announced improvements to Austudy and that some labour market programs have received a boost to the tune of about \$200 million. However, having read the Federal budget and outlined the 12 point plan, there were quite a few others that the Federal Minister and the Federal Government could have heeded. For instance, interest rates is a classic case in point. The Premier has urged a real cut in interest rates. I seem to recall you, Sir, saying that there should be a real cut in interest rates. I have said it and most of my colleagues have said it because, unless we get a real cut in interest rates, we will not get the recovery as quickly as we want it.

However, it is still not too late. I urge this House to join with me in calling on the Federal Government to rethink its budgetary position, as I believe that the morality of allowing levels of unemployment of around 10 per cent for the next two years is highly questionable. Ten per cent might be the national average but, if we in my electorate had an unemployment rate of 10 per cent, we would think that we were very lucky, that all our Christmases had come at once and we were in a boom time. I am talking about an unemployment rate of around 18 per cent and, in the area of youth unemployment, of the order of 28 or 29 per cent.

Again, I support and urge all members of the House to support the call for a national employment summit. Although it would have been better held before the Federal budget, the call is still valid. There has been widespread criticism of the budget because of its lack of impact on employment. Some comments have come from the Party of members opposite at a national level—

**Mr Ferguson:** Members of the establishment.

**The Hon. T.H. HEMMING:** My colleague the member for Henley Beach says 'members of the establishment'. That

might be a bit unfair. I do not think that the member for Davenport would be classed as a member of the establishment, although he might represent quite a few. However, despite the fact that the Federal budget has been brought down, we need a meeting of State Governments, the Federal Government, employers, unions and welfare groups, and this would be the ideal forum in which to engineer a package that makes up for the shortcomings of the budget.

We have heard much criticism of national summits, where everyone goes in with their own vested interests and could not give a damn about what the other people at the summit are asking for, but this is a time of reconciliation. Everyone must get together and decide what is best for the country. As far as unemployed youth are concerned, if we slam the door in their face now, the chances of that door ever being opened for them would be non-existent. We will have a situation in which some young kids who want to work and who try desperately to get into the work force will have no chance.

Who could blame them if, after two or three years of this happening to them repeatedly, they should suddenly give up? You, Sir, do not want that. I do not want it and I think that, in their heart of hearts, members of the Opposition do not want it. That is why I say that this is a time for national conciliation, and if we can produce a package which puts Australians back to work, which does not send us bankrupt but which, rather, gives us a sustainable economic and job growth policy, that will be for the benefit of all.

We should forget our political affiliations: we are talking about young Australians and people who want to get a job and play their part in the creation of this great Australian nation. I seek leave to continue my remarks later.

Leave granted: debate adjourned.

#### ABORIGINAL LANGUAGES

**The Hon. T.H. HEMMINGS (Napier):** I move:

That this House supports a major strategy to save and revive those Aboriginal languages unique to South Australia that are in danger of being lost unless a comprehensive Aboriginal culture and language program is developed.

When people first come to this country or when they are young, they read the traditional storybooks about Aboriginal culture, which are somewhat coloured, as they are usually written by white people, and tend to put down, in effect, the real meaning of Aboriginal culture. When I applied to come to this country and read books about the development of Australia and the role of the Aboriginal community in this country, my perception was completely different from what it really was all about. Most people in my category, that is, migrants, would agree with that.

So, I was pleased to note that in July the South Australian Government announced a major campaign to save several local Aboriginal languages from extinction. South Australia is in danger of losing several of our unique languages; those languages are a vital part of our heritage extending back many thousands of years. Originally, up to 270 distinct Aboriginal languages, comprising 600 to 800 dialects, were spoken in Australia. Today there are only 50 nationwide, and most are under threat. Linguists and Aboriginal leaders predict that by the year 2000 no more than 12 languages will still be spoken in Australia. Some experts predict that there may be as few as three Aboriginal languages still 'thriving' nationally, that is, being acquired by children and used throughout the whole community.

It is estimated that between 25 and 35 languages were spoken in South Australia prior to European contact. All

South Australian languages belong to one language family (that is, they have a common genetic origin) and can be further divided into three subgroups: Western Desert, Adelaide Plains, and Murray River and South-East. These languages were complex and reflected the complexity of the social fabric of their society, and the Dreaming that was an oral tradition built up over tens of thousands of years.

A native speaker of an Aboriginal language controls roughly the same number of words as does an English speaker, that is, probably around 8 000 to 10 000 words. Aborigines were traditionally multilingual, speaking several dialects as well as different languages from an early age. Language played an important part as an expression of group solidarity, with small dialect differences being vital in asserting group identity.

Those of us who have had the honour of contact with Aborigines would know that their language is dynamic and has always been changing in response to changes of lifestyle. Even today in the Aboriginal lands, in those remote areas, because of the rapid changes due to video recorders and other media, the influx of people from other areas and so on, the languages are changing. I am not suggesting in this motion that we should deprive and, in effect, isolate the communities. I was a member of the Pitjantjatjara parliamentary committee when it went into the Pitjantjatjara lands, and I have seen the ample use of video and television in getting the message of aboriginality to those people who live on the lands.

*The Hon. M.D. Rann interjecting:*

**The Hon. T.H. HEMMINGS:** The Minister reminds me that Ernabella television is actually doing a fantastic job. They do not have the state of the art equipment that we have in Adelaide, but they have a 100 per cent audience. *Imparja* is another network that is being used as a vehicle to promote aboriginality. That is a side issue. At the same time, it is having an effect on the language.

Not only is there an increased incorporation of English words into conversation but also I have been told that some simplification of grammatical structures is occurring in the languages. In South Australia, Pitjantjatjara is perhaps the only language being acquired to an extent where children and adults converse fluently in that language on a daily basis. *Adnyamathanha*, which covers the Flinders Ranges, and *Arabana*, at Murray-Lake Eyre, are still being spoken by older people but are no longer being acquired by children as a complete language, and that is a shame.

There is always the bright side—there are some adult education classes in Ngarrindjeri, run through the Gerry Mason Aboriginal Community Centre in Glossop. Narrunga on the Yorke Peninsula (where I spent many happy hours) and Kurna on the Adelaide Plains, have also been documented, but to a lesser extent. *Boandik* in the South-East and *Peramangk* in the Adelaide Hills are languages about which little is known, but people still identify strongly with the names. Language is an enormous source of pride. Australian Aboriginal languages have immeasurable heritage value to all Australians. They are inseparable from the identity of those Aboriginal people who speak them or identify with them—whether their language is a strong community language, one left in a threatened state or one that now requires a retrieval or revival project. For many Aboriginal people, language is the one thing left to them from their traditional past in a world in which everything else has gone—land, ceremony, the Dreaming, traditional food and lifestyles.

I would like to think that we do not take away the language as well. When Aboriginal people moved into the missions and towns, they began to lose their language. It

was regarded as ignorant to speak the language in front of white people and others who did not understand it. That, again, highlights the attitude that the Europeans had towards the Aborigines in the early days. We must turn around that situation.

It is vital that we, non-Aboriginal Australians, put a value on Aboriginal languages. Denigration of a language is denigration of its speakers. Loss of self-esteem is one of the most serious problems in Aboriginal communities, as they themselves say. Restoring a language and affirming its worth goes a long way towards restoring pride in that community. I am aware that a number of language programs are already in place in South Australia. I am most impressed with what the Education Department is doing. It leads Australia in the development of language programs in schools. Bilingual education has been in place at Ernabella since the 1940s, and today in the North-West Pitjantjatjara lands Aboriginal children continue to develop skills in both Pitjantjatjara and English throughout their schooling.

Pitjantjatjara as a second language is also offered to Aboriginal students at several schools including in the western suburbs of Adelaide, and at Port Augusta. Some Adnyamathanha has also been offered at Port Augusta and at the Leigh Creek Area School. Language revival programs, aimed at communities where English is the 'mother tongue', but where there is also considerable knowledge of and interest in their Aboriginal linguistic heritage, is being carried out at Nepabunna and at Marree. I have also heard good reports of community based language retrieval programs at the Gerry Mason Centre in Berri and at the Quorn Area School.

It does not end there, and that is where congratulations should go to the Government. I am not in the habit of congratulating this Government, but in further education we have continued that thrust. I am pleased to know that Pitjantjatjara is incorporated in the Aboriginal studies program at the Underdale Campus of the University of South Australia. The Anangu teacher education program is also based at Underdale and provides teacher training of the Pitjantjatjara people to teach in their own schools. That is a good step, but we must do better.

It would be a shameful indictment of our society if we allowed our own South Australian languages to die. The recent report of the Royal Commission into Aboriginal Deaths in Custody made clear recommendations on the need to encourage Aboriginal language development. I am pleased that the Minister of Aboriginal Affairs has convened a task force on Aboriginal languages to look at the best way we can maintain and develop South Australia's unique linguistic heritage. I understand that he has asked the task force to examine the feasibility of establishing an Aboriginal languages institute that will network through the South Australian community. He has also asked for suggestions for ways of involving universities and TAFEs in a greater effort for developing tertiary level courses for speakers and teachers of languages.

I would like to think that there are non-Aboriginal Australians who would like to take part in those courses being offered by the Underdale Campus and TAFE colleges and who, through obtaining a better grasp and understanding of the language, cultivate a better understanding of the Aboriginal culture. As I said, we in this Chamber all stand guilty of time and time again—perhaps not deliberately—not really understanding what the Aboriginal culture is all about. I urge all members to support this motion, and I call on the Commonwealth Government, the universities, ATSC and the private sector to support this valuable initiative.

Mr S.G. EVANS secured the adjournment of the debate.

### ENTERPRISE BARGAINING

Mrs HUTCHISON (Stuart): I move:

That this House applauds moves by the Government to ensure that trade unions are involved in the development of enterprise bargaining arrangements and declares its opposition to any attempt to implement legislation similar to the Employment Contracts Act recently introduced in New Zealand and, further, this House calls on the Federal Parliament to resist any moves to implement such legislation at the national level.

This motion seeks to do two things: first, to congratulate the Government on its timely and very successful efforts to ensure that the workers' organisations that properly represent the rights of their members—the trade unions—are involved in the development of the new enterprise bargaining systems that will be a feature of wage fixation in the future; secondly, to send a clear warning that this House does not want any part of the employment contract system currently wreaking havoc in New Zealand. We call on the Federal Parliament to take a similar stance and recognise the gross inequities in and the dangers of this New Zealand experiment.

I shall address the issues in the order in which I have mentioned them. Earlier this year the South Australian Government made a submission to the State wage case, and I am sure that everyone would be aware of that. In the submission, the Minister of Labour stated that it was vital that unions or registered associations were involved in enterprise level negotiations that led to award changes—and that was made for very good reasons. The Minister submitted that it was important in order to ensure the prevention and settlement of industrial disputes.

More importantly, I feel, in handing down the State wage case in July, the full bench of the Industrial Commission accepted the thrust of the Minister's argument. In fact, that was a very important decision. The full bench stated:

The role of registered associations needs to be fully recognised. . . If agreement is reached, such agreement must be brought to the commission for approval. At that time the commission will insist that, if consultation with the relevant associations has not already occurred, all registered associations who have a proper interest in the matter be then advised of the terms of the agreement, and the commission will not ratify any such agreement before all such registered associations have had an opportunity to make submissions to the commission as to whether the proposed changes should be permitted or not.

As I said previously, this is a very important decision on the part of the full bench. The media seems to have ignored this element of the decision, but I am sure that it has not been lost on the unions. This is actually a guarantee that unions will be involved in enterprise bargaining over award charges. That is very important to the whole system; they should be involved in that bargaining.

Many people are talking about enterprise bargaining these days. Ironically, many of them are on the conservative side of politics—the Hewsons, the Howards, the McLachlans and even the Bakers—but their views are not based on what is best for the average Australian working man or woman or their families. They take a very hard line, new right, employers' view of enterprise bargaining.

The first aim of their view of enterprise bargaining is to cut off the worker from his or her union, and the reason is very simple and basic: unions provide professional and skilled industrial advice that some employers do not want their workers to have. And I suppose there are very good reasons for that, because it is expert advice. Under enterprise bargaining some workers could be negotiating more

directly with their employers than they ever have before, but without professional advocates in their corner these workers would be much more vulnerable than previously to these few unscrupulous employers—and I point out that it is a few unscrupulous employers—who would attempt to cut their legitimate entitlements and rights, and that is something that we cannot condone.

The counter-argument from the new right employers and politicians is that these militant union officials do not understand what happens in an individual business, and that negotiations should be left exclusively to the workers and their employer. The employer has access to industrial relations professionals, his or her human resource managers, lawyers, employer groups—a whole range of expert advice. The employer will not be without professional industrial advocates either within the company or outside, as the accountants and other managers will ensure that the employer has all the information he or she needs when negotiating with employees.

Some employers want to see voluntary employment contracts in place—the sort of contracts that do not aim to achieve greater productivity through more efficient output but really aim at greater profits through slashing wages and conditions. This is very short-sighted because the greater value is in increasing the productivity. Workers organised through their trade unions stand in the way of that goal. The commissioner's decision provides a safety net for workers, and that is why it is so very important to this industrial relations system in South Australia. Even if an unscrupulous employer has managed to keep out the union and a group of employees initially accepts an enterprise arrangement without fully understanding the consequences—and this can very easily happen—the union will still have a chance to have some input before any change can be made. This is extremely important.

This provision, made on the Minister of Labour's submission, will be a major disincentive, I feel, to employer attempts to freeze out unions in the workplace under enterprise bargaining. It will also help discourage attempts to set up so-called staff associations. The Labor movement broadly recognises the importance of enterprise bargaining—in fact, it always has—and is supporting it. Some myth seems to have spread in recent years that no such thing as direct employer-employee negotiations have ever occurred before. In reality it is happening all the time. It is now recognised that there will be a larger role for enterprise-based bargaining in the future, including establishing wage rates.

Now more than ever it is vital that employees have access to their union officials and representatives to ensure that this process is carried out fairly. This is what the Minister and the Government have sought to do in a submission to the South Australian Industrial Commission. I applaud them for it, and so should this House, because it has been a very positive and constructive exercise.

This recognition of the legitimate role of trade unions is a hallmark of the Bannon and Hawke Labor Governments; it is something that they have supported. However, across the Tasman in New Zealand we are witnessing an all-out attack on workers and their trade unions. Earlier this year, the New Zealand National Party Government introduced the Employment Contracts Act. It is fair to say that this Act and that Government have helped to turn New Zealand into the land of the long black cloud.

What is of concern to Australians—and, in particular, to South Australians—is that both State and Federal Oppositions have stated that should they ever win power they would move to introduce similar legislation. The industrial

policy of the Coalition, under the heading 'Flexible labour market', states:

A more cooperative approach to industrial relations is essential if we are to have a more productive economy. The Liberal and National Parties' industrial relations policy will encourage this by returning as far as possible the primary responsibility for industrial relations—including the determination of wages and conditions—to employers and employees at the workplace. We will allow employers and employees to negotiate their own mutually beneficial working arrangements through voluntary agreements, encourage the centralised system to become more flexible and ensure that agreements and awards are legally binding.

This is basically what is contained in the National Party's legislation in New Zealand, and it is stated here that the Liberals and the Nationals in Australia support that legislation. This House must clearly send a message that it will resist any such attempts to introduce these draconian Bills.

Earlier this year, the Labour Minister led a delegation, of which I was fortunate to be part, to New Zealand primarily to get some first-hand information about the New Zealand employment contracts legislation. Since that visit, I have received further information on what has actually been happening in New Zealand since this legislation came into effect. I refer to some anecdotal evidence of what has happened in New Zealand since the introduction of that legislation. It states:

The result has been unprecedented levels of business gloom and pessimism, a deep recession and a much more fearful and insecure New Zealand.

As part of the strategy for implementing the legislation, the Nationals cut benefits that were to be worked in line with the employment contracts legislation when it came into effect but, before its election, the National Party promised to create 'a decent society' and a social welfare system that would 'allow those in need to live in dignity'.

On 1 April, New Zealand cut benefits for the first time since the Great Depression. These austerity measures are plunging the less well-off New Zealanders into dire poverty. Someone commented earlier that no child should live in poverty. In New Zealand not only every child but about 90 per cent of the population will live in poverty. A first-hand report states that amongst the hardest hit in New Zealand are the single unemployed people between the ages of 20 and 24. These people, who face the expensive task of finding work, had their benefits cut by 24 per cent; sickness benefits beneficiaries under the age of 24 had their benefits cut by up to 20 per cent; single widows' beneficiaries without children had their incomes cut by nearly 17 per cent; and single widows and sickness beneficiaries with children had their incomes cut by over 10 per cent. The National Party Government has also increased to as long as 26 weeks the time people who become jobless have to wait until they can receive a benefit. This means that they cannot receive benefits for six months.

During this time these people will receive no emergency benefit, accommodation benefit or special benefit. I find it hard to see how those people will be able to survive in those conditions. I am sure that everybody else in this House, if they are honest, would admit that they, too, see it as very difficult for them to be able to survive.

A prominent New Zealand economist, Brian Easton, did some calculations to show what would happen as a result of this. His calculations show that as a result of the benefit and pensions cuts—for those opposite who are laughing, I can assure them that it is not funny—the poorest families will lose more than \$40 a week while the wealthiest families will lose only \$6 a week. Is that fair; is that equitable? I certainly do not think so.

The cuts will have a serious impact on regional economies. When families and individuals suffer because they

have less to spend, so do local businesses. This is the short-sighted part of the New Zealand Government's whole strategy. If people have less to spend, they have less to spend in their own areas as well and their whole local economy will fall under. For example, in the Gisborne region, on the east coast of the North Island, the incomes of shopkeepers and small businesses will fall by \$NZ201 967 a week. On the North Island west coast, Wanganui businesses will lose \$NZ195 643 a week because of these cuts. That is absolutely annihilating their own local economies. This can only cause small businesses to shed staff, leading to even higher unemployment and more beneficiaries. Clearly, there will be an increase in business failures.

I turn now to the Nationals' wage cut legislation. I point out that the Australian Liberal Party has taken a very keen interest in the New Zealand National Government's changes to industrial relations legislation. Indeed, many of the changes proposed for New Zealand closely resemble those promoted by John Howard at the Federal level.

The Nationals' first act, on coming into government, was to abolish the Labor Government's equal opportunity and pay equity legislation for women in the private sector. So, here we are again: they are now going to hit women's wages. The legislation would have enabled unions to make claims to allow female-dominated occupations to be paid similar rates to those dominated by men. But, no, the New Zealand Nationals will not allow that. They have now abolished that legislation. I think that it is to their eternal shame that they have done that.

The same law also removed union access to arbitration in the event of employers deliberately refusing to settle award claims. This is the beginning of the end. These two actions were the prelude to what followed, which I can describe only as an all-out assault on workers' existing wages and conditions. In the words of somebody who was quoted in a newspaper recently, it is a sledgehammer to crush the trade unions. I seek leave to continue my remarks later.

Leave granted.

#### WORKERS REHABILITATION AND COMPENSATION (COMPENSABILITY OF DISABILITIES) AMENDMENT BILL

Mr **INGERSON (Bragg)** obtained leave and introduced a Bill for an Act to amend the Workers Rehabilitation and Compensation Act 1986. Read a first time.

Mr **INGERSON**: I move:

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

The Labor Party has in recent weeks circulated a Bill for discussion with employer associations and the unions to amend the Workers Rehabilitation and Compensation Act which will reduce unfunded liabilities by approximately \$200 million. These amendments are fully supported by employer associations and by many employees. This Bill will amend the average weekly earnings and save the fund up to \$25 million, it will amend the remuneration section, which will add a cost of \$10 million; it will amend stress definitions and save the fund between \$20 million and \$40 million; it will amend the second year review classification and save the fund between \$100 million and \$120 million; it will discontinue weekly payments in relation to review processes, which will save the fund about \$200 million; and it will also amend the Act to change compensation for loss of earning capacity by introducing lump sum payments at the end of two years, which will save \$50 million to \$80 million.

All employer associations argue that the changes have not gone far enough, as they believe that travel benefits to and from work should be removed and the claim transferred to the CTP fund. Further, they say that overall benefits should be reviewed and in most cases reduced. The employers in South Australia have contributed an extra \$60 million to the fund by way of extra levies in the past 12 months. If this extra payment had not occurred the unfunded liabilities would have nearly doubled in a year from \$160 million in June 1990 to \$300 million in June 1991. As it was, the unfunded liabilities increased by \$100 million in that year or \$2 million per week.

At the Labor Party annual meeting over the weekend, the union movement vetoed these changes and forced the weak Bannon Government to put off these important amendments until November. Mr Speaker, again, when there is a need for important hard decisions to be made, this Bannon Government opts 'for a commonsense approach' as reported of Premier Bannon and calls for another report, another talk-fest because their union mates do not want them to face up to reality. The unfunded liabilities now amount to \$250 million, and they are escalating at a rate of \$12 million a month.

It has been estimated by WorkCover management that if no change is made to the scheme soon then unfunded liabilities will escalate to \$483 million by financial year 1994-95. Mr Speaker, I seek leave to have inserted in *Hansard* a statistical document to further support my argument.

**The SPEAKER**: Do you assure the House that the table is purely statistical?

Mr **INGERSON**: Yes, Mr Speaker.

Leave granted.

#### FIVE-YEAR FINANCIAL FORECAST (Excluding Other Funds)

	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Income:</b>						
Gross income .....	233.5	292.2	311.3	336.5	363.9	393.4
Net investment income .....	27.9	49.3	45.4	57.2	69.5	82.2
<b>Net income .....</b>	<b>261.4</b>	<b>341.5</b>	<b>356.7</b>	<b>393.7</b>	<b>433.4</b>	<b>475.6</b>
<b>Payments:</b>						
Claims payments .....	103.6	175.0	195.9	228.5	263.9	295.9
Total administration expenses .....	35.7	33.8	38.3	39.0	41.1	43.3
<b>Total payments .....</b>	<b>139.3</b>	<b>208.8</b>	<b>234.2</b>	<b>267.5</b>	<b>305.0</b>	<b>339.2</b>
Increase in provision for O/S claims .....	250.0	180.1	180.2	181.4	184.4	190.0

	1989-90 \$m	1990-91 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
Surplus (deficit) for the year .....	(127.9)	(47.4)	(57.7)	(55.2)	(56.0)	(53.6)
Surplus (deficit) carried forward .....	(33.3)	(206.4)	(259.2)	(317.4)	(373.1)	(429.6)
Other reserves and extraordinary .....	0.0	(5.4)	(0.5)	(0.5)	(0.5)	(0.5)
Accumulated surplus (deficit) .....	(161.2)	(259.2)	(317.4)	(373.1)	(429.6)	(483.7)
Adjustment for revised 89-90 provision .....	(45.3)					
Adjusted tillinghast accum. ....	(206.5)					
Accumulated total assets .....	372.3	500.0	622.5	748.7	877.0	1 013.5
Per cent funded .....	64.39	65.95	66.33	66.86	67.25	67.83
Estimated outstanding claims liability .....	570.3	750.4	930.6	1 112.0	1 296.4	1 486.4
Other liabilities .....	7.8	7.8	7.8	7.8	7.8	7.8

Source: WorkCover Management Report to Board, May 1991

**Mr INGERSON:** This document clearly shows that the accumulated deficit will blow-out from \$160 million in 1989-90 to \$483 million by 1994-95 and that estimated outstanding claim liabilities will escalate from \$570 million in 1989-90 to \$1 486 million in 1994-95. These figures clearly show that WorkCover is in a mess and that urgent action is required.

It is important to note that the Minister of Labour, Hon. Bob Gregory, and Premier Bannon knew about these projections in May this year and have continued to do nothing about the worsening debt problem of the scheme.

I remind the House that the Workers Compensation and Rehabilitation Act requires that the scheme be fully funded. I also remind the House that the new scheme, this marvelous Bannon Government socialist model, has never been anything but in deficit, as shown by the following figures:

• 1st full year 1988 .....	\$m
• 2nd full year 1989 .....	-18
• 3rd full year 1990 .....	-70
• last officially reported position December 1990 .....	-161
• projected deficit by WorkCover in May 1991 .....	-198
	-259

This is an incredible financial disaster for an organisation that is directly under the control of the Minister of Labour and overseen by Treasurer Bannon. An actuary recently said that WorkCover is the most expensive scheme in Australia and one of the most expensive outside America and Canada. It is much dearer than the New Zealand scheme, which provides 80 per cent of the pre-injury income to age 65 to all those injured in any accident. WorkCover's actuaries have also said that the scheme should be fully funded, that the administration costs are too high and that WorkCover's liabilities exceed its assets and can operate only because it has implied State Government guarantee. In other words, WorkCover, if it was a private company, would be bankrupt. It is only a continuing organisation because of this implied Government guarantee. They have also said that benefits need to be changed to achieve reasonable competitiveness. I seek leave to have the remainder of the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

#### Remainder of Explanation

The Minister of Labour has known for at least two years that he could make clarifying changes to long-term injured workers that could, according to Mr Owens (General Manager of WorkCover) almost entirely wipe out the unfunded deficit. Instead of making clarifying legislative changes he has done nothing. WorkCover has been forced to the courts, with most private legal opinion suggesting that WorkCover's chance of winning is less than 50 per cent. The Bannon

Government's union mates will not allow reductions to the highest workers compensation benefits in Australia at a time when the rest of the community involved in this sector is calling for change.

This Bill represents the changes that the Minister sent out to the business community and union movement in an attempt to reduce the costs of the scheme. The business sector, the people who pay to keep the fund alive, supported it—the union movement has forced the Government not to proceed.

I have added one extra amendment on the definition of remuneration to the Bill, as a result of many complaints to my office and to other Liberal members of this House. Firstly, Average Weekly Earnings: The benefits paid to employees will not include employer paid superannuation contributions from 30 September 1987. Savings up to \$25 million. Secondly, Superannuation: This amendment redefines 'remuneration' to exclude employer paid superannuation contributions and termination payments from levy calculations. Extra cost \$15-20 million as the income of the fund is reduced by this amount. Thirdly, Stress Definitions are narrowed: No compensation will be paid:

- unless employment is the sole or dominant cause.
- employment was more stressful than would normally be encountered
- and
- did not wholly or predominantly arise from—
  - (i) reasonable action by employer to transfer, demote, discipline, retrench or dismiss the worker,
  - or
  - (ii) the workers failure to obtain promotion, transfer or benefit connected with employment.

Stress is further defined to give more specific medical reference. Savings \$20-\$40 million.

Fourthly, the Second-Year Review Classification: This amendment is required to clarify the position to be taken by WorkCover at the time of the second year review. Currently the corporation is waiting a decision of the Supreme Court. This situation should not have occurred as the potential problems were signalled by me back in 1986 when I questioned Minister Blevins on the possible open endedness of the scheme. He informed the House that if a problem occurred he was to make sure legislation would be clarified. The urgency has now arrived and if I had not introduced these amendments nothing would have happened.

This amendment is in line with the original intention of the Act put forward by Blevins and supported by the Liberal Party in 1986. The amendment will clarify that—

- (1) an injured worker must have reasonable prospect of obtaining a job and the assessment will then be based on what sum could be earned from that available job, and

(2) in assessing employment for a partially incapacitated worker, the nature and extent of disability, education, skills, experience, and adaptability. Savings \$100-120 million.

Fifthly, Discontinuance of Weekly Payments (Review process): The review process is being delayed by many parties having their case adjourned. These delays significantly affect the cost of cases. This amendment reduces costs. Savings \$2 million. Sixthly, Compensation for Loss of Earning Capacity: This amendment will enable the corporation to reintroduce lump sum payments for workers who are on compensation for more than two years. Some of the costs of this method will be offset by using the Federal Court decision in Victoria in favour of the Transport Accident Commission. This case supports the fact that lump sum payments made to injured persons can be made and treated as capital payments saving tax for the individual and funding for the scheme. Savings \$50-80 million. Finally, as a result of the decision by Justice White in the Supreme Court recently, an amendment is required that places value on the payment of WorkCover levies to WorkCover Corporation to protect the fund against liquidation claims in event of the employer going bankrupt.

In bringing this Bill before the House it should be noted that some sections need further amendment. Also the Bill should come into operation on the date on which the Bill is assented to, not whenever the Government wants it to come into operation. The Liberal Party has concern about the retrospective application of provisions to remove rights of injured workers which may have already accrued and to which they may have already become entitled. However, the matter of reform of WorkCover is so urgent we cannot dilly-dally, as the Government is. We introduce this Bill, with its defects, so that it can be referred immediately to the joint select committee for urgent consideration. I intend to take this Bill personally to the select committee at its next meeting so that it can investigate under its current guidelines the direction of this Bill and I will request that it make a report to the Parliament by the end of October 1991.

Clause 1 is formal.

Clause 2 provides for commencement of the measure.

Clause 3 excludes payments made by employers to superannuation funds for the benefit of workers from any calculation of average weekly earnings under the Act.

Clause 4 amends section 30 of the Act to provide some parameters in relation to the compensability of stress-related conditions.

Clause 5 addresses the factors that are to be taken into account after a worker has been incapacitated for work for two or more years, and when the suitability of employment must be assessed.

Clause 6 relates to the continuation of weekly payments after an application for review has been lodged in response to a decision of the corporation to discontinue or reduce weekly payments.

Clause 7 is a consequential amendment to section 39 in connection with proposed Division IVA of Part IV.

Clause 8 enacts a new Division to enable the corporation to award compensation for loss of future earning capacity in cases where the worker has been incapacitated for work for a period exceeding two years. An award under this Division will terminate a worker's entitlement to income-maintenance compensation.

Clause 9 makes a related amendment to section 44 of the Act.

Clause 10 will allow exempt employers to exercise the powers of the corporation under new Division IVA, subject

to the ability of the corporation to make directions in appropriate cases.

Clause 11 expressly provides that superannuation payments, and severance, retrenchment and redundancy payments, do not constitute remuneration for the purposes of the calculation of levies under the Act.

Clause 12 amends section 105 of the Act so that the insurance provided under subsection (1) does not, unless the corporation otherwise determines, extend to an employer who is more than two months in arrears in the payment of levies. This amendment reinforces the principle that the legislation both creates obligations and confers benefits on employers and, in particular, that an employer, by the payment of levies under this Act, receives the 'coverage' of the Act in respect of liabilities for personal injuries suffered by workers in the course of, or as a result of, employment by the employer.

Clause 13 is a transitional provision.

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

*At 12 noon, the bells having been rung:*

**The SPEAKER:** Call on Orders of the Day: Other Business.

#### **WATERWORKS (RATING) AMENDMENT ACT REPEAL BILL**

Adjourned debate on second reading.  
(Continued from 22 August. Page 432.)

**The Hon. T.H. HEMMINGS (Napier):** I would have thought that last Thursday would have been a red letter day in providing an answer to all the people out in the community who had been misled about the new water rating system. Even a member such as me, who has been a most vocal opponent of what the member for Heysen has been doing out in the community, inciting people to break the law—and I have a motion on the Notice Paper about that—would have expected to hear something new.

Unfortunately, I had to sit in this House and listen to the member for Heysen's new Bill which, according to him, was going to be the solution to everyone's problems. Certainly, the little old ladies in Burnside would have been bitterly disappointed with the Bill because they would have realised that the member for Heysen had misled them over the previous weeks. Suddenly he got new bravery that he did not have before and he said to them, 'I will fix your problems.' The member for Heysen knows that he will lose this debate. I can count and, although the member for Heysen has memory problems, at least he can count as he knows in the final analysis—

**The Hon. D.C. WOTTON:** Mr Speaker, I rise on a point of order. The suggestion by the member for Napier that I have problems with my memory has nothing to do with the legislation.

**The SPEAKER:** The point of order is upheld. I ask the member for Napier to confine his remarks to the Bill before us.

**The Hon. T.H. HEMMINGS:** In the final analysis, the member for Heysen knows that his Bill will be defeated in this House, but the real problem is the hypocrisy surrounding the member for Heysen's introduction of a Bill to repeal the Waterworks Act, because he has raised the expectations of people out in the community, the people he conned into



attending a public meeting at Burnside, by suggesting that he would solve all their problems.

The member for Heysen knows—in fact we all know—that his Bill will create nothing new. It is the old system dressed up in a miserly second reading explanation through which the member for Heysen is attempting to hoodwink not this Parliament, which can see through the member for Heysen, but the old ladies out in Burnside. The member for Heysen has made outrageous statements about the Waterworks Act, and he told the people of Burnside that they will be paying much more for water under the existing Act. The member for Heysen knows that that is wrong, and it is just not me, the Minister and the E&WS Department saying that—independent people are also saying it.

It is obvious that the member for Heysen will not talk in this House about the two good interviews on the Keith Conlon show. I understand that Keith Conlon interviewed Hugh Hudson, who would have put out a fairly pro argument in support of the Waterworks Act. However, I heard Keith Conlon interview Barry Pittman, the Channel 9 weatherman, and Don McCoy, a senior lecturer at Adelaide University. They debated the water rating system on the basis of who would be worse off, who would stay the same and who would be better off by comparing the new Act with the old water rating system, which is exactly what the member for Heysen wants to bring back in.

If that was the case, they would have found that the member for Heysen, in saying it was a wealth tax, was completely unjustified because, under the new water rating system, the poor old lady living in the \$500 000 house is better off, assuming the average consumption is maintained which, for Burnside—if the House is not aware of it—is 467 kilolitres. The lady living in the \$500 000 house would save about \$180. That shows how gullible people are. I would not be at all surprised if the lady living in the \$500 000 house attended the public meeting organised by the Liberal Party and said to the member for Heysen, ‘Yes, I will go out and flog off the family silver and get legal advice.’ The member for Heysen led them on all the way.

Under the new system, figures show that 86 per cent of E&WS customers will benefit or be unaffected by the new water charging system—86 per cent! Despite the fact that sometimes we have to lean towards what a particular constituent wants and follow it through, I think that, as members of Parliament, if we were given information that said 86 per cent of people would benefit, we would not go out and say that it was an outrage. I would hazard a guess that in your electorate, Sir—and even in your own home because, like me, you live in a modest home—no person using the same amount of water as they used last year, or who are interested in conserving this vital resource, will pay any more than they now pay, and I suggest that they will pay even less.

I will not argue the case for people who live in homes worth \$500 000 and more but, if this House were to support the member for Heysen’s repeal of the Waterworks Act, we would have people all over the State screaming, because that is what it is all about. The new system is fairer than any other system we have had, and I am not making that up. As an example, Sir, you have been to my house and enjoyed a cup of tea with me, and you know that it is a fairly modest home. Let me tell members how I am affected by the new Act. In 1990-91 my excess water bill was \$93.60; and I used 255 kilolitres of water. Adding together the four quarterly payments, that gave me an E&WS Department bill of \$203.60.

Mr Deputy Speaker, you live in a very similar house to mine, and I suggest that if you did a similar exercise the result would be the same for your property. Under the new system, which according to the member for Heysen is outraging the community, if I used the same amount of water this year (255 kilolitres), I would get an access—

*The Hon. D. C. Wotton interjecting:*

**The Hon. T.H. HEMMINGS:** I am always able to handle myself in this House, but the member for Heysen will have his chance when he sums up. He had his chance when he delivered the second reading explanation; and he will have another chance when we debate my motion that he be dismissed from his job. He has all those times available to respond. I would suggest that he go out and have a nice cup of tea, and let me finish.

I have an access charge of \$116, and that allows me 136 kilolitres. If I use the same 255 kilolitres of water, deducting the allowance of 136 kilolitres, I am left with 119 kilolitres at 85c per kilolitre, which totals \$101.15. If that is added to my \$116 access charge, I will pay \$217, or \$14 over and above what I paid last year, but well below the rate of inflation. About 86 per cent of people will have similar bills: they will be better off or will be unaffected. The system also encourages me to save water. There may be a few churlish members opposite who would suggest that, coming from England, I may take one or two fewer showers, but I will not, Sir. Because of some of the problems being experienced by this State, I put all my garden under drip irrigation so, in all probability, with my wife’s encouragement, I will pay less this current year. I will not pay that \$217 because I will save 85c for every kilolitre I do not use. I telephoned the hotline to get that information.

It is the same for everyone in the community, so what is the problem? I have said before that the problem is that the member for Heysen has a bad image out in the community, and he has an even worse image within his Party, so he embarked upon this exercise in hypocrisy and raised the fears of the community.

Given that we had a rush of blood to the head and supported the Bill introduced by the member for Heysen, if the Opposition’s flat rate user-pays system were introduced, the average householder would pay an additional 7c per kilolitre for their water. That is an increase from 85c per kilolitre to 92c per kilolitre. As I said, there would not be sufficient halls in this State to cater for all those people who would then be screaming. Now that he knows the facts—although he has known them all along—has the member for Heysen explained them to those people in Burnside or to those who have gone out to obtain legal advice?

Last week he told the House in his second reading explanation that the Liberal Party had a legal opinion that the retrospectivity aspect of the Bill was illegal. If the member for Heysen has that information, one would think that he and the Liberal Party—

**Mr Ferguson:** Why doesn’t he table it?

**The Hon. T.H. HEMMINGS:** Yes; my colleague the member for Henley Beach asks, ‘Why doesn’t he table it?’ The member for Heysen has told this House, the media and the public meeting at Burnside that the Liberal Party has a legal opinion that states that the retrospectivity aspect of the Bill is wrong. Why, then, does he not pursue the matter in the courts? He has every right as a citizen of this State to pursue it. I understand that he is worth a few bob as well.

*Mr Ferguson interjecting:*

**The Hon. T.H. HEMMINGS:** He would not have to sell off any family silver. As the member for Henley Beach said,

his grandfather and others have left him a fair amount of money. He can afford that.

**The Hon. D.C. WOTTON:** On a point of order, Mr Deputy Speaker, that is a personal reflection on my family. It is not true and it should be recorded.

**The DEPUTY SPEAKER:** The Chair does not uphold the point of order. The honourable member for Napier.

**The Hon. T.H. HEMMINGS:** That was said more in envy, because I have never been left anything. If the member for Heysen is so sure that he has got this Government on the retrospectivity aspect, why does he not pursue it? That would have been the logical course. I recall a totally different situation, when we had a redistribution. I was to be coming into this House, but the Liberal Party, through a front man, took the matter to the courts. It went right to the Privy Council, since in 1975 or 1976 we could still do that. At that time, the Liberal Party chose to do that. Did the member for Heysen not think that he would have got more out of it if he had taken the matter to the courts?

He did not, despite being armed with this legal opinion that the Liberal Party had obtained from one of its silvertail lawyers. He encouraged people who could ill afford it to obtain a legal opinion. When I was moving the motion to sack the member for Heysen, which I am sure will receive the support of all members of the House, I went through the retrospectivity aspect and, as far as I could go, proved conclusively that what the E&WS Department was doing was correct.

The member for Heysen had to rely on his friends to gag me, in effect, as he did not know how to do it himself. The Speaker quite correctly ruled that I could not speak on the retrospectivity aspect of the Bill under that motion, but I have been assured that I can do so in this debate. The claim that the new system has been applied retrospectively arises because the water rate component is based on the volume of water supplied in a consumption year. 'Consumption year' is defined under section 4 of the Waterworks Act—and I should like the member for Heysen to listen carefully to this—as meaning:

... a period of approximately 12 months in respect of which the amount of water supplied to, or in relation to, any land is assessed or measured or such other period during which water has been supplied to, or in relation to, any land as may be determined by the Minister.

That is as clear as daylight: we all know that. Meters, which measure the volume of water supplied to the land, are read biannually. The assessment of the volume of water supplied by reference to a consumption year, as defined under section 4 of the Waterworks Act, is done for the simple reason that it is impracticable for all meters in the State to be read at the same time each year. Previously I told the House that there are 350 000 residential water meters in this State. Is the member for Heysen suggesting that on any one day those 350 000 meters can be read? He might live in cloud-cuckoo-land, but we on this side do not, nor do the citizens of South Australia.

The meters must be read over a period of time. To determine that, a different consumption year is determined for each local government area, depending on when the meters in that area are read. At the earliest, a consumption year may begin in December and, at the latest, in June. A consumption year, therefore, may begin six months or less before the beginning of the new financial year, or it may begin in June, and so coincide at least approximately with the financial year. That is fact.

I think that the member for Heysen knows that, but he did not stand up at that public meeting. In a year, when all those little old ladies in Burnside are finding that they are paying \$180 less if they use the same amount of water, will

the member for Heysen call a public meeting to say, 'I was wrong'? No, Sir! We have already explored in this House the bravery of the member for Heysen, and I was told off for saying that, so I will not go down that path again.

I ask the member for Heysen, who knows that this Bill will be defeated, whether in a year's time he will go to all the people in Burnside (that is where he went first, because that is where the meters were first read) and say, 'I was wrong'. No: I could be churlish; I could be awful and say that, in six months time, he would have forgotten all about it.

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

**Mr S.G. EVANS** secured the adjournment of the debate.

### UNITED STATES WHEAT SUBSIDIES

Adjourned debate on motion of Hon. T.H. Hemmings:

That this House supports the action by the Australian Government over its strong criticism of the United States Government's decision to further undermine the viability of Australian wheat farmers by subsidising that country's wheat exports to China and the Yemen.

(Continued from 22 August. Page 434.)

**Mr VENNING (Custance):** I will keep my remarks pretty short, in an endeavour to have this motion carried today. I support the figures given by the member for Napier as being correct. The EEC is the real villain, as it started this action first. It is the Europeans who are doing much more of it, and they are much more blatant about it, but they do seem to be hitting fewer of our traditional markets. The worst scenario is happening, namely, a fall in production. In a normal year Australia averages about 15 million tonnes of wheat. We produced up to 22 million tonnes in 1983, and the predicted production for this year is only 11.5 million tonnes, or half our potential. Farmers are growing alternative crops, including lupins, legumes, canola and so on. The problem is that these crops do not have the orderly marketing structure that our wheat and barley grains have, and we could see a massive overload in these other commodities and have problems trying to keep the prices stable. Of course, that will have a tremendous effect on Australia's export income.

United States production has fallen 19 million tonnes from 75 million tonnes to 56 million tonnes. Argentina's production has also fallen, although Europe's has increased by 15 per cent. That is what makes us very anxious. It is a very bad sign, and I can see the Europeans continuing with the dumping of their product. I hope that sanity will prevail. The United States stock to use ratio is running at 23 per cent, which is very low when we consider that its record low was 18 per cent in 1973. That was the year that Australian farmers came out of wheat quotas. If we do not watch out, the world could run too low, because we do not have the reserves. When we play these silly games, this is what happens.

With regard to the Australian price, we are still hoping for \$130 which, as the member for Napier said, is an increase of \$10. It is not much, but it is something to be positive about. When we consider that it is down from \$180 a tonne the year before, we can see that it is certainly a big deficit for the Australian grain growers to bear. We could do significantly better than that if and when we saw an end to this ridiculous dumping of this product. We need only to see a trend, promise or forecast that this might happen

and I am sure that prices will lift. It could happen this year; we can only live in hope.

United States stocks are down to about 15 million tonnes. The Grains Council hopes that when this figure gets to 14.2 million it will taper off its export enhancement scheme, known as EEP. The Canadian harvest will not be up to previous predictions and will be down three or four million tonnes, but the EEC prediction is that it is going from 84 million tonnes to 88 million tonnes. Once again, what will happen? I wish that it were anyone else but the Europeans. They have not given us any hope or forecast that they will not reduce the dumping of their products. This is a great reason for continued concern to all Australians.

In conclusion, I share the desire of the member for Napier and of all Australians that sanity will return quickly to the world's grain markets, so that Australian farmers can excel as the most efficient grain producers. I have pleasure in supporting this motion.

**Mr FERGUSON (Henley Beach):** I will not take up the time of the House except to say that there should be an indication both to the Parliament and to the general public that more than one member on this side of the House wishes to support the farmers and the rural community in the crisis with which they are now faced. I have spoken once before on a previous motion on a similar issue, and I indicate that I think every support should be given to the rural community, particularly in the depressed circumstances in which it now finds itself. I do not see any sense in farmers walking off their farms or in closing down country towns and bringing the rural population back to the metropolitan area, merely to pay them unemployment benefits. I have been puzzled by the fact that the Liberal Party has been relatively silent on this problem.

**The Hon. T.H. Hemmings:** Except the member for Custance.

**Mr FERGUSON:** Yes, I accept the interjection of my colleague the member for Napier. We are all standing by the GATT talks and the talks on free trade. We hope that there will be a breakthrough, as we have been promised for so long now that I cannot remember when it first started. I am coming to the conclusion that there may not be a breakthrough in the GATT talks, that we will not get the cooperation of the European Common Market, that it will tell us to go jump in the lake and that we will not solve this problem through negotiation.

That brings us to what we will do next because, if we cannot get a breakthrough in the GATT talks to assist our rural communities, it is vital to this State in particular that the rural community survives, because the depression and recession in which we now find ourselves is deepening. One of the reasons for this is that we are not getting the economic generation that we normally get from the rural community. So, what will we do? I would like to hear members opposite say what they think we should do if the GATT talks fail. I know that our Federal colleagues are suggesting that we do not do anything about it and that we should not upset other countries whilst we are involved in negotiations.

Dare I say it, but if other countries are going to subsidise their rural products, we must face up to the fact that we may have to do the same ourselves. Perhaps for one or two years the Federal Government should underwrite the selling of our wheat, for example, and we should go out and cut even further the markets that the Americans are now taking over. They are taking over our markets, so we should say that it will be gloves off and do something about it.

I promised that I would not take up too much time of the House, because there are other members who want to use the remainder of the debating time available to us. I reiterate: there is a very strong lobby on this side that is prepared to support our people in the rural areas and it is much stronger than a lot of people outside think it is. I support the motion.

**Mr LEWIS** secured the adjournment of the debate.

#### SELECT COMMITTEE ON PRIVACY

Adjourned debate on the question—That the report be noted.

(Continued from 22 August. Page 439.)

**The Hon. H. ALLISON (Mount Gambier):** I do not propose to extend my remarks for any great length of time. Since the release of the report of the Select Committee on Privacy, interest in the Bill appears to have widened quite considerably. Several members of the committee have already told me that they have been contacted by members of the media and a variety of interested parties. Many of those people have expressed support and some have expressed concern about some aspects of the report and the intentions of the Bill.

Certainly, an outstanding achievement of the report is that it has elicited not only State but also national interest. The Federal Privacy Commissioner himself has recently written to the Chairman of the committee, who has made the Commissioner's brief comments available—and I am sure he will not object to my quoting it. The Commissioner, Kevin O'Connor, states:

Congratulations on the select committee report. Please keep me informed of further progress of the Bill, which I find very interesting.

Similarly, only a couple of days ago, I received from the Australian Conservation Foundation a letter expressing mild congratulations upon the intent of the Bill, but also expressing some concern that large corporations appear either to have been excluded or favoured by the Bill. One of the foundation's concerns is that the extremely high cost of litigation that may ensue from passage of the Bill could limit the ability of organisations that until now have had quite a legitimate right to pursue matters. It could restrict their right simply because large corporations can afford the cost of litigation, whereas small community groups with a strong interest in public matters might find the high cost of litigation to be exorbitant and thus be prevented from taking objection to issues that are desperately in need of open public scrutiny. I accept that concern, which I have no doubt will be debated more fully as the Bill passes through the Parliament.

All members will have the opportunity to debate the issues more fully. One slightly surprising feature is that, while some criticism has been addressed against the committee by the press in South Australia, there has been quite wide ranging interest from the national press and from the interstate press, many of whose members have expressed more than a passing interest in the intent of the Bill. The comments made to me have been supportive, saying that the vast majority of the press is conscientious and does not wish to publish scurrilous matter or anything that may offend private sensitivities. In other words, it is defending the propriety and respectability of journalists and media reporters generally across Australia. Within South Australia, I have received very little personal comment, and I do not know what information other members may have received

from the local press. As I said, the Bill has elicited great interest. One of the main concerns has been to protect personal privacy and to prevent intrusion by the media at times of great stress.

A concern that I expressed when I spoke to the report last week was that a large number of collectors of information seem to have been exempted quite deliberately by the Bill, and that will be a matter of continuing concern for me because many people simply will not be aware of the fact that dossiers of extremely confidential information are kept on them by credit retail associations, police, justice information and banking corporations. Therefore, not knowing that these dossiers exist, they will not have the opportunity to peruse and correct them, and in some cases of course there is not even the opportunity to correct them. These are issues about which the public should be aware and should be expressing concern about.

I am quite sure that the matters raised in the select committee report, the issues contained in the vast body of evidence that was collected and the material that is still coming in to members of the committee will be made available generally to any interested member of the Parliament. I hope that members will take a very active and carefully considered role in future debate on the Bill.

**Mr ATKINSON (Spence):** I shall comment on three aspects of the report: first, its application to newspapers, television and radio; secondly, the expansion of the law of nuisance into the humblest home and hearth; and, thirdly, the recording of allegations made to the police, a matter about which I want to comment only briefly and to record my disagreement with the member for Davenport.

I have an interest in the law applying to the media because I was a graded journalist under the Metropolitan Daily Newspaper Award, worked for the *Advertiser* for three years as a reporter and subeditor and was a member of the management committee of the Australian Journalists Association. I am familiar with the life of the editorial floor and the way decisions are made there.

I know, and the report concedes, that news stories obtained by invasions of privacy are of interest to some readers and viewers and that such stories will sell newspapers and news broadcasts. Thousands of people in South Australia will watch a TV news service if its previews promise more revelations about the Family murders. A banner for the *Sunday Mail* advertising first pictures of a particular funeral will sell extra copies of the papers. There is a market for revelations obtained by invading personal privacy and private grief. The question the committee had to consider is: should that market be allowed to flourish?

The committee recommends that privacy and private grief be protected in such a way that prurient, voyeuristic and busybody stories will be much harder to compile unless the media outlet can show that the story was in the public interest. The committee believes that this result ought to be achieved by requiring that reporters observe clause 9 of the AJA's code of ethics. This clause says that journalists shall respect private grief and personal privacy and that they shall have the right to resist compulsion to intrude on them. That compulsion comes from editorial management. It is intended that this clause be included in the regulations under the Bill.

The Bill itself makes it a defence to an action for breach of privacy that the breach was justified in the 'public interest'. The working out of the application of the terms 'privacy' and 'public interest' is a matter for the courts, case by case. I am confident that the courts will reflect public values and customs in applying these concepts.

Many working journalists would welcome the enactment of clause 9 because it would give them real protection from the gung ho chiefs of staff who order them into distasteful foot-in-the-door assignments. I can recall days when we on the editorial floor of the *Advertiser* knew that the then Chief of Staff was going to order a story prompted by a listing in the death notices or the funeral notices. The cause of death was always murder, suicide or accident. While some reporters (police roundsmen, for instance) would be happy to do these assignments, some of us would hide in the lavatory or the kitchen. I used to hide in the telex room, next to the finance department. Not that I wish to denigrate the people who wrote these kind of stories; it is part of journalism and getting a good story from it requires special skills that were justly valued by the editorial management.

It is not surprising then that the *Advertiser's* editorial management criticises the committee's report in the leading article on Saturday 10 August. The leader accuses the committee's members of having 'draconian dreams of regulation'. The report to which I put my name creates a new common law right actionable by individuals. We are not advocating executive regulation. No regulatory agency is created by this Bill, nor is any regulatory agency given more power.

The leading article accuses us of 'taking the Stalinist path'. I did not know that the late Josef Stalin was renowned for creating common law rights for individuals or for protecting the privacy of those committed to his care—except by putting them in solitary confinement. The *Advertiser* leader writer tries to argue that there are already adequate remedies for invasion of privacy, such as complaining to the editor, the Australian Journalists Association Ethics Committee or the Press Council. But the main strand in the *Advertiser's* case is that it is a private enterprise competing for market share and, therefore, if it offended the public's values regarding privacy, it would lose readers. The leading article states:

What is invisible is the extensive self-regulation already in place. This happens because it is in the commercial interests of the media to support its customers and not cause undue offence. Competition provides this discipline.

Although the *Advertiser* sometimes exercises restraint to avoid embarrassing the subject of its story—and it does this more often than the television news—competition in the media encourages reporters to invade privacy. Media outlets are always trying to get the story first and that means ringing the family of the deceased at six in the morning or midnight (depending on your edition time) and getting a family photo of the deceased by any means. If Channel 9 has an interview with the grieving widow, Channel 7's chief of staff will want an interview with the grieving girlfriend.

This competitive instinct is not confined to the editorial staff. The proprietors, too, want their outlets to break the news first so the outlet can get more readers, listeners or viewers. Does the *Advertiser* leader writer think that the proprietors of Channel 7 are embarrassed by the techniques of Derryn Hinch? Does he think Derryn Hinch refrains from invading the privacy and private grief of families because the offended families might watch another channel for the rest of their lives? The *Advertiser's* leader is wrong; it is also self-serving. Competition between media outlets does not prevent invasion of privacy and private grief. Privacy and private grief ought to be protected unless it is in the public interest to flaunt them in the media. The proposed privacy law will stop prurient invasions by the media of the private lives of private individuals. Our reference to 'private individuals' on page 18 of the report is not a tautology; it is deliberate. Individuals in public life cannot expect the same access to the right of privacy as can

private individuals. On this aspect, I refer the House to my maiden speech on the public figure defence in the law of defamation.

Turning now to the second aspect, the report recommends that private nuisance should be included in the concept of invasion of privacy and that lower courts should be vested with the power to grant injunctive relief from private nuisance. Private nuisance is the relevant common law applying to most neighbourhood disputes. Quarrelling neighbours rarely resort to nuisance litigation because an injunction to restrain the other party is available only in the Supreme Court. The pleasure of suing a vexatious neighbour is not worth that much. Our recommendation is that injunctions to restrain private nuisances should be available from the lower courts, where the costs are lower. Some members of this House may be relieved that they can now handpass quarrelling constituents to the lower courts. The Legal Services Commission was keen on this proposal. It makes neighbourhood disputes a new province for law and order and a new frontier for legal aid lawyers. I assented to this proposal reluctantly. I agree with the legal textbook *Fleming on Torts* which, in its chapter on nuisance, states:

The very existence of organised society depends on the principle 'give and take, live and let live.'

Cheap and easily obtainable injunctions could become the currency of a new generation of vexatious litigant. The lower courts could be clogged with cases that should never see the inside of a courtroom. I am assured, however, that vexatious litigants in this new jurisdiction would be halted in the same way as they are in other jurisdictions. In the final analysis, an injunction is a remedy at the discretion of the judge.

Turning to the third aspect, the recording of allegations made to the police, the report notes:

Allegations to the police against individuals are recorded and maintained. It appears the information is maintained permanently whether the allegations are true or false.

I must admit that this is poor writing by the committee. Most information given to the police cannot and will not be tried or tested in a way that could establish beyond reasonable doubt whether it is true or false. Often there is no point in testing allegations; they are merely tips. They are retained not for their own truth or falsity but as clues that may at some time in the future be probative of the truth or falsity of an allegation that will be tried in a criminal court. I support their retention by the police for that purpose only. There are means of redress if the allegation is damaging in some other way. The member for Davenport has a different opinion and I respect it. I commend the report and the Bill to the House.

Mr S.G. EVANS secured the adjournment of the debate.

### SOUTHERN SPORTS COMPLEX

Adjourned debate on motion of Mr Oswald:

That the House calls on the Government to dedicate for its long-term recreational and sporting use the land at Noarlunga Centre near Colonnades that was identified in the report of the ministerial working party established to investigate and report on the establishment of a multi-purpose sports complex south of Adelaide, known as the Crone report.

(Continued from 22 August. Page 439.)

Mr HOLLOWAY (Mitchell): This motion relates to the setting aside of some land at the Colonnades in the southern area for the long-term use of sport and recreation. As an amendment to that motion, I move:

To leave out the words 'dedicate for its long-term' and insert in lieu thereof the words 'report on the feasibility of retaining for'.

In moving the motion the member for Morphett said that he hoped this debate would not be about what this land would be used for, only about the land itself. I do not want to say too much about it, except that the member for Morphett also said that football would clearly have to be involved. It may be that we wish to plan the site, but I should like to tell the House about what is happening at the moment. Jim Daly of the Department of Recreation and Sport is currently conducting a study for local government on sporting needs in the southern region. I think it is appropriate that we should wait until the report is finished before we decide the ultimate use of that land. The Government has set it aside for recreational use.

As I pointed out last week in another debate, the Government has a policy to provide the southern suburbs with individual sporting venues established on a regional basis; that is, among the people who will use them. We have already seen examples of how the Government has supported sport in the southern area through the Noarlunga Aquatic Centre and the dual-purpose hockey and tennis facility at Seacliff which was announced several months ago. The Government has made it clear that residents in the area want facilities near them, not all located at Noarlunga. The southern suburbs cover a large geographic and growing area and it is important that we should have equality of access to sporting facilities for all the people in that area.

I do not think any Government can afford to build a Taj Mahal, a massive facility, just in one area. We really need to get the sporting facilities to where the people are and to where the people can use them. The Colonnades land can still be used for the purpose of sport. It may well be that it is a site that could be used for other purposes. At the moment, as I said before, we should wait until the report that is being undertaken is finished before we decide the future of the land. I commend the amendment to the House.

Mr S.G. EVANS secured the adjournment of the debate.

### FOOTBALL FACILITIES

Adjourned debate on motion of Mr Holloway:

That this House notes the strong public support given to the SANFL match between South Adelaide and Norwood played at Bice Oval, Christies Beach on Saturday 3 August 1991 and congratulates the Government and the Minister for initiating discussions with local government, South Adelaide Football Club and the SANFL on the provision of adequate facilities for football in the southern suburbs.

which Mr Oswald had moved to amend by leaving out 'congratulates the Government and the Minister for initiating' and inserting in lieu thereof 'notes with concern the time it has taken for the Government and the Minister to initiate'.

(Continued from 22 August. Page 441.)

Mr OSWALD (Morphett): I again want to speak briefly to the original motion, because, as members will recall, not much time was available previously and I was unable to develop my argument. I do not have any problems with the first three lines of the motion; in fact, it is motherhood material, and I think everyone would agree with that. The motion begins:

That this House notes the strong public support given to the SANFL match between South Adelaide and Norwood played at Bice Oval, Christies Beach on Saturday 3 August—

but the next part of the motion incurs my wrath—and congratulates the Government and the Minister for initiating discussions with local government, South Adelaide Football Club and the SANFL on the provision of adequate facilities for football in the southern suburbs.

I have thus amended the motion by leaving out 'congratulates the Government and the Minister for initiating' and inserting 'notes with concern the time it has taken for the Government and the Minister to initiate'. Therein lies the argument around this debate.

This motion was moved by one of the members representing the Government because the Liberal Party had the initiative to want to create some type of sporting facility for the southern region. Back in 1987, a working party established the need for certain sports facilities and it identified certain sports that wanted to expand in the southern region. That working party was brought into being only because of the community pressure that existed at the time, and this pressure included a push for a facility for league football.

Before 1987 the public was urging for something to be done. In 1987 the working party was established. Since 1987 various groups and action committees have said that they would like a football facility in that region. For three years the local press has indicated the need for a local sporting facility. The Liberal Party has supported that strongly. Indeed, when the situation came to a head, with the football game at the Bice Oval on 3 August, which was a resounding success attracting some 9 700 spectators, suddenly the Government realised that it was in trouble, that the horse was out in the paddock and that the Opposition had the running on it. We also know that the league has been making some statements, informally and at social functions, and asking what is the Minister doing? We have not heard from the Minister. The local members have shown some concern, and would have been reporting back on the situation.

The President of the South Adelaide Football Club, who is a keen follower of football in the southern region, is a former Labor Minister. No-one can tell me that that former Minister of Transport has not told his former colleagues that it would be appropriate for the Labor Party to become involved in the provision of a facility in that region.

It is a known fact that there has been pressure on the Government for years to show some interest in sporting facilities for football south of Darlington, and it is well known in the department and the sporting community that the Minister has shown little interest in doing anything for sport south of Darlington. Local government has been active and has created many facilities down there. The Government is keen to associate itself with the hockey and tennis facility in the Brighton-Marino area, but that was only after the Federal Government had put in the money and local government had matched it.

The project had lain dormant for a couple of years and the Commonwealth came back to the State and said, 'If you do not show interest shortly, we will withdraw from the project.' The Government said, 'Right, we will be in that.' It then put up its share. In fact, when the press conference was called, media representatives told me that they thought it was to announce the southern region sports complex. They were of that view until the member for Bright apprised the press conference that the Marino tennis-hockey complex was not the southern region sports complex but something totally different. All praise must go to local government and to the Federal Government for that and not to the State Government, which has been caught with its pants down in the southern region.

As I said initially, the Liberal Party has taken the initiative all the way and the resolution put by the honourable

member opposite is nothing short of an attempt to save the Minister's skin down there so that the Labor Party can go to the local media and local residents and say, 'We are now associated with it.' As soon as that football match was completed, the Minister could not get his advisers quickly enough down to the SANFL to line up a discussion with Max Basheer so that discussions could get under way.

*Mr Ingerson interjecting:*

**Mr OSWALD:** As the member for Bragg, the former shadow Minister for Sport and Recreation, says, up to that stage the Labor Party had never said a word. That is a fact of life. Members opposite sit back in their seats because they know that what I am saying is correct. This motion is nothing short of an attempt to get the Minister off the hook. I urge members to support my amendment, which deletes the congratulations in the motion and inserts the words 'notes with concern the time it has taken for the Government' to become involved. The Government has had since 1987 to act and it is now 1991. It took the football match to get the Minister off his tail and get his officials down to Football Park. From now on right up to the election, the Minister and his staff will be beating their drums and parading their bands up and down the roads in the southern region trying to identify with sport in the south. Unfortunately, my colleagues and I have had two or three years start in the local press and the locals know that the Liberal Party wants to do something south of Darlington—and not the Labor Party.

It is not fair that Glenelg is the only oval with a decent grandstand, as one goes south of the city. Something must be built south of the city. I cannot encroach on the previous motion, which referred to the earmarking of land at Colonades. I feel strongly about that and I look forward to that motion coming back so that I can also develop that argument as well. I support the amendment.

**Mr HOLLOWAY (Mitchell):** Unfortunately, I have only a couple of minutes left, but it would be nice to resolve this matter today and I will speak briefly. I want to deny the nonsense that the member for Morphett has just spoken about in relation to what the Opposition is supposed to have done. Are Opposition members really telling the House that it is they who are determining what the football league should do? Is the Opposition telling us that it should have the right to dictate to the South Australian National Football League where and when it plays football? That is rubbish. The reason we did not have football being played down there was that the SANFL had a particular policy, and I want that on the record.

*Members interjecting:*

**Mr HOLLOWAY:** I will dispatch the rubbish advanced by the member for Morphett and other members opposite. There is no doubt that it is the football league that has to determine the future of football in South Australia. It is not up to the Government. This Government has talked to the league continually and it is talking to it now about the future, but it cannot tell the league where and when it should play football. That is up to the league to determine, and members opposite know full well the position of the league.

Debate adjourned.

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

#### APPROPRIATION BILL

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

**PAY-ROLL TAX (MISCELLANEOUS) AMENDMENT  
BILL**

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

**LAND TAX (MISCELLANEOUS) AMENDMENT  
BILL**

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

**PETITION: PROSTITUTION**

A petition signed by 26 residents of South Australia requesting that the House urge the Government not to decriminalise prostitution was presented by the Hon. P.B. Arnold.

Petition received.

**PETITIONS: WATER RATING SYSTEM**

Petitions signed by 341 residents of South Australia requesting that the House urge the Government to revert to the previous water rating system were presented by Messrs Becker and Eastick.

Petitions received.

**MINISTERIAL STATEMENT: FINNISS SPRINGS**

**The Hon. S.M. LENEHAN (Minister of Lands):** I seek leave to make a statement.

Leave granted.

**The Hon. S.M. LENEHAN:** Yesterday, the member for Murray-Mallee made the serious allegation that, in my capacity as Minister of Lands, I had acted illegally in relation to the process undertaken to resume the Finnis Springs pastoral lease. Section 32 (1) of the Pastoral Land Management and Conservation Act 1989 provides that the Minister may, by notice in the *Gazette*, resume any pastoral land. Section 32 of the Act requires the Minister to give written notice of the intention to resume a pastoral lease to the lessee before a notice is published under section 32 (1).

In this case, the acquisition notice was published on 22 August 1991. Section 67 of the Act details how notice to the lessee may be given, including a provision for service by post. In this case, a notice was addressed to Finnis Springs Pastoral Pty Limited at 2 Kensington Road, Rose Park, on 16 August 1991. On 19 August 1991, it was realised that the notice had been incorrectly addressed. The correct address was 72 Kensington Road, Rose Park, and the Executive Officer of the Pastoral Board advised the company of the correct address of the notice by telephone, and a copy of the letter was faxed for the company's information on the same day, that is, 19 August.

The original notification was then redirected to the correct address. As there is some doubt as to whether the redirected letter was received by the company prior to the *Gazette* notice on 22 August 1991, the service and gazettal process will be repeated. In this case the process required by the Act was carried out. If the process has been technically incorrect, it could affect the progress of the acquisition, and

that is why it will be repeated. However, it would be drawing a very long legal bow indeed to suggest that a letter incorrectly addressed by accident constitutes an illegal act by the Minister.

*Members interjecting.*

**The SPEAKER:** Order! The Minister will resume her seat. Today is a very important day in Parliament, and I am sure no member on either side would want to miss the later part of this afternoon's proceedings, so I caution all members to watch their behaviour.

**The Hon. S.M. LENEHAN:** The member for Murray-Mallee also claimed that the mortgagee (Elders Pastoral) had not been advised as required by section 40 of the Act. Section 40 of the Act requires written notification of resumption action to all persons who have a registered interest in or caveat over the lease. In this case it is true that no such notices were given as no interests are registered on the title.

Either the member for Murray-Mallee did not understand the requirement for an interest to be registered in order to receive notification or he thought it was registered. In either case he obviously did not check before claiming I had acted illegally. Mr Speaker, I table a copy of the lease instrument. Clearly I have not acted illegally in either of these matters and I believe it reflects on the member for Murray-Mallee that he should make these allegations.

*Members interjecting.*

**The SPEAKER:** Order!

**PUBLIC WORKS COMMITTEE REPORTS**

**The SPEAKER** laid on the table the following reports by the Parliamentary Standing Committee on Public Works, together with minutes of evidence:

Myponga Water Filtration Plant,

University of South Australia—Extension to Centenary Building.

Ordered that reports be printed.

**QUESTION TIME**

**STATE BANK**

**Mr D.S. BAKER (Leader of the Opposition):** My question is directed to the Premier. Given the massive blow-out in the State Bank's losses, will the Premier honour his 10 February promise to go to the polls if the \$970 million package he had announced failed?

**The Hon. J.C. BANNON:** At the time I announced the indemnity fund in February, on more than one occasion and in a statement to this House I indicated that those figures were not final figures, that a detailed assessment was being undertaken and that, to the extent to which the indemnity would be required, the Government would respond. I have already advised the House, in response to questions, about the process that was undertaken from 10 February, a process which was rigorous and which resulted in final audited accounts for the 1990-91 financial year of the bank being produced. That information will be tabled and released today.

The way in which those accounts will be treated and how we will manage it within the context of our State finances will be laid out very clearly to the House. That is part of the management process to which I was referring, and it has a long way to go. Indeed, I will quote the bank's chairman, Mr Nobby Clark. He was asked at what stage he

thought the process was, and he said that the best way he could describe it was to use Winston Churchill's phrase: it was simply the end of the beginning. In other words, there is a while to go. I know that the Leader of the Opposition is trying to create some kind of electoral disruption at this time; I would suggest it is the last thing the State needs. The last thing that the State needs is that sort of instability.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.C. BANNON:** That sort of larrikin behaviour is totally unnecessary, and the Leader knows it. The disruption that is involved in that at this time is nonsense. He knows that he can safely and confidently keep making this claim, because supporting the fact that there will not be that sort of disruption is the Constitution Act itself, which does not allow an election to take place willy-nilly. My record is that I am prepared to serve the term for which I have been elected to office and, unless there are major or overwhelming reasons—

*Members interjecting:*

**The Hon. J.C. BANNON:** Indeed, if Government loses the confidence of this place, by all means there will be an election. We have a job to do at the moment and it is not a short-term job. It is not the subject of a quick fix, and the one overwhelming thing I have detected over the past few days, as the Leader has done his irresponsible best to create an air of crisis, is that when he is asked the crucial question, 'All right, that is the situation; now what are you going to do about it; what will a change of government do; what policies do you have?' There is—

*Members interjecting:*

**The SPEAKER:** Order! The member for Bragg and the Leader are out of order. I remind members of the caution I gave earlier today. The honourable Premier.

**The Hon. J.C. BANNON:**—either a blustering attempt to get back to history and the past and say what a terrible thing this situation is—in other words, a complete sidestepping of it—or a gape mouth refusal to respond. The Leader of the Opposition can claim to take the government of this State only if he is able to produce constructive, sensible and united policies from those around him. There is absolutely no evidence of that at the moment. He will have his chance, if he is still Leader at the time of the next election, at the due time, and by then I will be very happy to be judged by the people and will accept that judgment accordingly.

## WIND TURBINE

**Mrs HUTCHISON (Stuart):** Will the Minister of Emergency Services indicate whether he has any early indications of the performance of the demonstration wind turbine at Coober Pedy? It is now five months since the installation of the turbine and I am sure that all members would be interested to know how well it is performing both in absolute terms and against specifications.

**The Hon. J.H.C. KLUNDER:** As the honourable member has pointed out, the Coober Pedy wind turbine generator has now been operating for about five months, and I am pleased to report that it appears to be living up to expectations, at the moment at least. The initial analyses of outputs from the generator carried out by the Office of Energy Planning have confirmed the theoretical performance assessments made before the installation. As far as I know, there is no 20 per cent consumption tax on this windmill. Although rated at only 150 kilowatts, on occasion the generator has peaked at more than 200 kilowatts when wind velocities have exceeded 11 metres a second.

In the period of operation so far, the wind turbine has contributed about 5 per cent (on average) of the electricity requirements of Coober Pedy, with a peak contribution of up to 30 per cent. As members will appreciate, the period of operation is still relatively short and the monitoring program has more than 18 months to run. The total two year monitoring program will be required to assess performance against seasonal and annual variations in the wind regime.

## STATE BANK

**Mr S.J. BAKER (Deputy Leader of the Opposition):** Will the Treasurer ensure that the terms of reference will be wide enough to allow the reasons for the further blow-out in the State Bank Group's non-productive loans to be fully investigated in the current royal commission and Auditor-General's inquiry?

**The Hon. J.C. BANNON:** The fact is that any change in the bank's position between February and now is not connected with loan undertakings or liabilities incurred in that period: on the contrary, the bank's management throughout that time has been exemplary, as far as I am advised. In fact, it relates to those loans and other liabilities incurred prior to that period. As such, they are subject to investigation by the royal commission. There is therefore no reason to change the terms of reference—the royal commission is able to consider all those matters—nor, indeed, to extend its time.

## FIREARMS

**Mr De LAINE (Price):** Will the Minister of Emergency Services inform the House of the guidelines for police officers with respect to the use of firearms when confronted with a dangerous situation? There have been recent reports involving allegations that car thieves have used stolen vehicles in a life threatening manner in an effort to avoid arrest by pursuing police. It has been put to me that in these situations police should be authorised to use their firearms.

**The Hon. J.H.C. KLUNDER:** I thank the honourable member for his interest in this issue. The use of firearms by the police is, of course, an issue that concerns the community considerably and it is reasonable that the regulations and requirements with respect to the use of firearms by the police be spelt out publicly. The justification for the use of firearms by police is clearly set out in General Order 3375 issued by the Commissioner of Police. Summarised, the order states that members will not resort to the use of firearms except when the member believes, on reasonable grounds, that such use is necessary to protect life or to prevent serious injury, and then only when satisfied that no other means are available, or for the lawful destruction of animals.

The order goes on to say that members will not use firearms at any time as a threat—which includes the firing of warning shots—except in accord with the foregoing. In addition, whenever a firearm is used the member concerned shall exercise every practicable precaution to minimise risk to innocent people. In cases of the kind mentioned by the honourable member in his explanation, the police would have to assess whether the use of firearms would be justified by the circumstances in each case.



### FIRST RADIO

**Mr INGERSON (Bragg):** Why did the Treasurer tell the House that SGIC's investment in First Radio was performing well when it is being carried at nil value in the SGIC's 1991 annual accounts and was consequently a significant contributor to SGIC's pre-tax loss of \$81.4 million?

**The Hon. J.C. BANNON:** Because at the time that was a correct statement. I thank the honourable member for his question—

*Members interjecting:*

**The Hon. J.C. BANNON:** On the advice I was given, that was a correct statement. I thank the honourable member for his question, because it shortcuts a response that I would have provided to the member for Coles in relation to the treatment of that exposure to First Radio; that is, I confirm that, indeed as the SGIC report will show, that amount has been totally written off. That does not mean that SGIC necessarily will achieve a nil return from that. But, obviously, decisions have to be made. That holding was in conjunction—

*Members interjecting:*

**The Hon. J.C. BANNON:** Well, the Leader interjects. This is an example of the complete contempt he has for those who try to do business in his part of the country. The co-holder of First Radio is, in fact, South-East Telecasters, which has a pretty important stake in the economy and the communications industry of the South-East. For the Leader irresponsibly to interject about this suggests either that he is ignorant of that fact, that he does not care or that he is reckless with the concerns of his constituents.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.C. BANNON:** It was an investment made by the SGIC at a time when the ownership of that radio station was possibly to be removed from this State. It was seen to be a reasonable investment. It was done in conjunction with the company to which I have just referred and for which the Leader of the Opposition shows such contempt. As is the case in some instances, that investment has not worked. To try to condemn all of SGIC's investment practices on that basis I find quite disgraceful, and it is about time that it stopped.

### WASTE RECYCLING

**Mr HOLLOWAY (Mitchell):** Will the Minister for Environment and Planning inform the House whether proposals to establish a paper recycling plant in South Australia were found to be viable, and will she say what opportunities are developing for the reuse of paper and other materials?

*Members interjecting:*

**The SPEAKER:** Order! Before calling the Minister I inform members that this chatter across the Chamber must cease. The Minister for Environment and Planning.

**The Hon. S.M. LENEHAN:** A resurgence of interest in recycling began in Australia in 1989 and followed a similar heightening of awareness in North America and Europe. Unfortunately, at the time that Australian households began to collect and return used newspaper, California and several other American States had begun to offer very heavy subsidies for the export of their own used newsprint into Australia's traditional markets on the western rim of the Pacific.

*An honourable member interjecting:*

**The Hon. S.M. LENEHAN:** One of the members says that it was a dumping ground, and that is exactly what happened; I could not have put it better myself. However,

at that time a market for shredded newsprint still appeared to exist in Asia. It was with those markets in mind that the Government determined to investigate the possibility of establishing a shredding and baling facility in South Australia. The Recycling Advisory Committee was therefore given the task of assessing the proposal and proceeded to appoint Kinhill Engineers Pty Ltd to complete a feasibility study. After thorough consideration of the economics of shredding and baling, Kinhill reported earlier this year to the South Australian Waste Management Commission that the economics of such a scheme were at that point and would continue to be in their view extremely unattractive.

However, there is some good news on the horizon. With increasing demand for used newsprint in the manufacture of cardboard, egg cartons and cellulose insulation in Australia and with a recovery of markets in South-East Asia, we are now in a position where domestic consumers of used newsprint, such as APM, are seeking additional supplies, and exporters, such as Normetals from Ottoway, are paying increased prices for quality used newsprint.

With rapidly expanding markets overseas, and the prospect of a substantial domestic market in the ANM plant at Albury in two years time, a market for used newsprint appears to be assured. It now remains for us to establish a workable kerbside recycling system, preferably as part of a national recycling effort, which returns recyclable materials to industry and makes that sector of the economy more accountable for the natural resources which it consumes.

### STATE GOVERNMENT INSURANCE COMMISSION

**The Hon. B.C. EASTICK (Light):** Having regard to the answer given to the House on 14 August (*Hansard* page 169), will the Treasurer explain why he was allowed SGIC to again breach section 16a (4) of its Act by not reporting all directorships held by members, officers and employees of the commission in its annual report? The Premier's final words in his answer on 14 August were that 'the proper reporting procedures will be carried out': they have not been.

**The Hon. J.C. BANNON:** I was waiting for the explanation from the honourable member as to why he claims they have not been carried out. If he is prepared to provide that detail and the basis for that statement, I will have the matter investigated. I am not varying the answer that I gave to this House on 14 August.

### NAPOLI TRADE FAIR

**Mr GROOM (Hartley):** Following the recent presence of South Australia at the Napoli Trade Fair for the first time, will the Minister of Ethnic Affairs advise the House on the future of the Gemellaggio between South Australia and the Campania region of Italy?

**The Hon. LYNN ARNOLD:** It is certainly very pleasing to see the participation of South Australian companies at the Mostre d'Oltremare in Naples. Indeed, the honourable member was present on that occasion, as I was. It was pleasing to note that the officials organising the fair had nominated South Australia as a special guest. It follows a series of participations in trade fairs overseas, particularly in this instance in Italy, by South Australian companies supported by the Department of Industry, Trade and Technology, and by myself as Minister, and they have seen successful business being written.

That took place in the context of the gemellaggio to which the honourable member referred and which was formalised

on 1 October last year by the Premier and by the President of the region, the Hon. Fernando Clemente de San Luca. Since that time there have been ongoing information exchanges and people exchanges between the two regions. Following my leading of a group to Naples earlier this year, there has been the visit to Adelaide of the delegation led by Edmondo Cuomo and Antonio Iervolino on behalf of the regional government of Campania who had discussions with the gemellaggio committee in South Australia on what sort of potential should be pursued in future. There has been a degree of correspondence since that time between the two areas.

At the moment I am waiting for further advice from the State gemellaggio committee as to the sorts of things that they believe we should be considering for the future. I say 'we' in the wider sense, as it involves not just the Government but the private sector in South Australia which has an interest in this area and community groups, because in the final analysis the success of the gemellaggio will be that it is a community interchange rather than just a Government to Government relationship. I hope to take that advice, consider it, and come back with decisions. We would then share that with the Campania regional government, which is very eager to receive our advice because it is willing and wanting to move as soon as possible on the next stages of the gemellaggio agreement. I therefore look forward to receiving this advice. We have good representation on the gemellaggio committee: Cavalieri Giovanni Di Fede, the Hon. Mario Feleppa, Dr Carmine De Pasquale, Mr Giuseppe Cavuoto, Mr Pasquale Rossi and Mr Carmine Scalzi. There are also five Government agency representatives under the joint chairpersonship of Cavalieri Paolo Nocella and Mr Trevor Barr. I am waiting for them to come back with the advice which I shall be pleased to consider and will further contact the regional government in Campania.

#### STATE GOVERNMENT INSURANCE COMMISSION

**The Hon. E.R. GOLDSWORTHY (Kavel):** Does the Treasurer, as Minister responsible for SGIC, now accept that SGIC's inter-fund transactions were illegal given that the Auditor-General has stated in his audit of SGIC, 'I have formed the opinion that is supported by legal advice that the commission has no authority to undertake these transactions'?

**The Hon. J.C. BANNON:** I shall be making a statement on that shortly.

#### RIBBON AND CARTRIDGE RECYCLING

**The Hon. J.P. TRAINER (Walsh):** My question is directed to the Minister for Environment and Planning. In consultation with her ministerial colleague in another place, the Minister of State Services, will the Minister inquire into cost savings and environmental benefits that might be achieved by encouraging Government departments to use recycled ribbons and cartridges in the printers of computers and word processors? Although the cost savings vary greatly, I understand from a constituent that in one extreme case the cartridges for a particular brand of computer printers can be refilled with bulk ribbon at a cost of about \$30 compared with about \$150 for a new replacement cassette.

**The Hon. S.M. LENEHAN:** I shall be delighted to refer the honourable member's question to my colleague the Minister of State Services. However, as Minister for Environment and Planning, I would welcome and encourage any

purchases by State Services of these recycled ribbons and cartridges. We would have to investigate whether they do the same job as the brand new ribbons and cartridges. If the evidence that the honourable member is suggesting exists can be substantiated, it seems to me that this would be the way for all members to move in terms of ensuring that we purchase recycled products wherever possible and, indeed, fall into line with Government policy. I have great pleasure in referring that matter to my colleague in another place.

#### SOUTH AUSTRALIAN SUPERANNUATION FUND INVESTMENT TRUST

**The Hon. JENNIFER CASHMORE (Coles):** My question is to the Premier. Why has the Government allowed SASFIT to engage in interstate investments and put options which have returned 4.2 per cent in 1990-91, which is an even lesser rate of return than the 5.5 per cent return recorded in 1989-90?

**The Hon. J.C. BANNON:** Those investments have been made within investment guidelines for SASFIT, which is administered by a board. If the honourable member reads the SASFIT report and understands the basis on which those transactions are entered into, she will feel fairly comfortable that they are not at all high risk. They are not in the same category as some other areas of put options and, as such, are quite legitimate investments by SASFIT.

#### ABORIGINAL AFFAIRS

**Mrs HUTCHISON (Stuart):** Will the Minister for Aboriginal Affairs advise the House whether or not he welcomes the initiatives in the Federal budget for Aboriginal people? In the recent Federal budget, the Minister for Aboriginal Affairs announced allocations of over \$2.5 million to further consultations and to commence the recommendations of the Royal Commission into Aboriginal Deaths in Custody. The Federal Government also agreed to expand the successful community development employment program, in addition to moneys allocated through ATSIC, DEET and other Commonwealth departments and agencies.

**The Hon. M.D. RANN:** I believe this question is very timely, because this evening I will be flying to Alice Springs for a meeting of the Ministerial Council on Aboriginal Affairs with Federal and State Ministers. The Federal budget takes some small but welcome steps towards addressing some of the crucial issues facing Aboriginal people. I am pleased that there is some immediate money available to begin addressing the recommendations of the Johnston Royal Commission into Aboriginal Deaths in Custody. However, I do have some very serious concerns that the amount available federally does not reflect the extent and magnitude of the recommendations of that royal commission.

I hope that this does not mean that the States once again must bear the bulk of the burden, as we did with the interim recommendations of what is known as the Muirhead report. This State, in implementing 50 of the 56 interim recommendations of the royal commission, spent about \$10 million compared to the Federal Government's one-off contribution of \$350 000 to this State.

The Federal Government and the Federal Minister for Aboriginal Affairs talk about a partnership to tackle the royal commission's recommendations. In my view, a ratio of about 30:1 is hardly satisfactory, and hardly a partnership. I am also most concerned about the apparent fall in levels of Federal DEET funding to Aboriginal employment

programs in this State. At tonight's and tomorrow's meeting of Aboriginal Affairs Ministers I will seek clarification from my Federal counterpart on this matter, and also on advice that I have received that over-expenditure in Nick Greiner's New South Wales last year resulted in South Australia's being penalised this year. The decision to cut these vital funds for the employment of Aboriginal people will severely handicap South Australia's ability to achieve jobs for Aboriginal people in this State. Of course, with our 1 per cent challenge, we are leading the nation in this area.

On a brighter note, I am pleased at the increase in CDEP projects. Under CDEP, Aboriginal community members receive wages for working part time on a series of community projects. I know that in various places around this State, both in the honourable member's electorate and in Port Lincoln, the CDEP program is doing particularly well. The increase in self esteem and skill levels is, in some cases, remarkable. An additional 4 600 positions will be created around the nation over three years. Although this will have a small impact in South Australia, it will be a positive one.

### STAFFING CUTS

**Mr BRINDAL (Hayward):** Will the Minister of Education indicate the total level of staff intended for the six new teacher and student support centres in South Australia, and can he confirm that some of the alleged cut of 300 staff in the Education Department will simply be the result of staff transferring into these new support centres?

**The Hon. G.J. CRAFTER:** I will be pleased to obtain the detailed information the honourable member requests about specific staffing for the new district centres. I can say that a real reduction is intended in those numbers. This has been misconstrued by the Opposition on previous occasions.

### BETTING

**Mr HAMILTON (Albert Park):** Will the Minister of Recreation and Sport advise the House whether the necessary arrangements for the conduct of place-only and multiple betting have been finalised? On Sunday last an article appeared in the *Sunday Mail*, reporting dissatisfaction among bookmakers. Will the Minister therefore advise the reason for this delay?

**The Hon. M.K. MAYES:** I thank the member for his question. I think that the reason for the delay will be of particular interest to the racing community. I refer particularly to the article in the *Sunday Mail* of 25 August which states that bookmakers are still waiting for the necessary legislation to allow them to offer multiple and place-only betting despite details of the proposed viability package being announced by me in February. The shadow spokesperson made a statement about racing and the particular regulations and how they are altered. I think it is important to note that the Opposition spokesperson is aware of the way in which this process is being handled, and he mentioned that when we were debating the issue. I will quote what he said publicly:

I do not understand why the Government has been slow in bringing in any regulations. Under the Act it is possible to do it, and I understand that all that needs to happen is for the Betting Control Board to initiate the regulation.

To explain that so that we understand what is happening, the fact is that the Bookmakers Licensing Board has the process in its capable hands; it is under its control. This matter has been with the BLB, and I have been advised by its executive officer that, due to the complex mathematical

matrices that must be established for the process, it must engage highly qualified mathematicians to produce the necessary rates of deduction.

The difficulty has been compounded by the fact that place-only betting will be framed around odds that represent one-fifth of the appropriate win-only odds and not one-quarter, as is currently the case. So, a complete restructuring of those rules has been required on the basis of the mathematical models constructed by the mathematicians. The matter has been with the board for some time. It is the board's responsibility, and it is addressing the issue. I am sure that the honourable member can contact the board if he sees fit to ask what is the process. I have spoken to the executive officer, who notified me of the delay. I hope the matter is finalised urgently because I would like to see it—as I am sure all members in the community would—established for bookmakers in the very near future.

### GOVERNMENT AGENCIES REVIEW GROUP

**Mr BECKER (Hanson):** My question is directed to the Minister of Finance. What saving of Government outlays was achieved last financial year as a result of the implementation of recommendations of the Government Agencies Review Group, and how many public sector positions have been abolished so far?

**The Hon. FRANK BLEVINS:** I thank the honourable member for his question, which will be answered in about 35 minutes.

### SCHOOL CARD

**The Hon. T.H. HEMMING (Napier):** I direct my question—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. T.H. HEMMING:** —to the Minister of Education. Will the Minister advise the House how many school students are being provided with assistance to pay for the cost of school books and other school activities through the State Government's school card scheme? A recent article in a newspaper column suggested that disadvantaged and unemployed families could have access to Government assistance but that some families could not be bothered to apply for this assistance.

**The Hon. G.J. CRAFTER:** I was somewhat concerned to see that that recent newspaper report referred to this financial assistance as the use of the GAS card. There has not been a Government assisted scholar scheme now for some years. The school card replaced that and, indeed, is used by more than 58 000 students presently throughout government and non-government schools in this State. The school card has proved enormously successful with families of school age students in need in both government and non-government schools. Currently, eligible primary school students gain \$106 whilst secondary school students gain \$159, and that provides their families with considerable assistance in paying for school books and other educational support. The recent article in the press to which I referred was commenting on the inability of some students to purchase theatre tickets. I point out that the Education Department provides additional funds outside the school card to the Festival Theatre to subsidise student attendance at performances at the various complexes associated with the Festival Centre.

The school card is seen as an additional support to families to encourage students to participate fully in the life of schools and, indeed, to stay longer at school. There has been a significant increase in recent years in the provision of this grant, in marked contrast to the meagre assistance given under the previous scheme by the Liberal Government when in power almost a decade ago. The Bannon Government has increased the school card since coming to Government in 1982 by 82 per cent in real terms for primary school students and by more than 170 per cent for secondary school students. In fact, approximately 30 per cent of all students in our schools now receive this additional financial assistance.

### INTEREST RATES

**Mr OSWALD (Morphett):** Does the Premier agree that the Hawke Labor Government's decision to fund its budget with \$11 billion in new bond sales will tend to increase real interest rates at a time when Australia and South Australia desperately require an easing of rates and, if so, will the Premier make representations to Canberra to argue for a tightening of fiscal policy instead?

**The Hon. J.C. BANNON:** The answer to that question surely is 'No' in the current circumstances of capacity in the economy. The fact that over the past few years the Commonwealth Government has been delivering massive surpluses and retiring debt to a great extent really has been quite a remarkable achievement. The response this year would be for the Federal Government, obviously, to make drastic and holocaust-like cuts to social security and other things in a time of recession, which would be totally unacceptable. Instead it made the responsible decision that it was prepared to accept a deficit and to fund it. Having said that, I believe that real interest rates are unacceptably high and that the sooner a decision is made to get those rates down, the better for the economy.

I am very concerned indeed about the fact that productive investment is awaiting that kind of signal before it is made. Unless it gets that signal, it will not be made. The consequences for our economy, both immediately and in terms of how we come out of the recession, are drastic indeed. I have personally and publicly called for that to happen, and I believe that the shortest possible time should elapse before a firm decision is made to reduce those real interest rates. I do not believe that any activity by the Commonwealth Government in the market, in view of all the other predictions made in the Commonwealth budget, should inhibit such a decision.

### ENVIRONMENTAL PROTECTION MANAGEMENT

**Mrs HUTCHISON (Stuart):** Will the Minister for Environment and Planning clarify what is meant by the term 'funding environmental protection management on the principle of polluter-pays' and how this principle will be embodied in proposals for the establishment of an environmental protection agency in South Australia?

**The Hon. S.M. LENEHAN:** As all members would know, traditionally the costs of financing Government regulatory controls relating to pollution and the environment and, indeed, waste management have been borne by the general public through the Government budget. However, in recent years, most Governments of industrialised countries have supplemented regulatory controls and budget funding with a polluter-pays system. Indeed, that has taken place in

industrialised countries throughout the world. The application of the polluter-pays principle has three main purposes. First, it means that environmental assets, such as rivers, are treated as having a value. Secondly, it acts as an incentive to firms to improve their environmental performance and, indeed, to provide treatment of their waste products on site. Thirdly, it helps to meet the costs to Government of having effective environmental controls and clean-up programs.

The discussion paper which I have released, which outlines proposals for an environmental protection agency in South Australia, suggests a combination of measures for consideration, including the polluter-pays measures. When considering polluter-pays principles it is also important to ensure that South Australia's ability to attract and retain economic development is not eroded by the limited capacity of some small industries to bear excessive and, indeed, additional costs. In conclusion, I was interested to read in the *Public Service Review* of July 1990 an interview with the Leader of the Opposition in which he said he had no problem whatsoever with the idea of polluter-pays. I therefore look forward to the support of the Opposition on this very important principle.

### WATER RATES

**The Hon. D.C. WOTTON (Heysen):** I direct my question to the Minister of Water Resources. Is it a fact that the number of people employed on the E&WS Department switchboard to answer concerns relating to water rates has been increased from 10 to 15; that up to 80 callers are on hold at any one time; and that many callers are dropping out after having waited for, in some cases, up to half an hour without response? If so, will the Minister now concede that the \$60 000 plus campaign being paid for by the taxpayers of South Australia has failed?

**The Hon. S.M. LENEHAN:** I thank the honourable member for his question, because I am very pleased to answer it in some detail. However, the short answer is, in fact, quite the opposite. The campaign has not failed: it has been a resounding success, because—

*Members interjecting:*

**The Hon. S.M. LENEHAN:** It is very interesting that they do not want to know the truth. What has changed? The reason I say that it has been a resounding success is that the whole advertising campaign was aimed at getting the community to call the hotline because we were providing a personalised service. I remind members of the television and newspaper advertisements, which said, 'Please ring the hotline and we will provide a personalised answer to your concerns and questions.' So, it is interesting that the honourable member has given me a wonderful opportunity to ensure that I put on the public record, in answer to a previous question about whether we were spending more than \$60 000—and I am very happy to provide an exact breakdown of the figures at a subsequent time, because I have these figures and, in fact, we have spent less than \$60 000 on the campaign—that the campaign has been a success. There are people—

*Members interjecting:*

**The Hon. S.M. LENEHAN:** Well, of course it is taxpayers' money, and so it should be. When we are talking about a multi-million dollar enterprise, an expenditure, on behalf of the taxpayers, of \$60 000 to inform the community about a change in the system is very small.

*Members interjecting:*

**The Hon. S.M. LENEHAN:** It is interesting that the Opposition has asked me a number of questions but is not

prepared to pay me the courtesy of allowing me to answer them. However, I intend to answer them. We have increased the number of staff on the switchboard. I have personally visited the switchboard operation area and have spoken with staff. On the couple of occasions that I have been there, in response to my questions as to how the system has been operating, I have not been given the information suggested by the honourable member that there are these enormous waiting periods.

*An honourable member interjecting:*

**The Hon. S.M. LENEHAN:** Well, I have been asked the question and I intend, whatever the Opposition might think, to answer it, Mr Speaker, with your blessing. My requests for information have certainly not received the responses claimed by the honourable member.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. S.M. LENEHAN:** It is your Question Time.

*Members interjecting:*

**The SPEAKER:** Order! The Minister will resume her seat. Several times this afternoon I have had to call for order. Once again, I point out that if any members do not want to be here for the important part of the afternoon they should carry on as they are at present. I mention in particular the member for Bragg and the member for Heysen. The honourable Minister.

**The Hon. S.M. LENEHAN:** On the number of occasions that I have inquired, it has been quite the reverse: people have not had huge waiting periods. It is interesting that the shadow Minister tries on every occasion to denigrate the Engineering and Water Supply Department. I would like to have it on the public record that I think it is a very fine department and that it is carrying out its responsibilities, under the Acts of Parliament for which it has a responsibility, to provide water and sewerage. Let me remind members that it does so very effectively and efficiently.

I would be delighted to again seek the advice of the department with respect to the specific issues of waiting times, etc., and I will provide that information personally to the honourable member. However, I think it is important to recognise that the answer to the honourable member's question is that the campaign has been a resounding success. It has achieved its aim exactly: to provide a personalised service. People can ring in and find out any information they want, and my colleagues on this side of the House will indicate to members opposite that that is exactly what is happening. I would also like to put on the public record the fact that a number of seminars are being offered to electorate secretaries of members of Parliament.

*An honourable member interjecting:*

**The Hon. S.M. LENEHAN:** I thank the honourable member for that little bit of information. I assume that all electorate secretaries are attending these seminars. I have had feedback to the effect that electorate secretaries are delighted with the quality of the briefings, they understand the system and they are returning to their electorates to impart that information. I hope that the electorate secretaries of members opposite are imparting the same information as are secretaries on our side from these very effective briefings. I thank the honourable member quite sincerely for his question; I think it is very important and I am delighted to have had the opportunity to answer it.

#### STA BUSES

**Mr HAMILTON (Albert Park):** Will the Minister of Transport advise what actions are being taken to reduce

diesel exhaust emissions from STA buses? Recently, a constituent contacted my office complimenting the State Government on its environmental policies. However, my constituent expressed concern about the black fumes emitted by STA buses, hence my question.

**The Hon. FRANK BLEVINS:** I thank the member for Albert Park for his interest in this topic and for his continuing interest in transport. The question of emissions from buses has been an ongoing problem. I am not a technical person to any extent, but I am advised that diesel buses pollute very much less than it appears, and that whilst their emissions are certainly darker in colour than emissions from petrol engines, in effect, they do not do as much damage to the atmosphere as it appears. I am sure that any member opposite who drives a diesel truck on a farm would know that that is true.

The buses being diesel, as opposed to petrol, are already somewhat more environmentally friendly, but we intend to go one step further. We have ordered about 300 new buses, and of those at least 100 will be powered by compressed natural gas. With the cooperation of SAGASCO we have run trials with four, or maybe more, buses with compressed natural gas and there is no question but that they have been a resounding success. Many of the present buses would not be suitable for conversion for a whole range of structural reasons, so we will not be converting too many more; but, as we replace fleet vehicles, we will be replacing them overwhelmingly with those using compressed natural gas. I am sure that everybody would applaud that decision by the Government.

I may add, on a visibly greener note, that the STA has calculated the amount of CO<sub>2</sub> emissions that the STA puts into the atmosphere. What we have decided to do, and indeed are well on the way to doing, is plant a sufficient number of trees to combat that pollution. We are not just removing or assisting in removing the pollution that we put into the atmosphere at the moment, but, with the compressed natural gas, we will also be reducing the amount of pollution that we put into the atmosphere. The STA in itself is environmentally friendly compared with the principal alternative, which is the motor vehicle. There is no doubt that to have 80 people on a bus, for example, is more environmentally friendly and socially responsible than having 80 people in individual motor vehicles driving the same distance. The STA, by its very nature, is environmentally friendly compared with the alternative. I think that the member for Albert Park and, indeed, all members will agree that the actions taken by the STA show that it is a good servant of the people of South Australia not just in providing transport but in doing so in a way that is as socially responsible as is practicable.

#### ROAD RECONSTRUCTION PROGRAM

**Mr BLACKER (Flinders):** Can the Minister of Transport advise the House (or, if not, obtain a report) about the progress of the road reconstruction program on the Todd Highway between Karkoo and the Flinders Highway junction and say when work is expected to be completed?

**The Hon. FRANK BLEVINS:** The answer would be quite lengthy, so, in order not to take up the time of the House, I will get a report for the member for Flinders.

#### MULTICULTURAL AND ETHNIC AFFAIRS COMMISSION

**Mr GROOM (Hartley):** Will the Minister of Ethnic Affairs outline to the House the reasons for the corporate plan

strategy proposed by the Multicultural and Ethnic Affairs Commission and indicate the way ethnic communities can be expected to benefit from this strategy?

**The Hon. LYNN ARNOLD:** Following the passage of amending legislation in 1989, the South Australian Multicultural and Ethnic Affairs Commission determined that it was important for it to have a strategy for the year ahead as to where it should be going to enact the principles of the Act. I remind members that the principles of the governing legislation require the commission to work in areas of community relations, access and equity issues, participation issues, economic development issues and management and human resources issues. Therefore, it has gone about the process of talking through the way in which it can implement those strategies and activities. Over the months, community groups, consultants and the office of the Government Management Board have worked with a reference group established by the commission in 1989.

As a result of all that work, I can advise that a plan has been adopted by the commission which was put to me for approval after some discussion with the Chair of the commission and the Chief Executive of the office of the Multicultural and Ethnic Affairs Commission. As a result, a program has been developed for the current year on the basis of that plan and there will be supplementary action plans for the following two years of the three years. The corporate plan has been printed for circulation in booklet form, so that is publicly available. A two-page summary has been produced in a number of languages, those being Croatian, German, Greek, Italian, Khmer, Polish, Serbian, Spanish and Vietnamese.

#### MOTOR REGISTRATION DEPARTMENT DELAYS

**Mr SUCH (Fisher):** Will the Minister of Transport review procedures at the Motor Registration Department following complaints from elderly citizens about lengthy delays in licence testing? An elderly constituent of mine was reissued with his drivers licence last week despite not being able to have the required practical driving test until January 1992, because of staff shortages. My constituent is concerned about this delay, because it creates anxiety amongst the elderly and their families during the enforced lengthy waiting period.

**The Hon. FRANK BLEVINS:** If the honourable member gives me the details of that case, I will have it investigated for him.

#### HOUSING TRUST RENTS

**The Hon. T.H. HEMMINGS (Napier):** Will the Minister of Housing and Construction advise the House when the direct debiting system for the payment of Housing Trust rents will be introduced? The House will be aware that the Minister recently achieved a major breakthrough with his Federal counterpart on the question of direct debiting. I have been approached by a number of constituents as to when they may take advantage of this system.

**The Hon. M.K. MAYES:** This issue is of concern particularly to elderly trust tenants, and it would be a great convenience to them. I hope that the issue will be resolved tomorrow at the Housing Ministers' conference in Melbourne. I anticipate that a statement will be made by the Federal Government, and I hope that it will be timed to coincide with the meeting tomorrow so that we can advise the community. It is something that Senator Graham Rich-

ardson agreed to several months ago, and something that we see as an advantage to our clients (the tenants) and also in terms of cost efficiency, because it will bring the cost of rent collection down significantly.

I presume that the Department of Social Security will apply some charge to the trust for the deductions from social security payments, but in the long run the benefits that will come to the Housing Trust in terms of efficiency, the reduction in cost to the taxpayer and the benefit to the community will outweigh any charge that may be levied by the Social Security Department to the Housing Trust. I hope that the Federal Minister makes the announcement tomorrow. Certainly, I enthusiastically support the scheme and think that the voluntary arrangement for tenants will be of benefit to the whole community.

#### AUSTRUST

**Mrs KOTZ (Newland):** Has the Treasurer been advised and does he approve of the two weeks notice to apply for voluntary redundancy given to all 200 employees of Austrust and Executor Trustee, including the threat that those who do not apply risk being sacked without reasonable termination allowances, and is this form of notice in accordance with Government policy?

**The Hon. J.C. BANNON:** I have not heard the details of redundancy packages or staff rationalisations. Of course, it is quite clear that, in the efficient operation of Austrust and ETA, there will be such rationalisations, and I think that that is understood. I hope that they will be done in the best spirit of industrial relations, and I am delighted that the honourable member is expressing concern about the way in which those things are done. It is more than some of her colleagues do.

I believe that the Austrust and ETA association is very sensible and rational. An important aspect of it should include the lowering of overheads through staff rationalisations and other efficiencies. That is an inevitable and necessary process in a commercial environment, and I am sure the honourable member would understand that ETA and Austrust are operating in a commercially competitive environment and therefore must take such steps.

#### CANCER RESEARCH

**The Hon. J.P. TRAINER (Walsh):** I direct my question to the Minister of Health. Does any statistical data to which the Minister of Health has access suggest that there have been gains in the continuing battle against cancer, and what further programs does he envisage to ensure that further gains can be made?

**The Hon. D.J. HOPGOOD:** Internationally at present I would liken the war on cancer to the western front in early 1918; there are gains in some areas, while in other areas the incidence of a particular form of cancer seems to be increasing. Indeed, sometimes it is the way in which we deal with the figures. For example, if we look at the overall incidence of cancer as a factor in mortality, we have to accept that, by the end of the century in Australia, as in many other countries, it will be the greatest single factor in mortality but, in part, that will relate to the decline in cardio-vascular disease in percentage terms as a factor in mortality. So, we must keep that in mind.

On the one hand we can say that certain forms of cancer are obviously on the decline; for example, acute lymphatic leukaemia in childhood is one which has shown a very

pleasant decline, and one would hope that continues. On the other hand, we know that lung cancer in women continues to show an increase, and we also know that there are considerable variations in the incidence of lung cancer if we look at it from the point of view of the Health Atlas which, in part, relates to the continuing effects of smoking on certain populations and also certain ethnic factors in populations. Everybody these days is very much aware of the effect melanoma has on mortality, and that also has a factor which relates often to ethnic origins, because of different skin types. People of mediterranean origin are clearly far less susceptible to melanoma than are the nordics.

Generally speaking, I think we have to continue and intensify the sorts of programs that are currently being used. We must intensify programs in relation to smoking and skin cancer. Many people still go out without using a sunscreen in the middle of the day in summer. Cervical cancer has not shown any particular decline, and that is why we must urge that women have regular checkups. The mammography initiatives, which are now taking place—and particularly the mobile mammography unit in country regions—is one area which we believe will show a very considerable improvement. Whether or not the member for Flinders knows it, the unit will begin its screening program in his electorate, and that will begin before the end of this calendar year.

So, generally speaking, I would want to assure the honourable member that, although on the one hand there have been a number of gains and a number of forms of cancer have declined in recent years (such as cancer of the oesophagus, colon, cervix, prostate and so on), nonetheless, one would have to say that many problems still remain. Many of them relate to environment and lifestyle factors and we have to continue to work on those factors.

#### SITTINGS AND BUSINESS

**The Hon. D.J. HOPGOOD (Deputy Premier):** I move:  
That the House at its rising adjourn until Tuesday 10 September at 2 p.m.

Motion carried.

**The Hon. D.J. HOPGOOD:** I move:  
That the motion for limitation of debate adopted on Tuesday 22 August be rescinded.

Motion carried.

#### PAPERS TABLED

The following papers were laid on the table:

- By the Treasurer (Hon. J.C. Bannon)—
- Budget Speech, 1991-92
  - Financial Statement, 1991-92. Ordered to be printed (Paper No. 18).
  - Estimates of Receipts, 1991-92. Ordered to be printed (Paper No. 7).
  - Estimates of Payments, 1991-92. Ordered to be printed (Paper No. 9).
  - Economic Conditions and the Budget, 1991-92. Ordered to be printed (Paper No. 11).
  - Capital Works Program, 1991-92. Ordered to be printed (Paper No. 83).
  - The Budget and the Social Justice Strategy, 1991-92. Ordered to be printed (Paper No. 30).
  - The Budget and its Impact on Women 1991-92. Ordered to be printed (Paper No. 81).
  - Public Works Certificate, 1991-92.
  - Enterprise Investments Ltd—Financial Statements, 1990-91.

- The Enterprise Investments Trust—Financial Statements, 1990-91.
- Enterprise Securities Limited—Financial Statements, 1990-91.
- Lotteries Commission of South Australia—Report, 1990-91.
- South Australian Government Financing Authority—Report, 1990-91.
- South Australian Superannuation Fund Investment Trust—Report, 1990-91.
- South Australian Superannuation Board—Report, 1990-91.
- State Bank of South Australia and Subsidiary Companies—Annual Accounts, 1990-91.
- State Bank Indemnity Document and Deed of Amendment.
- State Government Insurance Commission—Financial Statements, 1990-91.
- The Treasury of South Australia—Report, 1990-91.

#### 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 1992, and for other purposes. Read a first time.

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

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

The budget provides a targeted response to the economic and financial difficulties which will confront our State during the coming year.

It continues the process of change which I established last year through the review of Government agencies, while ensuring that frontline services are maintained and the core activities of Government enhanced.

In framing this year's budget, the Government has had to take account of four dominant factors.

The first is the recession which has caused a major fall in revenues.

The second, which is partly a result of the recession, is increasing demands for government services including law and order, education, health and welfare.

The third is the cumulative effect of the substantial reductions in the real level of Commonwealth grants which have occurred in recent years.

Fourth, and of the greatest immediate magnitude, are the costs to the budget of resolving the problems of the State Bank of South Australia.

In confronting the financial implications of this combination of events, South Australia has started from a position of financial strength. For instance, South Australia has for several years had one of the lowest levels of debt and debt servicing costs of all the States. At 30 June 1990, South Australia's net debt per head was second lowest of all the States. This followed a steady reduction in the real level of net debt per capita throughout the 1980s. By 1989-90 real net debt per head had fallen to \$3 078 in today's dollars, more than 60 per cent lower in real terms than the level in 1969-70.

The overall strategy is to mobilise the strength which has been built into our finances over the past eight years to ensure that South Australia negotiates its present difficulties with the minimum dislocation of vital services, while maintaining industry and community confidence in the potential for development and a secure future.

#### THE BUDGET OUTCOME

Before outlining measures which will affect the year before us, I wish to advise the House of the final outcome for the

year past and to detail the economic environment in which the budget has been framed. I shall provide details of action taken in relation to the State Bank at a later stage in my statement.

The 1990-91 budget provided for a net financing requirement of \$260 million. The actual result was a financing requirement of \$359 million, a deterioration of \$99 million. The amount of \$99 million is a net figure and reflects a number of factors, both favourable and unfavourable.

Significantly, savings were achieved on departmental expenditures such that there was a net reduction of \$32 million, leaving aside interest and items having no net impact.

Taxation receipts fell short of budget by a net \$55 million in 1990-91. The impact of the economic recession largely explains below budget receipts in stamp duties (down \$30 million), financial institutions duty (down \$17 million), private sector payroll tax receipts (down \$4 million) and gambling on lotteries products (down \$2 million)—a total of \$53 million. The shortfall in stamp duty receipts mainly reflects the impact of the adverse economic climate on property transfers, motor vehicle transfers and share trading activity.

Royalties from the Cooper Basin were \$23 million higher than budget. This was partly due to the favourable impact of higher oil prices in 1990 but also reflects a renegotiation of the arrangements with the Cooper Basin producers to bring the royalties yield more closely into line with other States. Amendments to the base upon which royalties are calculated will provide full year revenue gains of \$20 million.

Some of the other components in the variation from original budget estimates were:

- additional part-year interest costs of \$52 million as a result of the \$970 million initially put aside for the State Bank in February;
- a reduction in the Commonwealth financial assistance grants below estimate of \$11 million because the CPI increase was less than expected; and
- a reduction in State capital receipts below budget of \$21 million.

The net deterioration of \$99 million was covered through an additional borrowing from SAFA of the same amount.

### THE ECONOMIC ENVIRONMENT

The formulation of the 1991-92 State Budget has, more than at any time during my tenure as State Treasurer, been influenced by adverse economic circumstances facing both the national and State economies.

The slowing of the Australian economy intensified during 1991-92 mainly due to the impact of high real interest rates, a decline in world economic growth and a fall in agricultural commodity prices arising from the subsidies offered by other countries. As a consequence, all the States and the Federal Government have suffered a marked downturn in their revenues. In addition, there has been continued and in some areas increased demand for Government expenditure on services.

In the face of this difficult economic climate the South Australian economy managed to perform better than the national average, particularly in the first half of the 1990-91 financial year. This was due in part to the later impact of the national economic downturn but also to the more stable and sustainable economic conditions in this State during the boom.

The State economy was sustained for much of 1990-91 by the relative strength of the housing construction industry, assisted by the State Government's HomeStart scheme. Other areas where South Australia has performed relatively well include retail trade and investment in capital expenditure on equipment, plant and machinery.

The State economy has, however, been hard hit by the recession in areas such as non-dwelling construction, the agricultural sector and manufacturing production, particularly in South Australia's important automotive industry.

The prospects for the State economy in 1991-92 will depend crucially on the strength and timing of any recovery in the national and world economies. While there are tentative signs that the recession has bottomed, the resumption of growth is unlikely to be seen until at least the end of 1991. Even then the recovery is predicted to be slow compared with previous recoveries.

### COMMONWEALTH/STATE FINANCIAL RELATIONS

There have in recent times been some improvements in Commonwealth/State financial relationships, as in the Commonwealth commitment to maintain the real level of financial assistance grants this year. However, the underlying situation in financial terms remains highly adverse and is an important factor making our position considerably more difficult than would otherwise be the case.

This is clearly demonstrated by the substantial reductions in the real level of Commonwealth funding to South Australia. If they had been maintained at their 1985-86 level, the State's grants in 1991-92 would have been \$460 million higher than they will in fact be.

### BUDGET OBJECTIVES

The budget establishes the financial direction which will be pursued by the Government in these conditions. The emphasis has been placed on a managed process which involves a dedicated but orderly effort to reduce recurrent expenditures in line with receipts.

The Government believes that it is inappropriate, particularly during a recession, to impose indiscriminate expenditure cuts or to demand a sudden shedding of public sector jobs. To do so could exacerbate an already serious recession by increasing the level of unemployment and by burdening the community with ad hoc reductions in services.

The necessary expenditure reductions will be phased in over a number of years and will be targeted to ensure the maintenance of priority services and core activities.

The Government has always treated tax measures as a last resort in determining financial policy. Consequently, this budget does not rely on major tax increases. Furthermore, the Government believes that it must give the business sector a clear indication that it recognises that business confidence is vital for economic activity. With this in mind, steps are being taken to reduce the payroll tax burden on employers and to make changes to land tax in line with past submissions by employer associations.

The budget provides a measured response to current economic conditions. The strategy will affect the financing requirement, but as the process of expenditure reduction takes place and the economy recovers, the financing requirement will continue to diminish.

The strategy extends beyond this financial year. The expenditure reductions which are proposed in the 1991-92



budget will be a significant contribution to the achievement of the longer term objective of ensuring financial soundness without sacrificing essential public services or creating major economic dislocation.

Overall, outlays are forecast to grow by 7.3 per cent after adjusting for accounting changes. However, this includes the effect of large increases in non-discretionary expenditures comprising interest, superannuation and the expenditure of tied grants from the Commonwealth. Departmental expenditures are forecast to decrease by 2.9 per cent in real terms.

Policies already put in place by the Government will ensure that aggregate budget expenditure levels will continue to fall beyond the current year.

Receipts in aggregate are forecast to grow by 9.2 per cent, somewhat more rapidly than outlays, thus enabling a reduction in the net financing requirement from \$359 million in 1990-91 to an estimated \$330 million in 1991-92.

### REVENUE MEASURES

As I have indicated, the Government believes that in the current recession employment must be supported to the greatest extent possible. Consequently, the budget proposes a reduction in the rate of payroll tax from 6.25 per cent to 6.1 per cent to take effect from 1 December 1991. South Australia already enjoys one of the lowest rates of payroll tax in Australia and this measure will ensure that that comparative advantage is enhanced.

In addition, it is proposed to continue the practice of raising the exemption level on a regular basis in order to maintain its value in real terms. The level was raised from \$400 000 last year to \$432 000 on 1 July 1991 and will be increased to \$444 000 from 1 January 1992 and \$456 000 from 1 July 1992.

These measures will provide a payroll tax cut of an estimated \$5.6 million in 1991-92 and \$13.5 million in a full year.

In recent years land values in South Australia have increased rapidly. The Government's response has been either to adjust the land tax scale or introduce rebate arrangements in order to shield landowners from the full impact of rising land values.

The cumulative value to taxpayers of these reductions and rebates would be well in excess of \$100 million since 1986-87.

Over successive years, however, there have been representations from industry and small business groups for the Government to smooth annual fluctuations in land tax receipts by linking revenue growth to CPI movements. Proposals of this kind were taken up most recently in submissions to the 1990 Land Tax Review.

The Government has decided to respond to these concerns by restricting land tax receipts in 1991-92 to the same nominal amount as was collected in 1990-91 - that is, to an amount of \$76 million, which is a reduction in real terms. This will be achieved through an adjustment in the top marginal rate of tax. For land ownerships where the site value is in excess of \$1 million, the marginal rate will be increased from 1.9 per cent to 2.3 per cent on the excess above \$1 million.

The Government has also decided that land tax receipts in 1992-93 and 1993-94 will be kept at/or below increases in the consumer price index. This should provide a firm foundation upon which industry can plan for the next three years.

For taxation purposes, the value of petroleum products is determined by reference to a value per litre that is prescribed in legislation rather than by reference to actual market prices. This meant, incidentally, that there was no windfall gain to revenue when high prices were experienced during the period of the Gulf War.

Since October 1987, the determined value for motor spirit and diesel has been 45 cents per litre which is below prevailing market levels. Data released by the Prices Surveillance Authority shows that average wholesale prices have remained well above 45 cents per litre notwithstanding the fall in petroleum prices following the conclusion of the Gulf War.

Provision exists under the Business Franchise (Petroleum Products) Act 1979 for the determined value of petroleum products to be varied by regulation provided that value does not exceed a reasonable average wholesale price for petroleum products prevailing in this State as at the date of the regulation.

It is proposed to raise the determined value of petroleum products from 45 cents to 55 cents per litre, by regulation, with effect from 1 September 1991. The estimated gain to revenue is \$12 million in 1991-92 and \$16 million in a full year.

The impact of the proposed increase in the franchise licence fee on wholesale prices is equivalent to 1 cent per litre for motor spirit and 1.2 cents per litre for diesel purchased in the metropolitan area. For the rural zones the petroleum increases will be smaller being .7 cents in zone 2 and .5 cents in zone 3.

For diesel the corresponding increases are 1 cent and .7 cents. With the exception of Queensland which does not levy a fuel franchise fee, South Australia will still have the lowest levy on fuel of any State in Australia. Apart from the petroleum franchise fee, the land tax adjustments and the payroll tax reductions, there are no other tax measures in this budget.

### EXPENDITURES

As I have stressed, the financial measures contained in this budget are targeted to ensure that the core services are maintained.

In addition, the Government will maintain expenditures which contribute to the long-term development of the State's economy.

For example, the Government will continue to develop its plans for the proposed MFP-Adelaide.

In May the MFP Management Board Feasibility Report was released, which concluded that 'MFP-Adelaide is a vital national project worthy of support by government and private sector'. Last month we were able to jointly announce with the Commonwealth the go-ahead for the MFP.

The Government is also providing funding for new initiatives such as:

- the completion of work on a proposal to promote Adelaide as the transport hub of Australia;

- funding to promote Adelaide as the venue for the 1998 Commonwealth Games; and

- additional funds for the development of the Information Utility.

The Government's budget strategy, beginning in 1991-92 and continuing into subsequent financial years, is to establish a clear and ongoing downward trend in expenditure.

The 1991-92 budget includes significant expenditure reductions amounting to \$195 million in real terms.

This means that departmental spending will fall by 2.9 per cent in real terms in 1991-92 compared with 1990-91.

Net recurrent expenditures, other than those of a non-discretionary nature, are forecast to grow by 3.3 per cent in nominal terms, representing no change in real terms.

The Government has been able to achieve this restraint while increasing real terms expenditure in priority areas such as health and law and order because of the very tough discipline being imposed on the administrative and other lower priority expenses of Government.

Unlike budgets of previous years, this year's budget contains no special purpose allowances, whether for wage increases or any other purposes. Departments will be required to live within their budget allocations which include allowance for the national wage increase which is currently under consideration but nothing beyond that.

For costs other than wages and salaries, departmental allocations have been based on a growth factor of 2.5 per cent, which is below the forecast level of inflation.

The establishment of the Government Agencies Review Group was announced in the 1990-91 budget speech. Its purpose is to facilitate fundamental structural change in the public sector.

In addition to the goal of expenditure reduction, the Review was to contribute to the reorientation of activity to meet the challenges which are expected to confront the public sector in the years ahead.

Since that time substantial progress has been made. Significant savings of an order broadly in accord with that identified as necessary at the time of its establishment have been identified.

Changes which have already been implemented in the budget sector agencies are estimated to realise \$27 million in 1991-92. The savings in budget sector agencies alone will amount to about \$70 million when completed. There will also be substantial savings in non-budget sector agencies particularly in Government trading enterprises.

Work is continuing on a significant number of other proposals to assess their feasibility prior to implementation and savings will increase significantly over time.

There have been significant workforce reductions as a result of the reform process. These have been achieved following full consultation with the unions concerned. Consistent with the Government policy of no retrenchments, all workforce reductions have been through attrition or through the use of voluntary separation packages.

As honourable members would be aware, Government expenditure is dominated by the payment of wages and salaries. The Government has maintained its policy of no retrenchment and of achieving necessary reductions in employment levels by attrition. However, in the current circumstances, all State Governments have had to take action to ensure that employment targets can be met. Consequently, all public servants employed under the Government Management and Employment Act and some others have been invited to apply for Voluntary Separation Packages. At this stage, the results of this offer are being analysed in detail by each agency and the Commissioner for Public Employment. While it is too early to quantify the final results it is clear that this program will contribute substantially to a fall in the number of public sector employees through 1991-92, continuing the trend established in 1990-91. Funding arrangements will be put in place to finance the scheme through loans to agencies which will be serviced from savings with no impact on the budget.

Full details of the recurrent expenditure policies to which I have referred on an agency by agency basis are set out in the Financial Statement being tabled with the budget.

The measures which I have announced have enabled restraint in recurrent expenditures to be achieved in 1991-92. Of equal importance, however, is that they have set very firmly in place the basis for continued discipline in 1992-93 and beyond.

Turning to the capital side of the budget, total gross capital expenditure of budget dependent agencies in 1991-92 is proposed to be \$806 million, a reduction of \$33 million on the actual figure of \$839 million for 1990-91.

Apart from the need for overall budgetary restraint, the reductions in the budget figures for capital expenditures also reflect:

- reduced expenditures on major one-off projects, now either completed or near completion, for example, the Entertainment Centre, the Happy Valley Water Filtration Plant and the TAFE college at Tea Tree Gully; and
- reduced Commonwealth specific purpose capital funds, including \$18 million now being provided as general purpose recurrent grants to local government rather than as specific capital grants for local roads.

When the capital works proposals of those agencies such as ETSA which are not supported by the budget are also taken into account, the overall position is that the planned capital works expenditure by all Government agencies in 1991-92 is \$1 082 million, a figure almost identical, in nominal terms, to the figure of \$1 087 million for 1990-91.

The Government is committed to maintaining basic infrastructure in human service facilities in new and developing areas. Our forward planning is based on that commitment. In formulating the budget, we have given careful consideration to our priorities in the capital works area and at a time of extraordinary budgetary difficulty and a high level of commitment to works already in progress, we have had to defer some highly desirable new projects in favour of other works which are more urgent.

Funds are, of course, included in the budget to meet existing commitments such as replacing STA rolling stock, both buses and railcars, and expansion of the prison at Port Augusta, while the dwelling construction program of the South Australian Housing Trust will continue at a similar level to last year.

More importantly, however, the capital works program for 1991-92 will ensure that the new schools required in developing areas will be built in time to meet the growing population demands; the program of hospital redevelopments will continue so that our hospital buildings reflect modern standards and the demands expected to be placed on them in the coming year; and work on Myponga, the last of the filtration plants for the metropolitan area, can commence.

#### STATE BANK

I turn now to the State Bank and in doing so it is relevant to compare the situation in February with the changes since then, both in the bank and in the overall environment.

First, the overall environment within which the bank is operating has changed markedly.

It is clear now that Australia is experiencing the deepest recession since the Second World War and virtually no lender has escaped its impact.

The Reserve Bank of Australia in its report to June 30 1991 suggests that the level of non-performing loans in the Australian banking system has almost doubled to a figure of \$29 billion over the year to June 1991.

Many of the newer banks operating in Australia—particularly the foreign banks—have experienced major losses

and credit downgradings. The major banks have all experienced significant deteriorations in asset quality and substantially reduced profits.

Since February two of the major banks have had their credit ratings downgraded and all of the major banks have reported significant increases in non-performing loans.

Finance companies have been hit particularly hard, especially those specialising in the property sector, with flow on effects not only to the State Bank in the case of Beneficial Finance but also to banks like Westpac in the case of AGC.

I do not wish to downplay the severity of the State Bank's problems. But it is important to appreciate the context within which the bank has been operating, a period of unprecedented inflation in asset values and then an enormous slump. In this unstable environment many older and much more experienced banks have also had major problems.

The other major change from the situation in February is that the bank and Government are now much better informed about the bank's situation.

I will not cover ground which is properly the province of the royal commission. However, it is clear that the bank did not have an accurate perception of likely losses prior to February.

In this situation, it is hardly remarkable that the Government and even the Reserve Bank were caught by surprise. This also meant that many of the estimates on which the February package was based were subject to considerable uncertainty, something which I have always stressed.

In my statement to the House on 12 February 1991, I stated with reference to the estimated value of the indemnity:

The fact that this is an estimated figure does need to be emphasised. The actual value of the indemnity will depend on factors which by their very nature cannot be predicted with accuracy. Important amongst these factors are future developments in property markets in particular.

Since February a substantial effort has been devoted to remedying this situation. The first step was the appointment of a new board and recruitment of a new chief executive.

Following the February announcement, Mr Nobby Clark, former Managing Director of the National Australia Bank was appointed as Chairman of the bank, together with new board members, Mr Ian Webber, Mr Jim Glidden and Mr Michael Shanahan. Mr Ted Johnson, formerly a senior executive with the ANZ Group was appointed as Group Managing Director and a number of other significant changes in the management structure occurred.

The fact that it has been possible to attract such a capable group is a sign of confidence in the future of the bank. In Nobby Clark, in particular, we have as Chairman, one of the most respected figures in Australian banking.

One of the first priorities of the new board has been to assess the bank's position with respect to non-performing assets and to establish arrangements to manage these assets so as to achieve the highest possible level of recovery for the State.

A Group Asset Management Division has been established which brings together the management of all of the group's poorly performing assets under specialists directed towards getting the best possible return.

In particular, a substantial effort has been devoted to assessing the quality and value of the bank's assets, its loans, investments in subsidiaries and fixed assets. Many of the estimates are still uncertain. Unlike the situation in February however, the board and management have been reviewing the bank's situation over a period of months, rather than weeks, and the results have been independently audited.

First, I will deal with non-accrual loans. At the time of the announcement it was forecast by the bank that there would be approximately \$2.5 billion in non-accrual loans at 30 June 1991. It was also estimated that the peak level of non-accrual loans would be around \$3.3 billion.

The bank has reviewed the quality of its loan portfolio a number of times, with improved procedures for classification of loans. Based on these reviews, I am informed that, as at 30 June 1991, the gross level of non-accrual loans and similar exposures was \$4.2 billion. This comprised \$3.8 billion of exposures on which the bank expected to make losses of principal and another \$400 million on which no loss of principal is anticipated, but full recovery of interest is doubtful.

There are two major reasons for this deterioration.

First, a large number of exposures which were considered likely to become non-accrual after 30 June 1991 were classified as non-accrual earlier than expected. This partly reflects the recession but also more conservative banking practice.

Second, the figure of \$4.2 billion also includes a significant number of non-accrual exposures which were not foreseen in February. This reflects both the deterioration in the economy and the fact that the bank now has more reliable information on its portfolio.

It should be emphasised that many of these loans are partly performing. A non-accrual loan is a loan on which a bank expects to make a loss of interest or principal and therefore does not accrue the income received towards profit.

Of the total of \$4.2 billion of non-performing loans, approximately \$2.3 billion of loans are being partly serviced.

I should note at this point that banks also commonly report other categories of loans which, while not classified as non-accrual, may be of concern. These include loans accruing interest on which payments are 90 days or more in arrears and restructured loans. Reflecting the intensiveness of its review process, the State Bank has very few loans in these categories. At 30 June 1991, it had only \$4.4 million of loans classified as accrual on which payments were 90 days or more in arrears and \$16.2 million of restructured loans.

Second, I will deal with likely losses of principal. In my statement to the House in February, I noted that the discounted present value of the likely losses of principal on loans and related assets of the group was estimated to be \$990 million. This figure was net of the bank's existing specific provisions. Again, at the time, I stressed the uncertainty of this estimate.

In the event, while expected losses of principal have increased to some extent, the broad orders of magnitude have not changed.

The present value figure discounts future losses by the prevailing interest rate to bring them forward to the one point in time. The undiscounted or face value of the losses estimated in February was approximately \$1 500 million.

The face value estimate of total losses of principal at 30 June 1991 is \$1 639 million. This is comparable with the \$1 500 million quoted earlier.

It should be emphasised that these estimates are conservative. The \$1 639 million estimated losses of principal represents 43 per cent of the total \$3 791 million of loans on which it is expected that losses of principal will be made. This is significantly above the level of provisioning adopted by most other Australian banks.

I have been advised by the board of the bank that their auditors are confident that a pessimistic view has been taken with provisions generally being made on a worst case basis. They have also been advised that in the event of a recovery

in the economy and property values, losses realised by the Bank may be significantly less than the provisions used.

Bringing together the estimate of gross non-accrual loans and the bank's specific provisioning, the net level of non-accruals at 30 June 1991 was \$2 561 million or approximately \$2.5 billion.

Again, while the bank's specific provisioning is believed to be conservative, uncertainty still remains and the actual level of losses incurred will depend to a considerable extent on developments in the property market in particular. Reflecting this uncertainty, the bank has also increased the general provision by \$38 million to \$112 million or 0.71 per cent of risk weighted assets.

Third, I will deal with other items which have been brought to account. In February, it was recognised that the bank had major difficulties in respect of likely losses on loans and similar exposures. It was not as well recognised, however, that there were likely to be other losses resulting from over-valued equity interests, write-offs of goodwill, taxation liabilities, correction of previous accounting treatments and costs of redundancies and closures.

Altogether, these items total \$506 million. They include write-downs in the value of Oceanic Capital Corporation, Southstate Group, the State Bank Centre, the bank's New Zealand interests and Beneficial Finance.

As with provisioning for loan exposures, a portion of these losses are also estimates, rather than being certain, with potential both for improvement and for deterioration.

These items were not originally covered by the indemnity. However, as the magnitude of the problem has become clearer, the scope of the indemnity has been widened to provide for any other right or obligation owed to or held by the group to be covered if the Treasurer so determines.

The application of the indemnity removes the need for the bank to make provisions for non-performing loans and assets which have been written down in value. This allows it to achieve a small profit of \$21 million. Of course this is only possible because of the operation of the indemnity.

In particular, I would stress that the increase in provisions and abnormals results from lending and investment decisions made prior to last financial year. It does not result from the current lending policies of the Bank or from investments made since February.

The bank's core business is good and continues to be profitable. Before provisioning, abnormal items and tax, the bank made a profit of \$44 million in 1990-91.

The bank still faces a major difficulty in carrying the holding costs of its non-productive portfolio which reduces this core profitability. Accordingly support under the indemnity is being provided as a cash prepayment.

This is despite the fact that there have only been actual claims against the Indemnity of \$40 million to date. A cash prepayment of \$2 200 million, however, is required to offset the holding costs in respect of the bank's non-performing portfolio.

Of the \$2 200 million prepayment, \$500 million was paid to the bank in February. Another \$470 million was deposited in the Special Deposit Account and by August had reached \$500 million. Of this balance \$400 million has been advanced to the bank this week, together with a further \$1 300 million financed by an increase in the Treasurer's debt to SAFA. Thus, a total of \$2.2 billion has been paid to the bank. This will leave \$100 million in the Deposit Account as a reserve reflecting continued uncertainty in the economy and other factors.

These measures will enable the Bank to achieve a capital adequacy ratio of 9.1 per cent, which is well above the minimum of 8 per cent required by the Reserve Bank.

The Reserve Bank is aware of and supports the arrangements which have been put in place.

Agreement has also been reached between the Government and the Reserve Bank to formalise the arrangements for the prudential supervision of the State Bank by the Reserve Bank. This agreement will be formalised by an exchange of letters between the Government and the Reserve Bank.

The Reserve Bank has acknowledged that previous voluntary arrangements with banks such as the State Bank have not been well understood by all parties, particularly because they have been of an informal nature and agreed with the management of the State banks rather than with the respective State Governments.

Under the new arrangements, it has been agreed between the Government and the Reserve Bank that the Reserve Bank will formally exercise prudential supervision of the State Bank in the same way that it does for banks authorised under Commonwealth legislation.

These new arrangements will, among other things, provide a basis for much closer consultation between the Government and the Reserve Bank.

Mr Speaker, I would emphasise that all savings and investments with the State Bank are totally secure and home and personal loans have not been affected in any way.

The security attached to funds placed with the bank has never been in question and it is not now in question.

Under its legislation all deposits held by the bank together with other liabilities are guaranteed by the South Australian Government. This has always been the case and will continue to be the case. Indeed, the Government has gone well beyond this in providing support not only for the bank but also for its subsidiaries such as Beneficial Finance. This support will also continue to be provided.

We want to see the bank earning the best return possible so that it can start paying returns to the taxpayer again to offset the budget impacts of the support package.

In part this involves reducing the size of the bank, eliminating unprofitable business. It will also involve substantial cost reductions. The Chairman will be making a statement within the next few days outlining the future directions of the bank.

In looking at future options for the bank, the Government will not be ruling out possible structural changes. These may well include separating the bank's poorly performing exposures from its continuing business into different entities.

The bank's accounts for 1990-91 have been tabled today. It should be noted that the State Bank is the first Australian bank to report in respect of the 1990-91 year, with most banks not reporting until later in the year. Many have, however, already foreshadowed the difficulties which they have also been experiencing.

In the context of the bank's accounts, I should also note that the statutory accounts tabled today are in strict compliance with the Corporations Law, notwithstanding the bank's status as a statutory authority. In addition, within the next few weeks the Bank expects to be able to release accounts which fully consolidate all off balance sheet companies in accordance with the new accounting standard AAS24. This is expected to be in advance of most corporations. This will not, however, make a material difference to the Bank's results.

#### OTHER STATE FINANCIAL INSTITUTIONS

I have mentioned that the annual accounts of the State Bank are today being tabled in Parliament. Also being tabled

are the accounts of the State Government Insurance Commission, the South Australian Superannuation Fund Investment Trust, Enterprise Investments Trust, the South Australian Government Financing Authority and the Treasury Department.

This material provides Parliament with comprehensive information on these institutions considerably earlier than has been done in the past.

These reports speak for themselves. There is also included in the Financial Statement for the first time a commentary on these and other financial institutions of the State. However, I would draw attention to two aspects in particular.

The first is the financial position of the State Government Insurance Commission which has been the subject of very detailed investigation under the aegis of the Government Management Board and on which I have already reported to this Parliament. Action on the deficiencies brought to light as a result of this examination is under way including a detailed study of the question of the commission's capitalisation. However, the point to be stressed in the current context is that, notwithstanding a significant decline in the value of property and some other assets, there is no question about the commission's ability to continue to provide a high level of insurance services to the community of this State and meet its commitments as it has successfully done to date.

I also draw attention to the record surplus of \$363 million achieved by the South Australian Government Financing Authority in 1990-91 notwithstanding the troubled times in financial markets generally and other adverse circumstances affecting it. This result reflects, amongst other things, very conservative investment, accounting and other standards which have been adopted by SAFA with my approval. SAFA will continue to play a central role in the public finances of this State.

#### FINANCING THE BUDGET

The net financing requirement for 1991-92—that is, the excess of expenditures over receipts—is forecast to be \$330 million which is a reduction of \$29 million over the actual outcome in 1990-91 and a reduction of \$34 million over the average real terms level over the past eight years. Although we would have preferred that the financing requirement be lower, we regard this as a remarkably good achievement given the adverse circumstances with which we are confronted.

We are determined that the financing requirement continue to decline in subsequent years.

We will also be assisted in this task as State revenues improve with the economy. Of no less importance will be the effects of our continuing program of expenditure restraint—as already mentioned, policies firmly in place will ensure further reductions in the real level of departmental expenditures beyond 1991-92—and increased returns from public utilities as their efficiency levels continue to improve.

The budget provides for an increase in the contribution from SAFA's surplus to the budget from \$270 million in 1990-91 to \$400 million in 1991-92.

This large increase is explained by the fact that in 1990-91 a large part of the increase in SAFA's surplus beyond the budgeted amount of \$280 million was retained by SAFA whereas for 1991-92 we are providing for the whole of the SAFA surplus to be paid into the budget.

SAFA is a well capitalised organisation with large reserves and a sizeable contingency provision. It is quite appropriate

for the whole of the surplus in the current year to be available to assist the budget.

The impact of the support which the Government is providing to the State Bank will obviously be considerable. The total cost of debt servicing for additional borrowing will be approximately \$220 million in 1991-92. This cost is reflected in the budget.

This, in addition to our other funding needs, means that SAFA does face a significant task in raising funds in 1991-92. However, a significant component of this task will be achieved by sale of existing financial assets reducing the direct need to raise additional funds by borrowing from the markets.

The extra funding required in 1990-91 with respect to the losses of the State Bank was arranged within the State's financial resources without the need to either seek or obtain any increase in the State's Loan Council borrowing limit.

At the May Loan Council Meeting this was noted along with the fact that South Australia could seek a special addition for the purpose of State Bank funding during 1991-92 should this prove necessary. No request has been made to date. This matter will continue to be the subject of detailed analysis by the State Treasury having regard to the overall cash and other resources of the South Australian public sector and liaison will take place as necessary with the Commonwealth Treasury.

Inevitably and most unfortunately the State's debt has risen considerably as a result of the State Bank funding. In money terms the increase has been from \$4.3 billion at June 1990 to \$6.6 billion at June 1991 after allowing for the full State Bank effect. However, even after allowing for this increase, the State's debt remains slightly lower as a proportion of gross state product than it was when my Government came to power. The State's net debt expressed in per capita terms has gone from being second lowest in Australia to being broadly equal third lowest along with Western Australia.

#### REFORMS IN FINANCIAL MANAGEMENT AND PRESENTATION

Notwithstanding the Government's concentration on the key budget aggregates, improvements have continued to be made in a number of aspects of financial management and reporting. These include:

- further significant moves in this year's budget documentation towards presentation on a national accounts type basis in accordance with recommendations in a report by Commonwealth and State Treasury officers to the Premiers' Conference;

- the presentation of far more up to date, comprehensive and meaningful data on superannuation liabilities and assets in this year's budget;

- commencement of a program, albeit initially on a modest basis, designed in the long run to fund a greater proportion of the State's superannuation liabilities; and
- the inclusion in this year's budget papers of an overall balance sheet for the State which shows net assets of approximately \$12 billion.

#### REFORM OF STATE/LOCAL RELATIONSHIPS

In October last I signed, with the President of the Local Government Association, a Memorandum of Understanding, which established a process of reform between our two levels of Government. Significant reforms have already been

made in this area including the abolition of the Department of Local Government with its functions reorganised, discontinued or allocated to other Government agencies. Significant reductions in the cost of central library services have been achieved with the assistance of local government. New arrangements are in place for the funding of the administrative costs of the Local Government Grants Commission and the Septic Tank Effluent Disposal Scheme. Discussions are continuing on a wide range of other areas.

### CONCLUDING COMMENTS

The form of the Appropriation Bill is similar to last year. Clause 1 is formal.

Clause 2 provides for the Bill to operate retrospectively to 1 July 1991. 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. Subsection (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 \$50 million on the amount which the Government may borrow by way of overdraft in 1991-92.

Mr Speaker, the difficulties that face South Australia arise from a combination of factors some of which affect all States. However, my Government accepts full responsibility for ensuring that our problems are overcome and that our financial strength is restored and enhanced.

Twelve months ago in delivering my eighth budget I referred to the opportunities available to our State during the last decade of this century. My confidence in that future is undiminished. This budget, my Government's ninth, is firmly based on the belief that South Australia will manage its current problems so that it stays on track to take hold of the opportunities of the twenty first century.

The problems we face stem from the past and while it is right and proper that we examine how those problems arose, we must not as a community become immobilised by retrospection. South Australia must keep focused on the future.

Finally, Mr Speaker, I would like to acknowledge the role my colleague, the Minister of Finance, has played in many aspects of the preparation of this budget, and I also acknowledge the work of the Under Treasurer and his officers who, in preparing the budget papers, have maintained the high standards of the South Australian Treasury. I commend the budget to the House.

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

### PAPERS TABLED

The following papers were laid on the table:

By the Premier (Hon. J.C. Bannon)—

State Bank of South Australia and Subsidiary Companies—Annual Accounts, 1990-91.

South Australian Government Financing Authority—Report, 1990-91.

South Australian Superannuation Fund Investment Trust—Report, 1990-91.

South Australian Superannuation Board—Report, 1990-91.

The Treasury of South Australia—Report, 1990-91.

Lotteries Commission of South Australia—Report, 1991.

Enterprise Investments Ltd, Enterprise Investments Trust and Enterprise Securities Limited—Financial Statements, 1990-91.

State Bank Indemnity Document and Deed of Amendment.

State Government Insurance Commission—Financial Statements, 1990-91.

### MINISTERIAL STATEMENT: STATE BUDGET

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

Leave granted.

**The Hon. J.C. BANNON:** I have today tabled the financial statements of SGIC for 1990-91. In the accounts of SGIC the Auditor-General has provided a note regarding the treatment of interfund loans. On 12 August 1991 I met with the Auditor-General at his request to discuss the difference of opinion existing between him and SGIC concerning the legality of certain interfund transactions and dealings previously undertaken by SGIC. We discussed the implications of those transactions for the form and presentation of SGIC's accounts for 1990-91. Following those discussions I asked the working group established to advise me on the implementation of the findings of the Government Management Board review of SGIC to address this issue as a matter of urgency and provide me with recommendations.

The working group has recommended that provisions which would clarify the question of the separate funds to be maintained by SGIC and 'validate' all past interfund transactions and dealings up to and as at 30 June 1991 should be included in the amendments to the SGIC Act which I advised the House on 8 August 1991 would be introduced in this session of Parliament.

Furthermore, I propose to authorise the working group to investigate the consequences of interfund transactions and dealings with a view to determining whether any particular part of SGIC's operations has been materially disadvantaged by these transactions and dealings. Should the working group recommend that parts of SGIC's operations be compensated for any adverse effects of these transactions and dealings I would propose that any such compensation be by way of a capital injection by the Government and not by a transfer of funds or assets from some other part of SGIC's operations. This was conveyed to the Auditor-General in a letter of 21 August 1991.

### PAY-ROLL TAX (MISCELLANEOUS) AMENDMENT BILL

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

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

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

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

Leave granted.

### Explanation of Bill

The pay-roll tax was transferred by the Commonwealth to the States on 1 September 1971. Prior to the transfer the

rate of tax was 2.5 per cent. The Premiers agreed at that time to raise the rate to 3.5 per cent to help provide the revenues necessary for the significant expansion in the range and quality of public services which was taking place two decades ago. On 1 September 1973 they agreed to raise the rate to 4.5 per cent and on 1 September 1974 they raised it again to 5 per cent. In South Australia the rate remained at 5 per cent until last year when the State budget could no longer sustain the continuing reductions in the real level of Commonwealth assistance and the rate of pay-roll tax was increased to 6.25 per cent as part of a major revenue-raising package.

Since the budget was presented last year the employment situation has deteriorated. In this climate the Government considers it vital that measures be taken to remove obstacles in the way of people looking for jobs and to provide industry with the maximum possible incentive to offer employment. Pay-roll tax has been criticised because it acts as a penalty on those who wish to offer jobs. For that reason it is the first and most obvious target for a Government intent on taking measures to counteract unemployment.

Notwithstanding the difficult budget task facing the Government we are resolved to reduce the burden of pay-roll tax. We propose to make a start by reducing the rate of tax from 6.25 per cent to 6.1 per cent in respect of wages paid on or after 1 December 1991. This will be the first time since the tax was transferred to the States in 1971 that the rate of tax in South Australia has been reduced.

In addition we propose to continue the practice of raising the exemption level on a regular basis. The level was raised to \$432 000 on 1 July 1991 and under this Bill will become \$444 000 on 1 January 1992 and \$456 000 on 1 July 1992. These measures will benefit employers by about \$13.5 million in a full year.

The Government will also move against two practices which have become more prevalent as devices for avoiding liability and which have distorted the incidence of payment of tax. The first of these involves arrangements which have the effect of removing the conventional employer-employee relationship upon which pay-roll tax is levied. In broad terms liability is to be imposed where a contractor works primarily or exclusively for another person under what is defined as a 'service contract' and provides labour or services to that other person. The Bill also provides appropriate exemptions.

The second involves an arrangement whereby the employer makes payments to a third party for the services of an employee. The amendment imposes liability on such payments. It is necessary to deal with these two practices to restore equity between taxpayers. Similar measures have been taken in a number of interstate jurisdictions. The Bill also separately clarifies the pay-roll tax liability of payments made to persons working under arrangements involving employment agents. Wages paid to persons provided by an employment agency to an organisation which in its own right is exempt from pay-roll tax will continue to be exempt.

The amendments also include a general anti-avoidance provision. The Government announced its intention to legislate in these areas during 1990 and since that time extensive consultation has occurred with relevant industry bodies and several submissions have been received. The Government is very appreciative of the contribution of these bodies.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure. The alteration to the rate of tax and other amendments relating to the prescribed amount of deductions and annual

adjustments, are to come into operation on 1 December 1991.

Clause 3 provides for a new definition of 'wages'. The new definition is required as a result of other amendments proposed to the Act. In particular, 'wages' will include any amount determined by or under another provision of the Act to be wages. Furthermore, certain payments made to third parties on behalf of employees are now to be included within the concept of 'wages' (although payments to super-annuation funds in respect of which the employer can claim a deduction under section 82 AAC of the Income Tax Assessment Act 1936 of the Commonwealth will not be included).

Clause 4 provides for four new provisions relating to the imposition of pay-roll tax under the Act. Section 4 addresses the issue of service contracts. It is proposed that payments under certain service contracts (that do not strictly fall within the concept of an employment contract but are closely related) will be taken to be wages paid by an employer to an employee. However, where the supplier of the service in turn employs or engages a person to carry out some or all of the work under the contract, pay-roll tax will not be payable in respect of payments by the supplier to that person. Section 4a provides for the creation of an employer-employee relationship in respect of employment agents and their contract workers in defined circumstances. Section 4b (1) provides that payments to a person other than an employee will be taken to be wages paid by the employer if the amount paid would, if it were paid to the employee, constitute wages. Section 4b (2) makes a similar provision in respect of payments to employees by third parties. Section 4c empowers the Commissioner to act in cases where the Commissioner has reason to believe that a person has entered into an agreement or arrangement for the performance of services under which payments are to be made to a third party with the view to reduce or avoid a liability to pay-roll tax.

Clause 5 provides for a reduction in the rate of tax from 6.25 per cent to 6.1 per cent in respect of wages paid or payable on or after 1 December 1991.

Clause 6 adjusts the amounts of deductions allowable in relation to a return period. From 1 January 1992 the amount of \$37 000 will be deductible per month, and from 1 July 1992 the amount of \$38 000 will be deductible.

Clause 7 provides for amendments to section 13a of the Act that are consequential on the change of rate of pay-roll tax. 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 an incorrect amount of tax has been collected over a whole financial year. Section 13c 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. Two notional 'financial years' are required for 1991-92 due to the change in the rate of tax.

Clause 8 makes a technical amendment to section 13b of the Act to allow the Commissioner to spread the benefit of any unused deductions over a full financial year. Some taxpayers have been disadvantaged in previous years when two or more periods have been prescribed in relation to a full financial year.

Clause 9 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 11a.

Clause 10 amends section 18k of the Act in a manner similar to the amendments proposed under clause 7, except that these amendments relate to the grouping provisions.

Clause 11 'mirrors' the amendment in clause 8 for the grouping provisions.

Clause 12 ensures that the new amendments effected by sections 3 and 4 will apply to existing arrangements, but not so as to apply pay-roll tax retrospectively.

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

#### LAND TAX (MISCELLANEOUS) AMENDMENT BILL

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

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

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

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

Leave granted.

#### Explanation of Bill

For much of the period of this Government land values in South Australia have increased rapidly. The Government has been acutely conscious of the effects of these rising land values on liability for land tax and in most years has either adjusted the tax scale or introduced rebate arrangements so that landowners were shielded from much of the impact. In 1988-89, for example, the benefit to taxpayers of action taken by the Government was \$11.5 million while in 1989-90 no less than \$41 million of revenue was forgone. The cumulative effect of action taken by the Government would be well in excess of \$100 million.

Nevertheless it is the case that the Land Tax Review group which reported last year received a number of submissions supporting formal limitations on the growth of land tax receipts. It was strongly urged upon the group (and prior to that upon the Government) that the potential for rapid increases in land tax which resulted from the combination of large movements in value, a progressive tax scale and the aggregation process made planning for land tax obligations very difficult.

The Government has therefore decided to respond to these concerns by restricting land tax receipts in 1991-92 to the same nominal amount as was collected in 1990-91—that is, to an amount of \$76 million. Furthermore, we will give an undertaking that receipts for 1992-93 and for 1993-94 will increase by no more than the estimated increase in the consumer price index for each of those two years.

This should provide a firm foundation upon which industry can plan for the next three years. Since land tax receipts grew by only 5.7 per cent in 1990-91 there will have been a period of four years in which the impact of land tax will have been below the rate of inflation.

The Bill also increases the level of penalties applicable for non-payment of land tax. The current penalty of 5 per cent was introduced in 1970 and does not provide a sufficient deterrent for taxpayers who deliberately delay the payment of their account. The Commissioner will have power to remit part or all of the penalty in appropriate cases.

The levels of penalties proposed are broadly consistent with those applying interstate. The purpose of this penalty measure is to provide encouragement to taxpayers to pay

their land tax on time and in which case they will not pay any penalty at all. This measure will have no effect in relation to the overwhelming majority of taxpayers who pay their accounts on time.

Clause 1 is formal.

Clause 2 provides that the measure will be taken to have come into operation at midnight on 30 June 1991.

Clause 3 amends section 12 of the principal Act by increasing the amount of land tax payable for every \$100 or fractional part of \$100 of the excess over \$1 million of the value of the land from \$1.90 to \$2.30.

Clause 4 substitutes section 58 of the principal Act which provides for land tax that is unpaid at the expiration of 30 days from the date on which it fell due to be increased by a fine of 5 per cent of the amount in arrears. Proposed new subsection (1) provides that where land tax is unpaid after it falls due, the amount of land tax will be increased by a fine as follows:

- (a) if the land tax is unpaid at the expiration of 30 days from the date on which it fell due—by a fine of 5 per cent of the amount in arrears;
- (b) if the land tax is unpaid at the expiration of six months from the date on which it fell due—by a fine of 10 per cent of the amount in arrears, in addition to the fine specified in paragraph (a);
- (c) if the land tax is unpaid at the expiration of 12 months from the date on which it fell due—by a fine of 10 per cent of the amount in arrears, in addition to the fines specified in paragraphs (a) and (b).

Proposed new subsection (2) provides that for the purposes of subsection (1), the amount of any fine under the section increasing unpaid land tax is to be disregarded in determining the amount of land tax in arrears. Proposed new subsection (3) empowers the Commissioner to remit in whole or in part, for any proper reason, any fine under the section.

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

#### HOLIDAYS (LABOUR DAY) AMENDMENT BILL

Second reading.

**The Hon. R.J. GREGORY (Minister of Labour):** 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 proposes to effect a permanent change in observance of the Labour Day holiday in South Australia from the second Monday in October to the first Monday in October, operative from 1992. This change is proposed after consultation with the Industrial Relations Advisory Council and various sectors of the community at large as a step towards better interstate coordination for public holidays. The Labour Day holiday is celebrated by other States at different times of the year, and the effect of this Bill will align the observance of the Labour Day holiday in South Australia with New South Wales and the A.C.T.

The change will be beneficial for business between these States and will facilitate common holiday long weekend arrangements particularly for Broken Hill. Labour Day in South Australia was established as a public holiday at the initiative of the United Trades and Labor Council of South



Australia and in a spirit of cooperation the council does not object to changing the date. No objections to the proposal have been raised by members of the Industrial Relations Advisory Council, the Education Department or major employment associations.

A change in dates for the Labour Day holiday will not adversely affect industry or education in this State, nor inconvenience employees and their families. I accordingly commend the Bill to the House.

Clause 1 is formal.

Clause 2 provides for the commencement of the measure.

Clause 3 amends the schedule to the Act to celebrate the Labour Day holiday on the first Monday in October as opposed to the second Monday in October.

**Mr INGERSON (Bragg):** The Opposition agrees with this Bill, but one issue that concerns us is the fact that the Government cannot get its act together and cannot introduce such Bills within a reasonable time. This Bill has already passed this place once and one would have thought that the Government, for once in its life, could have made the effort to get the Bill organised. The Opposition supports the Bill, having had discussions with industry and generally in the community. It is commonsense to bring the holiday into line with the rest of Australia. We believe that, with a little bit of effort and organisation by the Government, it could have introduced the Bill during the past two weeks and we would not have had this fiasco today. We support the Bill.

**Mr LEWIS (Murray-Mallee):** Notwithstanding the Opposition's support for the measure, I place on record the concern of a large number of organisations in my electorate. I am sure that other rural members likewise have the same type of organisations in the communities of which their electorates are comprised. The Government has failed to advise and/or consult with show societies around Australia, many of which have fixed their show date in relation to the holiday weekend in October. The Government's pre-emptive determination at this time to change that weekend, without having advised them, will cause them considerable embarrassment and difficulty in trying to resolve on which weekend they should hold their show. It will begin to affect the spring shows of most rural communities as of next Saturday. The whole schedule having been set is now disrupted to the point where it will cause considerable embarrassment and dislocation. I put that on the record because it is typical of what this Government does in deciding to take action for its own convenience. It ignores the way in which it might impact on others.

**Mr HAMILTON (Albert Park):** I seek clarification from the Minister. My understanding—and I may be wrong—is that the Bill will come into operation next year. I believe a need exists for uniformity around Australia. In fact, nothing would give me greater pleasure than to see the workers of this country celebrating Labour Day on the one day right across Australia. We hear a lot (and quite properly so) about the contribution that employers make to the economy of this country. I never walk away from that any more than I do in acknowledging the farming sector's contribution to this country and to agriculture in general. Equally, it is important to recognise what workers have done in this country as without them we would not have the standard of living that we enjoy today.

The Labour Day holiday recognises the contribution that workers have made throughout this country. The hard won achievements of the trade union movement is what Labour Day is all about: eight hours work, eight hours play and

eight hours sleep. It has taken a long time to achieve those goals. Most members on this side of the House recognise what those struggles have involved and indeed have actively participated to achieve such goals.

I have not been in this place for as long as some others. Perhaps I do not have the experience of some of my other colleagues on this side of the House in terms of industrial relations, but I know what it is like to participate in and fight for conditions not only for the workers of this country but indeed for future generations. That is what Labour Day is all about: to remember the struggle and the achievements from the turn of the century, from the shearers' disputes right through to what we have here today in this country.

I cannot recall any benefit achieved for the workers of this country under conservative Governments. Not one benefit has been given to workers in this country without its being an initiative of the workers who have fought and struggled hard for what they have achieved—annual leave, sick leave, long service leave and superannuation, to name a few. We know what it is like to get out there on the streets and battle hard. Workers have been victimised and ostracised during their struggle. I have been on the receiving end and speak with a lot of feeling about the impact on the workers.

*Members interjecting:*

**Mr HAMILTON:** The jackals howl to protect their vested interests and their silvertail mates who were born with a golden spoon in their mouth. They howl because they know and I know that I have struck a raw nerve in speaking on this very issue. I know what it is like to be victimised because of my union activities. I know what it is like to be on the receiving end. Workers approach administration only to be told, 'If you do not like it, wear it'.

*Members interjecting:*

**Mr HAMILTON:** We cop abuse from the member for Bragg, but he knows nothing else. He is accustomed to being in the gutter, and he can stay there in light of his tactics in this place. I refer to what I have experienced personally in protecting my comrades in the workplace who have had to fight damn hard for decent conditions.

Under my industry's award provisions, after coming down from the country you were relieved and off within 10 hours. Our chaps were working 16, 17 and 18 hours a shift. We had to fight successive Governments—even a Labor Government at the time—to improve those conditions. It gives me no pleasure to say that, but that is the reality. We had to fight them because we wanted the same opportunity as many other people, that is to go home and be with our loved ones, our wife and children, and to participate in family activities. Some of the silvertails opposite know nothing about not being home for your child's birthday party, a family celebration or to participate in the school council, and so on.

*Members interjecting:*

**Mr HAMILTON:** I am striking a raw nerve. I know what it is like to struggle hard. I know what it was like when we did not have a Medicare system to look after the workers of this country. After fighting two world wars, my father paid all the bills that had accrued over many years under conservative Governments. The proud man that he was, he was able to repay all his debts to the shopkeepers and those in the medical profession.

*Mr Lewis interjecting:*

**Mr HAMILTON:** It is easy for the member for Murray-Mallee who says, 'Sit down'. That is his form of democracy. He does not believe that I have a right to stand here and speak on something about which I feel strongly. Whilst he may disagree with me—and he has that right—he does not

have the right to shout me down in this place. I know that I will receive protection from the Chair. It is with feeling that I stand in this place—

**The DEPUTY SPEAKER:** Order! The honourable member will resume his seat.

**Mr LEWIS:** On a point of order, Sir. I have tried to listen with some interest, but can find no relevance in the remarks being made by the honourable member to the measure before the House.

**The DEPUTY SPEAKER:** The member for Albert Park will direct his comments to the Bill before the House.

**Mr HAMILTON:** Yes, Sir, I will be happy to address it. I bring to the attention of this place the reason why we have a Labour Day celebration in this State. It is interesting that members opposite want to try to curtail my comments in this place. I make no apologies whatsoever for those people whom I represent in the community and whom I represented in the trade union movement. I struggled alongside those people to achieve better conditions. I am very proud of that fact. The holiday is to celebrate the struggle of the workers in this country. To see them united out there gives me a great deal of pleasure. Members opposite do not like what I have to say. I do not have a prepared speech, this is from the heart, because I believe strongly in what I did as an unpaid honorary union official. I do not knock those who took on the battle as full-time union officials. I applaud them because they do not have an easy row to hoe. Their job is very much like that of a member of Parliament: it is full-time and there is also considerable disruption. I ended up going interstate—in fact, all over the place.

*Members interjecting:*

**Mr HAMILTON:** I wish that the member for Bragg would have the manners to be quiet. He can make a contribution later if he wants to. The reality is that I am having my say and he wants to shout me down once again. He is very ill mannered, and one would have thought that as a silvertail he would have been brought up better. I look forward to cohesion between the States whereby Labor Day is celebrated on the same day throughout Australia. That is what is needed. We see attacks on workers in this country. We also know what has happened in New Zealand and in other parts of the world. We have listened to the debates in this Parliament and we have read the newspapers. My colleagues have travelled to New Zealand and other places; indeed, my colleague the member for Stuart today related the problems being experienced in New Zealand and how workers are being denied. The unity of the workers is to be celebrated on Labour Day.

Members on the other side of this Parliament do not understand the comradeship and the fights. Sure, we in the trade union movement fight, as a family fights internally, but when it comes to the struggle for better conditions that is what Labour Day is all about. I have a great deal of pleasure in speaking to this measure today. I would have liked to speak for longer, but I understand that the Minister wants to finalise this Bill. I have great pleasure in supporting the Bill.

**Mr FERGUSON (Henley Beach):** I support the proposition before the Chair, but I do so with some sadness. I was secretary of the Labour Day Celebration Committee for more than five years; I was President for two years, and I was Vice-President and Treasurer. I have had a long association with the Labour Day Celebration Committee over about 20 years. I am sad because, although in South Australia we have celebrated Labour Day on different days of the year, we have always celebrated it at a different time from the eastern States. It is most appropriate that in the

past we should have done so, although I understand the economic reasons now being put before the House to introduce one common Labour Day throughout Australia.

In South Australia the eight-hour movement preceded the establishment of the trade union movement; it was the parent of the trade union movement. My own organisation, which I can trace back through the typographical association to the 1840s, was one of the prime movers of the eight-hour day movement in South Australia. Through our own form of industrial relations, we were able to win an eight-hour day by negotiation rather than by using force. When the eight-hour day came into operation in the other States, particularly in Victoria, it was achieved by the people in the building industry. The stonemasons were the first group to achieve the eight-hour day, and they did so by industrial action. They walked off the job; they considered that an eight-hour day was all that any person who was working to their full capacity could do.

In South Australia we began agitation for the eight-hour day in the early 1840s, but it took us a considerable number of years of negotiation with employers to achieve our goal. It was not until 1873 that we saw the eight-hour day gazetted in the South Australian *Gazette* for a number of unions and employer organisations. Thus it has been symbolic that South Australia has celebrated Labour day on a different day from other States.

It is therefore with some sadness that I note that we are joining the other States. While I have a tinge of sadness, I acknowledge the economic reasons for the move. I could never understand why we changed the name 'the eight-hour day' to Labour Day. The significance of the eight-hour day is now slipping into the past. Indeed, in Melbourne, the celebration of the eight-hour day has almost been submerged by the Moomba celebration. I hope that in South Australia we continue to celebrate the winning of the eight-hour day and that we pay tribute to those people in both the industrial and political movements who have been able to provide benefits for workers. I agree with my colleague the member for Albert Park that most of these benefits have been achieved as a result of the struggles of the past.

I see members on the other side wiping crocodile tears from their eyes. Unfortunately, most members on this side of the House never had the benefits that members opposite had. We did not have inheritances handed down to us; we were not millionaires to start with; we were not part of the establishment or the aristocracy, particularly the agri-aristocracy who, once they had been able to achieve wealth, could double or treble it. I have always been told that the greatest difficulty in multiplying wealth is achieving the first million dollars. If one's father leaves one \$3 million and five chemist shops or acres and acres of land, there are no problems at all in accumulating money.

**Mr INGERSON:** On a point of order, Mr Speaker.

**The SPEAKER:** Order! Before the honourable member raises his point of order, I point out that accumulated wealth has no relevance at all to the Holidays (Labour Day) Amendment Bill.

**Mr INGERSON:** I would like to take a point of order. This is the second time I have had to ask the member for Henley Beach to withdraw on a point of fact. What the member for Henley Beach implies—that I was left a significant number of pharmacies and a large sum of money—is not correct.

**The SPEAKER:** I am not sure that that is unparliamentary. However, the point I made to the member for Henley Beach is that it has nothing to do with the subject under debate. I draw his attention to that. If he wishes to contribute to the debate, he should make his comments relevant.

**Mr FERGUSON:** Thank you, Mr Speaker. I will certainly do that. I did not mention any member of the Opposition: I was speaking in general terms. If I have offended the member for Bragg, I sincerely apologise. If his father did leave him a huge inheritance, that is certainly nothing to do—

**The SPEAKER:** Order! The honourable member will refer to the matter at hand.

**Mr FERGUSON:** My reference was to the fact that the eight-hour day movement was initiated by those people in the community who were born on the labouring side of our society. They did not have the money; they had to fight for what they got. I agree with the member for Albert Park that most of the gains that have been made in our industrial society have come out of conflict. The people who were involved in the conflict and who had the courage to continue it are the ones who have provided for us the benefits that we now receive. Wealthy graziers are the ones who have all along resisted members on this side of the House. I think it appropriate that we should have a Holidays Act and that we should celebrate Labour Day. I support the proposition before us, because I understand the economic reasons for celebrating Labour Day on the same date throughout Australia. Having a national holiday will probably strengthen Labour Day and give us a better reason for celebrating.

I repeat that South Australia has celebrated on a different day from the other States and for certain reasons, one of which is that we were able to achieve, by negotiation rather than by confrontation, benefits in terms of hours of work. This type of activity on the industrial front has been a feature of industrial relations in South Australia. We have fewer industrial stoppages in this State than in any other State. One of the reasons for that has been the fact that labour and capital have been able to get together to produce, through agreement, benefits that flow to the work force. I am glad to see that members opposite are now taking seriously what I am saying.

I understand that this proposition will relate to Labour Day next year and not this year. Therefore, all the show societies and other organisations should have the time to get their act together in order to hold their shows on the appropriate day. I support the proposition before the House.

**The SPEAKER:** Before calling on the member for Napier, I remind him that the Bill is entitled the Holidays (Labour Day) Amendment Bill.

**The Hon. T.H. HEMMINGS (Napier):** I am well aware of that. My colleagues the member for Albert Park and the member for Henley Beach have said it all. I support the Bill.

**Mr S.G. EVANS (Davenport):** I support the Bill. I think it is great. It is about time that Australians supported the eight-hour day. If all people in occupations in this country worked eight hours for the normal weekly pay, we would be a lot better off. I support the Bill.

**The Hon. R.J. GREGORY (Minister of Labour):** I refer to the comments of the member for Murray-Mallee. If he had been awake and listened when we debated this matter in the dying stages of the last session of Parliament, he would know that, at that time, we were attempting to get this Bill through for several reasons, one of which was so that we could have uniformity of this public holiday with all eastern States. This would mean that about 50 per cent of the people of Australia would have a holiday on the same day, and this would benefit businesses and the community of South Australia.

He would also know that the legislation will come into operation on a date to be fixed by proclamation and that it was not our intention to alter the date of Labour Day 1991, because we all know that calendars and diaries have been printed and that diaries and calendars for 1992 are being printed. If it had not been for delays in the Upper House at that time, this Bill might have been passed in the last session. However, that was not to be. We will still have the situation whereby some diaries and calendars for 1992 will have already been printed, or will be in the process of being printed, and they will contain incorrect dates. However, I am quite sure that our country cousins are not as slow on the uptake as is the member for Murray-Mallee and they will be aware that Labour Day will be celebrated on a different date; consequently, they will be able to rearrange their show calendars for 1992—they will not have to worry about it for 1991. This is a very sensible measure from the Government, it will bring about uniformity and I hope that we can follow this procedure with respect to other public holidays throughout Australia.

Bill read a second time and taken through its remaining stages.

#### FAIR TRADING (MISCELLANEOUS AMENDMENT) BILL

Received from the Legislative Council and read a first time.

#### SUPPLY BILL (No. 2)

Returned from the Legislative Council without amendment.

#### ADJOURNMENT

**The Hon. R.J. GREGORY (Minister of Labour):** I move: That the House do now adjourn.

**Mr S.G. EVANS (Davenport):** I want to refer to comments made recently by the Minister for Environment and Planning, who accused me of being racist in some comments that I made. Recently, when referring to descendants of Aborigines, I said that quite often they do not know the history of their own people. When I referred to descendants of Aborigines, I was not talking about pure bloods. I did not say what percentage of Aboriginal blood an Aborigine may have in their veins. We in this country have classified as Aboriginal any person who has empathy with the Aboriginal culture. In fact, some of those people are not Aborigines at all, while others may have a very small amount of Aboriginal heritage attached to them; they may be a 64th-caste, more Asian or European, or from some other part of the world than a traditional Australian.

I then went on to say that I was concerned about the do-gooders who were getting on the band wagon and attempting to highlight certain things to get a bit of limelight for themselves by using Aboriginal names that they claimed were used in a particular area. My comments were not racist. I deny that I am racist any more than anyone else. I think that, to some degree, we all have a preference as to who our neighbour would be, and I would be surprised if that were not the case.

In talking about do-gooders, I made the point that these people have jumped on the Aboriginal band wagon, when

in some cases they do not have one skerrick of Aboriginal blood in their veins, and that they are living off the moneys made available to Aboriginal people. They are parasites on the traditional people of this country. There are many of them and more and more are getting on the band wagon. That is what I was talking about when I referred to do-gooders. If anyone believes that that is not fact, I ask them to go out and do a bit of research into what is going on.

I think it is a pity, because when something does go wrong, whether it is at Fregon or somewhere else, the Aboriginal people themselves carry the blame. Based on my contact with that section of our society, I would trust full blood Aborigines more than I would trust some of the hangers-on in the system, because I believe that full bloods can be trusted, they are sincere people and they are concerned about their own race. These 64th-castes or even less, right down to the whites who have jumped onto the band wagon and said that they have an empathy with the Aboriginal culture, should not be trusted because, in most cases, they are not sincere. Some are sincere, but the vast majority are hanging onto the band wagon.

There is concern in my area, especially in the Mitcham Hills, about there not being enough police patrols and the police response time being too long. When the ambulance service, which was established with money raised by people in the area, was removed from Blackwood to Mitcham Park, we were told that the response time would be six or seven minutes. Mitcham Park is about the same distance from Blackwood as Darlington police station. Recently a problem arose at the Blackwood recreation centre, in the main a voluntarily operated community service, when some young men gave a lot of trouble to people playing badminton. When they were sent outside, they then proceeded to jump on motor car bonnets, to kick cars and do a lot of damage. There was no way that the local people could take on those young men, because there would have been assault charges and possible serious bodily injury. Indeed, it is not wrong to say that even death could have occurred. Some 50 minutes later the police arrived. That response time was too long. It could have turned into an even nastier scene. I point out that there is a police station within 400 metres of that building, but it remains unmanned most of the time. Yet, for decades a local police officer was there for almost 24 hours a day.

A gentleman had his truck set alight in the early hours of the morning. He did not have anyone come to see him for some time. Finally, he found a leather coat near the truck. He has been several times to the Blackwood station, which is manned at odd hours, to return that leather coat, but no-one has been there. He cannot see why he should drive to Darlington to return a coat when he lives in the Blackwood area and there is a public building called a police station which has no police personnel there on duty.

I get many complaints regarding the lack of police patrols in the area. It is a pity that in this modern day and age, with all our technology and faster vehicles, people have to lock themselves into their homes at night. They have to put up barricades on the windows and doors so that people cannot break in, whether the owners are at home or away. They have to put up high fences around their properties, install security locks and all sorts of technology to protect their property. That was not the case 20 to 30 years ago. As a society, we should be concerned about that. I ask the Minister to try to improve policing for people in the Mitcham Hills.

Whilst talking about the problems of the Mitcham Hills, I should mention that there is a ford across Sturt Creek at the bottom of Winns Road where there was a flood recently.

Some people do not understand the dangers of flooding. Such a ford should not be left in an urban area. Those who watch television may have had a laugh when they saw a youth fall off a pushbike when trying to cross that ford. He got back on his feet and managed to save his bike and himself. However, if there had been only a little more water in that creek at that time, in all probability he would not be alive today. It may have looked funny on television to see him fall and get drenched, but there is a very fine line between his being alive or dead.

Traffic build-up in the Mitcham Hills is unacceptable. On Tuesday morning of this week the traffic build-up was from Torrens Park back to the Blackwood roundabout—about 6.5 kilometres. No community can accept that, especially when we look at the budget papers which have now been distributed and find that not one cent is to be spent in that area on upgrading and making the roads safer for the people who live in the area or for those who travel through it. One can understand why people in that area feel neglected. They are not receiving a fair share of the tax that they pay. They are hoping that this Government, which won with a minority, is prepared to consider the people of the Mitcham Hills and the District of Davenport generally as being worthy of some of the moneys that it spends on providing facilities. They look forward to the Government changing its attitude towards their urgent needs.

**Mr HAMILTON (Albert Park):** Mr Speaker, I remember many years ago when a team that you supported—a black and white team—won a football match. I think it was Port Adelaide. You were so delighted that you wore a jumper in this Chamber.

**The SPEAKER:** That is right, but I did not participate in the debate.

**Mr HAMILTON:** I think you understand what I am about today. I congratulate the initiative of the member for Hanson on writing to all members in this Parliament asking them to attend the Royal Adelaide Show and to participate in running a stand there in support of Australia's bid for the XVI Commonwealth Games. I applaud the efforts of the member for Hanson and the Minister of Recreation and Sport in relation to our bid for the XVI Commonwealth Games.

**The Hon. H. Allison:** It's good to see that the Minister came second.

**Mr HAMILTON:** I will not not debate that. Anyhow, I applaud the amount of work that the member for Hanson has put into this and it is great to see such a bipartisan approach in relation to our bid for the Commonwealth Games. I sincerely hope that this will come off, and I say that, admittedly, for selfish reasons. If we were to be successful, the opening and closing events of the Commonwealth Games would be held at the Football Park stadium, in my electorate of Albert Park. I would be absolutely delighted if the opening and closing ceremonies were to be held at Football Park. I believe that it would be a fantastic opportunity not only for people in my area but also—

*Mr S.J. Baker interjecting:*

**Mr HAMILTON:** No, I did not oppose the lights. The member for Mitcham is not often right and he is wrong again, but I will discuss that with him at another time. The Football Park stadium is magnificent, and we would be able to show the world not only how to build stadiums but also how to organise sporting programs such as this. At Football Park, we would have athletics. Nearby, the West Lakes Bowling Club would host lawn bowls. As one who is very much involved in that project with the West Lakes Community Club, it gives me a great deal of delight to say that

I am looking forward, with fingers crossed, to obtaining these Commonwealth Games.

They would provide an opportunity for people not only in my area but all over South Australia and Australia to look at athletes from many Commonwealth countries. We can all learn from people from other parts of the world in terms of skills, and the social intercourse for people in South Australia would be absolutely fantastic. Adjacent to Football Park would be the training track, which would be utilised by many participants in these games. As well, we would have badminton at the Basketball Association stadium. There would be boxing at the Adelaide Convention Centre, and cycling, and I know that the member for Price is very interested in that and has been involved in a considerable amount of discussion in relation to the Adelaide Velodrome.

**Mr McKee:** The village would be in Gilles.

**Mr HAMILTON:** As my colleague reminds me, the village would be in the seat of Gilles, and he, as the local member, would look forward to that. Gymnastics would take place at the Adelaide Entertainment Centre, a magnificent venue and something of which all South Australians can be proud. Netball would be held at the Jubilee Pavilion of the Royal Exhibition Centre. Shooting would be held at our State shooting park, and swimming, synchronised swimming and diving at the Adelaide Aquatic Centre.

Weightlifting is a very exciting sport with which I have had a bit to do, particularly with some people from Victoria and from the Australian Weightlifting Association, and that would be held at the Adelaide Festival Theatre. I recommend it to anyone who has not been to a weightlifting competition, particularly competitions involving those lightweight, if that is the word, weightlifters. The amount that they can lift is quite extraordinary. Wrestling would be held at Exhibition Hall.

I raise this matter to heighten awareness in this place and in the community, and the member for Hanson should be congratulated, as should all the people involved with this, as it is an excellent opportunity for South Australians to realise the benefits that would accrue from having the XVI Commonwealth Games in Adelaide. I hope that we get the nod, which I understand will be in July next year. If people in South Australia have friends overseas, they should write to them and, if they can give support to our bid, they should be asked to do so. The games would be important to us. They would generate a considerable amount of work for South Australians and, as did the Grand Prix and other sporting events, advance our reputation as a sporting State.

A matter which has been brought to my attention and which causes me some concern, although I have not yet had the opportunity to raise it with the Minister for Environment and Planning, is an interstate article expressing concerns about the amount of lead in petrol. I understand that the average concentration of lead in premium grade petrol is .8 of a gram per litre in Perth compared with .3 in Melbourne, .4 in Sydney, .03 in the United States and .15 to .4 in the European community.

This persuaded me to find out the concentration or the allowable amount of lead here in South Australia. I understand that the maximum content in premium grade petrol in South Australia is .65 grams of lead per litre. In unleaded petrol, it is .013 grams per litre. I raise this matter because I understand that the World Health Organisation standard is 2.96 micrograms. If that is the case, and if I understand it correctly, what we have in South Australia is a standard above that of the World Health Organisation.

I raise that issue because it appears to me that the South Australian people have been exposed to air contamination by poisonous lead levels that are higher than the levels set

by the World Health Organisation. That concerns me, because many years ago (for those people who are masochistic enough to read what I said in Opposition) I referred to an article on lead poisoning which I subsequently provided to the then shadow Minister and subsequent Minister of Health, the Hon. John Cornwall. We all know that he took up many of those matters as a consequence. I remember the Hon. John Cornwall coming to me and asking where I had obtained that information. In short, it was from the United States, and the Minister used some of that information quite extensively. I raise that issue in this place; I think it is very important and that it needs to be addressed, and I will certainly be seeking further information from my colleague, but I think it is an issue that impacts upon all of us.

**Mr S.J. BAKER (Mitcham):** Tonight in the grievance debate I wish to address the very serious question of the condition of this State and the competence of its Premier. Never before in the long, proud history of South Australia has one man—one person—presided over so much damage to the financial pillars of the State. The tragedy is that it is not the Premier of the State who will pay the price next year, the following year and the year after that; it will be the people of this State and future Governments who have to bear the burden, because the burden is enormous. Today I felt absolutely sick that the Premier could stand up and so blithely sweep aside the chaos and the enormous financial destruction he has caused. He did say that this will cost \$220 million, year after year. That is just to repay the interest on the borrowings to shore up the bank, to provide the indemnity to the bank of \$2.3 billion. If we forget about the \$2.3 billion and just concentrate on the servicing of that loss, we are talking about \$4 million a week, week after week, year after year, decade after decade, because it does not go away. It remains in the system.

It amounts to \$600 000 a day which has been lost and which will continue to be lost day after day, year after year, decade after decade. It also equates to over \$4 000 per family, year after year, decade after decade, and that is just the servicing of the losses that have been brought about by the incompetent management of this State. What really upset me more than anything was the statement that the Premier made at the recent Labor conference when he said to the delegates that it is not how we got into it but how we get out of it that is important.

If that principle were applied to all the people who are currently in Yatala, we would find murderers, rapists and thieves on the streets today, because they would say, 'Forget about the crime; that is irrelevant. Just see how I get on from here on in; we will just sweep that aside.' That is what the Premier is saying to this State and Parliament. He said, 'Don't worry about how we did it. Don't worry about why I did not pay enough attention, did not live up to my responsibilities and did not do my job properly. Forget about that; let's concentrate on how we get out of it.' That is not good enough. There is a penalty, and the right penalty for the Premier should be to resign. There should be no pardon.

On 11 February, when the Premier was asked by a reporter about his position in respect of the State Bank rescue package, it was confirmed by the Premier that if the package did not work the Premier would resign. It is in black and white; it is on the front page of the *Advertiser*. Now the Premier is saying that that is not exactly what he meant. Of course he meant something else because he believed at the time that that was a good enough untruth to get him over the hump.

This Parliament has been misled and duped by the Premier of the State. It is not the parliamentarians who will bear the burden, but rather the people—they have to keep coming up with the goods. If we look at what we are getting for the \$220 million a year, we find that we are not getting better roads, more schools, better teachers, better or more regular bus services, better crime fighting or firefighting resources—we are getting absolutely nothing for the privilege of paying out \$220 million year after year. That is what the Premier proudly stood up and said today: 'We have a few problems and we will get over them.'

The only way that we will get over the problems that the Premier has created is for him to suffer a penalty in the same way that a person who has committed a crime suffers a penalty. There are many of them out at Yatala: the only difference is that the Premier is not inside Yatala. We can look at the figures that have come to light as a result of this enormous financial bungle. I refer to page 58 of the financial statement where it shows our net indebtedness. The Premier said that it is not all that bad, that we are around the same level as other States where we were previously better. If we look at the table we find that in real terms we are talking about a debt of \$6.642 billion. That happens to be an increase from the previous year in real terms of \$2.2 billion, which comprises the State Bank loss—\$2 200 million has been destroyed. What could the State do if it had that money available to it? If we look at the long-term trend of debt for the State since 1949-50 (as shown in table 4.2 on that page), we find that we now have the highest debt level in real terms since 1969-70.

The State cannot afford to pay the bills. If the person causing the State to pay those bills is responsible—which he is—he must resign, as he must live under the same edict

that this Parliament sets for the people who have done wrong in so many other areas. He must comply with the laws that we set in this Parliament. I do not need to remind members that, if any person in this Parliament went out and stole money, that person would be subject to the Criminal Law Consolidation Act and, in all probability, being a person of high office, would be put into gaol for stealing such money. If a member of this Parliament went out and maliciously wounded another, in all probability they would be put in gaol. It defies description that the Premier who has perpetrated the greatest loss in this State's financial history can stand up in this Parliament and say, 'We have some hard times ahead and I want you all to get together with me to save the State.'

How can the man have the gall, after losing this enormous amount of money, to stand up in the Parliament and say that? Today he should have said, 'I have failed the Parliament, I have failed the Government, I have failed the State and I must do the honourable thing: I must resign.' That was the only option that he had today—no other. He had a responsibility to the Parliament and to the people of South Australia, yet we did not see that today. He did not talk about the enormous burden he has now placed on the people of South Australia but simply said that it has been tough, that he is almost through the system and it will get better if we all get on board the same ship and row together. That is not good enough. This Parliament and the people of South Australia demand a penalty, and that must be in the form of the Premier's resignation.

Motion carried.

At 5 p.m. the House adjourned until Tuesday 10 September at 2 p.m.