

## HOUSE OF ASSEMBLY

Tuesday 25 August 1992

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

## PETITIONS

## TAFE COLLEGES

A petition signed by 30 residents of South Australia requesting that the House urge the Government not to amalgamate the Gawler campus of the Light TAFE College with the Elizabeth campus was presented by the Hon. B.C. Eastick.

Petition received

## SPECIAL EDUCATION

A petition signed by 1 094 residents of South Australia requesting that the House urge the Government to increase special education assistance to schools was presented by Mr Matthew.

Petition received.

## CRAIGBURN FARM

A petition signed by 760 residents of South Australia requesting that the House urge the Government to preserve Craighburn Farm was presented by Mr Such.

Petition received

## AUSTRALIAN FLAG

A petition signed by 471 residents of South Australia requesting that the House urge the Government to retain the Australian flag was presented by Mr Such.

Petition received.

## JUVENILE OFFENDERS

A petition signed by 417 residents of South Australia requesting that the House urge the Government to lower to 16 years the age at which a person is treated as an adult in criminal matters was presented by Mr Such.

Petition received.

## ABERFOYLE PARK POLICE STATION

A petition signed by 160 residents of South Australia requesting that the House urge the Government to establish a police station at Aberfoyle Park was presented by Mr Such.

Petition received.

## EDUCATION STRATEGIES

A petition signed by 15 residents of South Australia requesting that the House urge the Government to introduce education strategies with regard to social behaviour of children was presented by Mr Such.

Petition received.

## QUESTION

The **SPEAKER**: I direct that the following written answer to question No. 3 on the Notice Paper be distributed and printed in *Hansard*.

## GOVERNMENT VEHICLES

3. Mr **BECKER (Hanson)**:

1. What Government business was the driver of the vehicle registered VQE-563 attending to whilst dropping off a child dressed in school uniform outside Loreto College, Talbot Grove, Marryatville on Tuesday 9 June 1992 at approximately 8 a.m.?

2. To which Government department or agency is this vehicle attached?

3. Were the terms of Government Management Board Circular 30/90 being observed by the driver of this vehicle and, if not, why not and what action does the Government propose to take?

The **Hon. FRANK BLEVINS**: The replies are as follows:

1. The driver of vehicle registered VQE-563 whilst on duty travelling to his workplace dropped off his daughter who attends Loreto College.

2. Office of Transport Policy and Planning.

3. No. The driver has been counselled on the use of Government vehicles and reminded of his obligations in Commissioner of Public Employment Circular No. 30.

## STATE BANK

Mr **SPEAKER** laid on the table a further report from the Ombudsman relating to the State Bank files.

## PAPERS TABLED

The following papers were laid on the table:

By the Premier (Hon. J.C. Bannon)—

Australian Grand Prix Board—Report, 1991.

By the Minister of Transport (Hon. Frank Blevins)—

Correctional Services Act 1982—Regulations—  
Unauthorised Substance—Cannabis.

Road Traffic Act 1961—Regulations—Blood Analysis  
Hospitals.

By the Minister of Employment and Further  
Education (Hon. M.D. Rann)—

Corporation By-laws—

Woodville—

No. 16—Liquor Control.

No. 1—Permits and Penalties.

Naracoorte—No. 5—Dogs.

District Council By-laws—Port MacDonnell—  
 No. 3—Garbage Removal.  
 No. 4—Caravans and Camping.  
 No. 5—Animals and Birds.  
 No. 6—Dogs.  
 No. 7—Bees.

### WORTHINGTON INQUIRY

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

Leave granted.

**The Hon. J.C. BANNON:** On 16 April 1992 the Government appointed Mr T.A. Worthington QC to inquire into and report upon allegations that the Minister of Tourism has, or has had, a conflict of interest in respect of the introduction of the Gaming Machines Bill, the Tandanya development or the Glenelg foreshore development. This followed a request by Ms Wiese for an independent inquiry to resolve the issues in relation to the introduction of gaming machines and the two developments which had been raised in Parliament during March and April this year.

Mr Worthington's inquiry was directed to establishing the facts surrounding the Minister's involvement in each area. The principles in relation to conflict of interest and the application of those principles to the facts were matters for myself and the Government. To this end the Attorney-General prepared a report for Cabinet on principles relating to conflict of interest. That report noted that the current guidelines for Ministers are inadequate insofar as they fail to sufficiently elaborate all of the circumstances which give rise to conflict situations.

On 15 August 1992 Mr Worthington QC handed his report to Government and I now table a copy of that report. I also table a copy of the report prepared for Cabinet by the Attorney-General, which report was noted by Cabinet on 3 August 1992. It is clear, notwithstanding the disquiet expressed by the Opposition, the Democrats and the media about the alleged narrowness of the terms of reference and the non coercive nature of the inquiry, that Mr Worthington has had no difficulty in addressing all relevant issues arising out of the introduction of gaming machines and the two developments in question.

The inquiry was conducted over four months. During that time it examined a total of 197 files from various Government departments, councils and businesses. Mr Worthington conducted 62 formal conferences and counsel assisting the inquiry had a preliminary interview with a further eight persons. There were 31 company searches made and documents from the Minister, the Opposition, the Democrats and other parties were also examined. Advertisements were placed in the *Advertiser*, the *Australian* and the *Islander* advising that the inquiry was seeking relevant information from any party in possession of that information. The result of Mr Worthington's wide ranging and exhaustive inquiries is a comprehensive document setting out in great detail the Minister's association with the introduction of gaming machines in this State and the developments of Tandanya and Glenelg.

Notwithstanding the exhaustive nature of the inquiry, Mr Worthington has found no evidence that the Minister acted with any impropriety in relation to the areas

covered. Mr Worthington found in relation to the Gaming Machines Bill, and I quote:

There is no evidence that the Minister took any action or made any decision in relation to the Gaming Machines Bill or related policy issues for an improper motive. In particular there is nothing which indicates that she did so for the purpose of furthering her own or Mr Stitt's personal interests. Having assessed the Minister's credibility on that matter in light of all the evidence, I accept that she did not do so.

In relation to the Tandanya development, Mr Worthington says:

There is no evidence which suggests that the Minister took any action in relation to the Tandanya project for the purpose of advancing Mr Dawson's interests. The Minister was aware of Mr Dawson's involvement in the project but I am satisfied that there is no basis on which her motives or the motives of her departmental officers for the action taken in supporting the project can be impugned.

Further on he says:

I have already found that the Minister did not take any action or make any decision in relation to the Tandanya development for improper motives and, in particular, she did not do so for the purpose of furthering Mr Dawson's interests.

Finally, in relation to the Glenelg development Mr Worthington says:

There is no other evidence either in the documents or from those who attended the inquiry, which gives rise to any suggestion that the Minister or anyone else in the Government dealt with relevant matters other than on their perceived merits. As in the case of Tandanya I am satisfied that the Minister did not take any action for the purpose of advancing Mr Dawson's interests.

Further on he says:

I have found that the Minister did not take any action or make any decision in relation to the Glenelg foreshore development for improper motives and, in particular, she did not do so for the purpose of furthering the interests of Mr Dawson.

Although there has been a factual finding of no impropriety by the Minister it is still for Cabinet to consider whether there have been any conflicts of interest. The report and the principles set out in the Attorney-General's report were considered by Cabinet yesterday. In the light of Mr Worthington's report Cabinet made a determination in relation to each of the matters the subject of the inquiry.

In relation to the introduction of gaming machines, Cabinet noted the following matters:

- That Mr Stitt had no interest in the company Independent Gaming Corporation Limited.
- That he had not been hired to lobby any person or organisation in relation to the introduction of the machines.
- That neither Mr Stitt nor International Casino Services played any part in formulating the overall policy of the HHIA/LCA.
- That the Minister and Mr Stitt have ground rules about confidential information and that they respected the confidential nature of the Minister's work.
- That the Minister's involvement in relation to the Bill was of a peripheral nature.
- The Bill was the subject of a conscience vote for all members of Parliament.
- That the Minister had not behaved with any impropriety and had not taken any action to advance her or Mr Stitt's interests.
- That to the extent that the Minister and Mr Stitt contributed to Nadine and to other joint expenses

they have pooled portion of their funds to support their joint investments and joint lifestyles. Not all their personal income was treated in this way.

- A portion of the income derived by Mr Stitt for the provision of services prior to the introduction of the Bill formed part of the moneys pooled by the Minister and Mr Stitt in the manner and for the purposes referred to by Mr Worthington in section 4 of his report. Mr Worthington found it was not possible to quantify the amounts so contributed by Mr Stitt, because there are no records of the contribution he has made from his personal cheque account to their joint everyday living expenses and because the income received from this source has been mixed with income from other sources before it has been applied to those expenses or paid to Nadine.

Cabinet noted that the pooling of some or all of two incomes is common practice for any couple (married or otherwise) living together and both in receipt of income.

Based on the above, Cabinet has determined that there was an indirect pecuniary interest and a personal interest which has given rise to a minor conflict of interest. That interest was not declared by the Minister at the time. The conflict was, however, acknowledged by the Minister on 24 March 1992 when she said:

I indicated on Thursday that I believed Mr Stitt's involvement with the Hotel and Hospitality Industry Association was well known among my Cabinet colleagues. I have since learned that this was not so in all cases and, accordingly, with the benefit of hindsight I believe I should have formally disclosed his involvement to Cabinet.

Cabinet is aware that at least two Ministers—namely, the Minister with the principal responsibility for the introduction of the Gaming Machines Bill, Mr F. Blevins, Minister of Finance and the Premier—were aware of Mr Stitt's involvement with the HHIA/LCA.

Given the minor nature of the conflict, Cabinet would not have required that the Minister refrain from participating in the discussions and decisions being made at that time. This assessment is consistent with Mr Worthington's finding that there was no impropriety on the part of the Minister in carrying out her duties. In relation to the Tandanya Development Cabinet noted the following matters:

- That Mr Stitt's active involvement ceased in late 1989.
- That the Minister played no part in Tandanya prior to 1989 when Mr Stitt was involved.
- That Tourism SA had only a minimal involvement in the project when Mr Stitt was involved.
- That, when Cabinet was considering the Woods Bagot proposal for the Flinders Chase National Park in 1988, the Minister declared an interest because of Mr Stitt's involvement in what was an alternative proposal involving Paradise Development.
- That the moneys paid to Mr Stitt from Geographic Holdings and Paradise Development were not for services in connection with the sale by the joint venturers to System One. Insofar as those payments represented services to the Tandanya proposal, those services were rendered prior to the end of December 1989.

- That Mr Dawson did not attempt to use his friendship with the Minister to gain any improper advantage.
- The Minister and Tourism SA were active in supporting the Tandanya project.
- Ms Wiese was a good friend of Mr Dawson and she was aware at both Cabinet and departmental level that she was making decisions and taking actions which could affect Mr Dawson's financial interests.
- That the Minister had not behaved with any impropriety and in particular that she had not taken any action to advance Mr Dawson's interests.
- That the Minister did not understand from the guidelines on conflicts for Ministers that declarations were required in matters involving friends. Her interpretation of the guidelines was that they applied to family or business associates. The business relationship between Mr Dawson and her was not of a sufficient nature to give rise to a conflict and therefore he was not a business associate for the purposes of the guidelines.

Cabinet has determined that there was a personal interest which gave rise to a minor conflict of interest. That interest was not declared by the Minister at the time. Because the conflict was minor in nature, Cabinet would not have required that the Minister refrain from participating in Cabinet, nor from carrying out her duties as Minister. Again this assessment is consistent with Mr Worthington's findings.

Cabinet has determined that there was no conflict of interest in respect of the moneys paid to Mr Stitt by Geographic Holdings and Paradise Development. At the time the Minister made any decisions and took any actions in respect of the sale of Tandanya to System One she was unaware that money would be paid to Mr Stitt by these companies. In addition, the money was not for services in connection with the sale of the land but was payment for services provided by Mr Stitt prior to the end of December 1989, a time at which the Minister was not involved in the project.

In relation to the Glenelg foreshore development, Cabinet noted the following matters:

- That Mr Stitt had no interest in Glenelg Ferry Terminal.
- That his involvement in the Glenelg project ceased at the end of 1989.
- That the Minister had no involvement in the Glenelg proposal during 1989.
- That Mr Dawson did not seek to use his friendship with the Minister for the purpose of promoting his own interests or those of companies with which he was associated.
- The Minister was active in supporting the project.
- Ms Wiese was a good friend of Mr Dawson and she was aware that she was making decisions that affected his financial interests.
- That the Minister did not take any action or make any decision in relation to the development for improper motives and in particular she did not do so to further Mr Dawson's interests.
- The Minister did not understand from the guidelines that declarations were required to be made in relation to friends.

Cabinet has determined that there was a personal interest which gave rise to a minor conflict of interest which was not declared by the Minister at the time. This conflict was minor in nature and Cabinet would not have required that the Minister refrain from participating in Cabinet, nor from carrying out her duties as Minister. Once again, this assessment is consistent with Mr Worthington's findings.

Therefore, Cabinet has determined that the Minister has had a minor conflict of interest in relation to the introduction of gaming machines and her friendship with Mr Dawson. Given the nature of these conflicts, the fact that had they been declared Cabinet would not have required the Minister not to act, the Minister's understanding of the guidelines, the ambiguity of those guidelines and the finding by Mr Worthington that the Minister has not behaved with improper motives, Cabinet has determined that no further action is required in relation to this particular matter.

The Minister stood aside from her Tourism portfolio on 23 April and has suffered significantly through a detailed examination of her private affairs on the basis of allegations which have been found to be substantially without foundation. Her integrity has been upheld and no impropriety has been found. In these circumstances, Cabinet has determined that there is no impediment to resuming her duties in Tourism at the earliest opportunity.

However, the Government has determined that more specific guidelines should be prepared for Ministers, members of Parliament and public servants. It is clear that the current guidelines for Cabinet members, members of Parliament and public servants are inadequate. There is a need for considerable elaboration of the guidelines because of the wide variety of circumstances which have the potential to produce a conflict of interest or the appearance of a conflict of interest and the increasing importance attaching to this issue in Government and other spheres compared with some years ago. To this end:

- A code of conduct will be prepared for incorporation in a Cabinet handbook.
- A code of conduct will be prepared for all members of Parliament and referred to Parliament for its consideration.
- The Members of Parliament (Register of Interests) Act 1983 will be amended as announced in the Governor's speech to Parliament this year.

Finally, I wish to advise the House that the total cost estimate for this inquiry is \$505 000.

### SASFIT

**The Hon. FRANK BLEVINS (Minister of Finance):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. FRANK BLEVINS:** I have already dealt with a number of questions raised in this place regarding SASFIT's investment in the ASER project. My detailed response drew further comment and questions from the Leader of the Opposition on Thursday afternoon. The honourable member's first point about \$40 million being paid back by the Government and half going to SASFIT is totally incorrect. He did not indicate how this conclusion (which is completely without foundation) was reached. The moneys paid by the Government to ASER Prop-

erty Trust as lease payments on the Government elements of ASER have definitely not been taken into account in assessing SASFIT's 20.3 per cent per annum return on the commercial elements. His second claim was that the method used by SASFIT to calculate its 20.3 per cent per annum return on its ASER investment was wrong because the value of SASFIT's investment was somehow incorrectly or inadequately assessed.

The honourable member claims that the fault in the ASER value is because APT has valued itself on a cash flow basis and not a market value. First, APT has not valued itself; Price Waterhouse undertook the valuation. I would point out to the House that the best and most common way by which market value assessments are made for non-traded investments (for example, unlisted business and properties) is by discounting expected cash flows at appropriate interest rates. For the Leader to make the comment that a valuation on a cash flow basis is an unacceptable market value is nonsense.

SASFIT has been reporting on a market value basis for many years now. All recent valuations of SASFIT's interest in ASER have been made by Price Waterhouse for the purpose of SASFIT's market value reports. Price Waterhouse's values have been reviewed and accepted by the Auditor-General. As to the Leader of the Opposition's assertion that the valuation should be on a market value basis, this is effectively what has occurred as there is no difference between a valuation based on expected cash flow and market value.

The Leader claims the Auditor-General has put a value on the ASER site of \$170 million. It was, in fact, the Valuer-General. The Auditor-General understands that the Price Waterhouse valuation is the appropriate valuation for SASFIT's investment. As explained in my earlier statement, the Valuer-General values only the land and improvements, not the business operations. The Leader appears to have some difficulty in understanding the difference between the value of the land and buildings upon which a business is situated and the business itself. I will just make the observation by way of illustration that the land, factory and premises upon which SA Brewing sits should be worth much less than the value of the SA Brewing operations themselves. Accordingly, the site value of the ASER hotel and casino complex as assessed by the Valuer-General should be quite a lot less than the value of the business operations of the hotel and casino and the site combined.

The Leader also stated the valuation process adopted by the ASER Property Trust did not comply with Australian accounting standard AAS24:

First, the valuation was not ASER's, or SASFIT's but that of an independent valuer.

Secondly, AAS24 is a standard that relates to the presentation of consolidated financial reports and is not the standard under which SASFIT brings to account its interest in ASER.

Accounting standard AAS25 is the one which relates to superannuation fund reporting and is pertinent in assessing whether SASFIT's accounts and rates of return calculation are fair and accurate.

The Leader has challenged me to table the valuation of SASFIT's investment in ASER. The information in that valuation touches upon commercially sensitive information—

*Members interjecting:*

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

*Members interjecting:*

**The SPEAKER:** Order! The member for Victoria is out of order again.

**The Hon. FRANK BLEVINS:**—about the operations of Hyatt's management of the hotel, the casino operation and forecasts. Its disclosure would impinge upon the commercial rights of a number of other parties. The calculation has been independently prepared and reviewed and accepted by the Auditor-General.

**The Hon. Dean Brown:** Well, table it!

**The SPEAKER:** Order!

**The Hon. FRANK BLEVINS:** Finally, the Leader attempted to draw some comparisons between SASFIT's investment in ASER and the State Bank. The difference between the two institutions put them beyond comparison. SASFIT is not owned by the State but has a joint responsibility and accountability to the Government and public sector superannuation scheme contributors. Further, SASFIT has been subject to audit by the Auditor-General since its creation. It has reported on a market value basis for a number of years and does not use the historical cost basis that banks generally apply. It has consolidated its few subsidiary holdings fully into its accounts with no unreported off balance sheet entities. In addition, the market value returns of SASFIT up to 1992 have shown positive returns in all years.

Over the 10 years to June 1992 the returns have averaged 14.75% per annum. Even if the Opposition's claims that ASER's gross worth is \$170 million and not \$382 million (that is, one gives no value to the hotel and casino operations) the impact on SASFIT's return over the past 10 years would fall from a good 14.7% per annum to a modest 13.4% per annum, still well above SASFIT's long term expected return of about 4% above inflation.

The Leader of the Opposition has been briefed on the issue and I would extend that offer again to the Leader and, indeed, to any members should they wish to become more accurately informed regarding the issue.

### WORKCOVER

**The Hon. R.J. GREGORY (Minister of Labour):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. R.J. GREGORY:** On 14 August 1992 an article appeared in the *Advertiser* by Barry Hailstone entitled 'Leg ordeal leaves Pierre fuming at Workcover'. The assertion in Mr Haistone's article was that Mr Pierre Vermeeren—

*Mr D.S. Baker interjecting:*

**The SPEAKER:** Order! The member for Victoria is out of order. The Minister.

**The Hon. R.J. GREGORY:** —who has undoubtedly suffered a most horrific and regrettable injury, has not been paid by WorkCover for his injury claim. Unfortunately for Mr Vermeeren, I am advised that much of the story was inaccurate, and I suggest he has been the unwitting pawn in yet another media beat-up designed to blacken the name of Workcover corporation and assist

the State Opposition. Mr Vermeeren's WorkCover claim was received on 30 June 1992, not 23 June 1992, as was implied.

Contrary to the claims in the article, he has not lost more than \$5 000 in wages, as his claim has been approved and his company has already received part payment for the outstanding wages bill. The *Advertiser's* claim that he has lost \$5 000 is, quite simply, a lie. Because of Mr Vermeeren's status as a working director, this was an unusual claim and took longer than the normal 10 days to process. WorkCover's practice is to conduct a field audit on all claims by working directors to ensure they are covered by the scheme, and thus prevent any unauthorised payments.

On 11 August, I am advised that a Workcover case manager contacted Mr Vermeeren's Balaklava office and offered to make interim payments to Mr Vermeeren until his claim was resolved—an offer WorkCover was not legally obliged to make, and one which was not taken up. Given that the Opposition—and by that I include the *Advertiser*—claims to be committed to financial probity, I would have thought they would have applauded WorkCover's policy of checking the veracity of all claims. It is only through such vigilance that the corporation's financial integrity can be upheld.

**Mr LEWIS:** I rise on a point of order, Mr Speaker. Is it permissible for statements made in this place, whether by Ministers or by other members, to use the term 'lie' with respect to statements made by people either within or, in the second case, outside this Chamber?

**The SPEAKER:** The usual application of the provisions to the use of the word is that, if it is used specifically against a member, it is an offence under Standing Orders and they are applied accordingly. If the words 'liar' or 'a lie' are used in the broader sense against anyone not in the Chamber, it is not usually regarded as an infringement of our Standing Orders.

### TOURISM EXHIBITION

**The Hon. M.D. RANN (Minister of Employment and Further Education):** As Acting Minister of Tourism, I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.D. RANN:** Last Wednesday in this House the member for Fisher asked a question concerning the *Advertiser* Australian Federation of Travel Agents Exhibition. Tourism South Australia has participated in consumer travel shows around Australia for many years. Such participation is expensive and its benefits are not easily measurable. It is vital that marketing funds be carefully targeted to ensure best value for money. The Adelaide AFTA Holiday and Travel Show primarily attracts consumers with an interest in outbound travel to interstate and overseas destinations, which was why the honourable member was able to list such heavy participation by interstate and international tourism authorities.

**Mr SUCH:** On a point of order, Mr Speaker, I asked no such question.

**The Hon. M.D. RANN:** I understand that the member for Newland asked this question—the start of my ministerial statement was incorrect. However, it is

interesting that the member for Fisher could not remember which questions he asked the week before.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** Tourism South Australia is primarily concerned with generating travel to the State.

*Dr Armitage interjecting:*

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

**The Hon. M.D. RANN:** I repeat: Tourism South Australia is primarily concerned with generating travel to the State. Regional tourist associations, which are funded and supported by Tourism South Australia, were in attendance at the fair. The member for Victoria seems somewhat overtired. However, Tourism South Australia believes that its marketing effectiveness is maximised by directing more resources to its interstate 'Out of the Ordinary' campaign and the South Australian 'Short Holiday' campaign within the State. Both employ direct response advertising techniques which have allowed Tourism South Australia to build direct marketing databases of 37 000 interstate and 25 000 South Australian consumers.

By effective targeting of those consumers, who have already indicated a propensity to travel to and within the State, Tourism South Australia believes that it will demonstrate measured success in achieving tourism growth—a statement that could not be made about participation in consumer holiday shows. Some evidence of the regard that the industry holds for this initiative is the special commendation awarded by the Pacific Asia Travel Association to the 'Shorts' radio commercials—a remarkable achievement indeed—about value for money.

## QUESTION TIME

### CONFLICT OF INTEREST

**The Hon. DEAN BROWN (Leader of the Opposition):** As he has been in office for almost 10 years, does the Premier accept responsibility for the failure of his Government to previously establish adequate guidelines for the declaration of conflicts of interest?

**The Hon. J.C. BANNON:** I draw attention to the passage in my ministerial statement that refers to this particular issue and to the increasing importance attaching to this issue in Government and other spheres compared with some years ago. I think it is fair to say—

*The Hon. Jennifer Cashmore interjecting:*

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

**The Hon. J.C. BANNON:** I remember the member for Coles having some remarks to make on this point—

*The Hon. Dean Brown interjecting:*

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

**The Hon. J.C. BANNON:** —in relation to the declaration of members' interests, which is inadequate, too, and it has probably taken us too long to address that issue as well.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.C. BANNON:** The fact is that this Government—and I would say governments broadly in

this State, including the Government of which the Leader was a member—has a reputation for probity and good practice in this area. I might say that there are one or two rather public exceptions but, if members would like a very clear illustration as to how this whole area is changing, they should look at recent events in New South Wales in respect of the appointment of a member of Parliament to a Government office and the consequences that flowed from that and compare it with the decision made by the Government, of which the Leader was a member and one or two of his colleagues, which made a similar decision by providing an appointment to a member of Parliament which removed any hope of it winning the seat. Was that Premier called to account through a judicial process? The answer is 'No.'

*Members interjecting:*

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

**The Hon. J.C. BANNON:** Was that Premier forced to resign? The answer is 'No.' I would like to say—

**An honourable member:** What about Len King?

**The Hon. J.C. BANNON:** The extraordinary difference between somebody retiring from the House at election time and the contrivance of an early election or by-election through these means is a very simple matter.

*The Hon. Dean Brown interjecting:*

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

**The Hon. J.C. BANNON:** I simply raise this issue to suggest there have been changes in the way these matters have been addressed. I repeat again: by and large there has been a very good record in South Australia. We have not been racked by the scandals and problems that many other Governments have experienced. The record has been very good indeed and, when such issues are raised as we have seen on this occasion, at the end of the day, after much money has been spent on a detailed investigation, no impropriety has been found. Let members cast their mind back a few months ago, to what was being said in various quarters and on the other side of the House. What were the implications, the innuendo, the smear and the rumour? It was all there.

If it had stopped at that point, the Minister would have been judged guilty and hanged immediately. This sort of investigation established the point that I am making. Having said that, there is no question that, when one finds that one must apply particular guidelines in certain circumstances, it is then that problems and ambiguities arise. This is no different from any other Parliament in this country or from what is happening worldwide. I would refer members opposite and the Leader to the paper that has been prepared by the Attorney. It is a very good information document, and it traces the very changes I am describing. Finally, no violence whatsoever has been done to the concept of ministerial propriety in this case. Indeed, we have recognised the most rigid test of conflict and we have applied it and the consequences that flow from it in what I believe is a totally appropriate way. Members opposite well know that that is the case.

*The Hon. Dean Brown interjecting:*

**The SPEAKER:** Order! I warn the honourable Leader of the Opposition. The lack of respect of the Leader for the Chair has been increasingly obvious to the Chair. Things are a little different now than when he was last

here. If he asks his colleagues, he will find out that we apply the rules a little more rigorously. I warn him of his action. As Leader, he will have some leeway, but anything that reflects on this Chair will be dealt with seriously. The honourable member for Napier.

*Members interjecting:*

The SPEAKER: Order! The honourable member will resume his seat. I am not quite sure what was said then, but I take the opportunity also to caution the member for Mitcham about his behaviour.

*Members interjecting:*

The SPEAKER: Order! The member for Victoria has had three cautions already, so I would also give him a little nudge. The member for Napier.

### MARALINGA

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Aboriginal Affairs inform the House of the outcome of negotiations with the British Government and Opposition representatives to press for a clean up of the Maralinga lands and compensation of the people?

The Hon. M.D. RANN: I am disappointed that the honourable member did not give me prior notice of this question. However, I will endeavour to elaborate on what has been happening. Of course, members opposite would be aware of what happened at Maralinga in the early 1950s and through to the 1960s, with a series of atomic tests as well as hundreds of minor trials, which caused devastating results to the environment with widespread plutonium contamination and a substantial social impact on the people of the Maralinga area, who were relocated to Yalata.

However, since the 1985 McClelland royal commission, there has been a substantial technical assessment of those lands, which has found that the contamination was far more extensive than previously was realised and extended into open Aboriginal lands. Last year, a delegation of Maralinga Tjarutja elders went to London, assisted by former Premier David Tonkin, and met with Lord Arran the Junior Minister of Defence and other officials in order to seek justice, compensation and a clean up by the British Government. That was followed by a delegation led by Simon Crean, the Federal Minister for Primary Industries and Energy.

Earlier this year, in June, I went to London to follow up the talks of the Maralinga Tjarutja delegation. It is quite clear that, since then, the pressure on the British Government has risen and it has become a political issue in Great Britain. It has been raised by the British Labor Party and the subject has also been raised by Mr Archie Barton of Maralinga Tjarutja, at the United Nations Congress on Indigenous People and, of course, it is vitally important that we keep this on the agenda. There are early indications that the British Government is reconsidering its position of not providing any assistance for a clean up. We understand that that is currently being actively considered by British officials and Cabinet Ministers which, in itself, is encouraging. So, we are cautiously optimistic that some provision will be made by the British Government for clean-up costs. We will continue to raise this matter both politically and publicly.

I am delighted to hear that a British parliamentary delegation that is visiting this House is interested in the matter. We are trying to facilitate that delegation, which I understand arrives early next month, to visit the Maralinga area. Currently, that has been declined by the Federal department, but we intend to raise this matter with Mr Crean to enable that British parliamentary delegation to visit the area and meet with the Maralinga Tjarutja elders. As I said, we are hopeful that the British will abandon their position of saying that they do not intend to pay anything for compensation and clean-up because of their attempts in 1967 to clean up the lands. Quite clearly, that is a furphy: the contamination was made worse by Operation Brumby.

### GRAND PRIX EXECUTIVE DIRECTOR

Mr BRINDAL (Hayward): My question is directed to the Premier. Is the salary package of more than \$380 000 paid to the Executive Director of the Grand Prix Board legal; what role did the Premier have in approving the package; and does the Government endorse this level of payment for the position? Section 13 of the Grand Prix Act requires Executive Council to determine whether the Executive Director is appointed subject to the Government Management and Employment Act or other terms and conditions. I have been advised that the appointment has not been made under the GME Act and, according to the Acting Premier last Thursday, the Premier approved only the base salary.

There appear to have been two breaches of the Grand Prix Act: namely, that Executive Council did not first determine that the appointment should be outside the GME Act and did not subsequently approve all the terms and conditions of appointment. The Acting Premier also said that he would refer to the Premier the question of whether the Government intended to express any concern to the Grand Prix Board about the package.

The Hon. J.C. BANNON: In reply to the honourable member's question, first let me say on this aspect that the Economic and Finance Committee of the Parliament has requested certain information, which I am in the process of obtaining and ensuring that the board obtains to forward to them. Until I have had a chance to look at that, I am not able to put any further or specific details before the House.

In relation to the contract that governs the Executive Director of the Grand Prix Board, at the time he commenced his involvement with the Grand Prix, he was in a Public Service position with the Department of the Premier and Cabinet. He resigned from this position with effect from 28 February 1986. Some delay occurred between the point of resignation and the appointment, because negotiations were taking place in relation to a contract and the conditions of employment. That appointment was made by the Governor in Executive Council on 2 October 1986, and it approved the appointment. Under the terms of the agreement that had been finalised then, taking effect, it was backdated to commence from 1 March 1986. That appointment was subsequently extended by the Governor in Executive Council on 9 October 1990 until 1 March 1997, and it is that contract which is in operation in the current instance.



## LITTLE REPORT

**The Hon. J.P. TRAINER (Walsh):** I direct my question to the Minister of Industry, Trade and Technology. What specific action has the Government undertaken to address the findings of the Arthur D. Little report into the South Australian economy, particularly in relation to its finding that our manufacturing sector is opening up to international competition and that the bases of economic success have been fundamentally changed, and what effort will be made to influence the Federal Government's policies on structural adjustment?

**The Hon. LYNN ARNOLD:** I thank the honourable member for this very important question. I might again refer members to the Premier's statement of 24 June which detailed the Government's initial financial response to the Arthur D. Little study. That will be built on over the months ahead as announcements are made about the specifics of each of the programs contained in that statement. The honourable member rightly identifies the fact that the Federal Government is an important player in the state of the economy in South Australia, and that point is picked up within the Arthur D. Little report. First, on page 37 it indicates that we have to recognise that the State economy is subject to pressures that come from a much wider sphere than just South Australia and that some of those pressures are within the control of the Federal Government. I refer members to page 18 of that report where it is stated:

The business climate in the State is only partly determined by the policies and actions of the State Government. Macroeconomic policies and actions that may strongly influence the competitiveness of South Australian firms are solely the preserve of the Federal Government. The formulation of an economic development strategy for the State and its implementation, therefore, must be undertaken in the context of macro-economic policies determined outside the State.

That is a very significant statement, because we have done what we can in terms of the response announced by the Premier and the ongoing development of that which will happen in the months ahead. But what Arthur D. Little is saying is that it must run in tandem with appropriate policy changes or policy developments at the Federal level. That is where members on both sides of this House could do well to offer real support for changes in that area. While I note that some of the statements by members opposite indicate that they support Arthur D. Little, I would really like to know where they stand on tariff change and on other Federal matters on which their Federal colleagues have clearly indicated what view they have.

If we want a taste of the alternative in that regard, the member for Kavel will give us a very good chapter and verse about it, because he has spoken on these matters in another arena.

*Members interjecting:*

**The Hon. LYNN ARNOLD:** He was quite happy to speak in favour of these policies in the Senate. In March 1991, he said:

It is uncomfortable to know that the economic circumstances of 1991 mean that as a Liberal I have to support the legislation which is, in effect, an industry prop. ...I am opposed philosophically to any such prop.

That argues against the very thrust of Arthur D. Little, which recognises that there is an appropriate level of

Government response to industry development in this country. It is a slur and a defamation to use the reference to a Government prop. In fact, his own view about manufacturing industry is clearly stated in another statement that he made, again in March 1991, when he said about Australian industry -

**Mr BRINDAL:** On a point of order, Mr Speaker, I believe that the Standing Orders prohibit debate in answering a question. I believe the Minister is debating the answer.

**The SPEAKER:** The Standing Orders are specific. I cannot remember the exact words, but the answer must be relevant to the question. I ask the Minister to comply.

**The Hon. LYNN ARNOLD:** I understand that it must be relevant to what is in the heart of the question and the heart of the question, was about the Arthur D. Little report; the Arthur D. Little report makes references to what State and Federal Governments can do. It is very important, therefore, that we properly understand what is happening in the tariff area. That is the point that I make. We on this side of the House believe the statement made by Arthur D. Little about the TCF industry. It states that the restructuring of that industry needs to be carefully managed. That is what we are supporting and that is what was announced in the Premier's statement on 24 June.

*Mr Ingerson interjecting:*

**The Hon. LYNN ARNOLD:** The member for Bragg says that he has been supporting that. I do not doubt that the member for Bragg has been supporting it, because I know there are one or two over there who have in fact come out with the right verbiage from time to time to match the content of this document, unlike the member for Kavel who says:

At the other end of the spectrum, the TCF sector is an excellent example of what is wrong with Australia. Just as the TCF sector must recognise that we have moved on, Australians, after many decades of refusing to accept the inevitable, must face up to the fact that in areas where we discover that we cannot be internationally competitive we should not waste the time and effort of manufacturing locally.

That is where I believe this document has some important questions for all members in this House. We should be examining what we want to do and whether we want to see such sectors as the automotive and TCF sectors being maintained. This document says that we should carefully manage it. Some members opposite—and I take it that the member for Victoria is one of them, because he is a close partner of the Hon. Ian McLachlan in another place, which I note the Leader strongly argues with in the Age of 30 July when he was listed as attacking his Federal colleagues in the areas of tariffs, and I commend him for that. The point is it will not be sufficient for members in this House to stand up and say they support Arthur D. Little if they will take only part of the package and say they support the Government's role—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. LYNN ARNOLD:** Rather, they should be taking the need for Federal macroeconomic issues and Federal restructuring as also very important, and tariff is a very important part of that question—that cannot be denied. I just simply refer the honourable member to the responses we have made already on this matter and suggest that he listen carefully to the responses we make in the months to come.



### GRAND PRIX EXECUTIVE DIRECTOR

**Mr S.J. BAKER (Mitcham):** My question is directed to the Premier. Why has the Grand Prix board given misleading information to the Economic and Finance Committee? The board's Manager, Finance and Administration, Mr Daniels, told the Economic and Finance Committee on 1 July that the board had no business dealings with members of the executive staff. However, information given to the House last Thursday by the Acting Premier shows that the board has contracted to pay the Executive Director \$90 000 a year for business purchased from Dr Hemmerling.

**The Hon. J.C. BANNON:** I will certainly investigate the circumstances and context of that. Quite clearly, that is a matter that the committee will be dealing with, and I do not see any point in the member wasting the time of this House in asking me about it.

### CHURCH BELLS

**Mr HOLLOWAY (Mitchell):** My question is directed to the Minister for Environment and Planning. Has the Noise Abatement Branch of her department tried to stop the All Saints Anglican Church in Colonel Light Gardens ringing bells on Sunday mornings? Last week's Messenger *Courier* contained an article which claimed:

Chiming church bells will be muzzled across South Australia if plans to silence a Colonel Light Gardens church and fine it \$5 000 are successful.

The article also reported the member for Mitcham as saying, 'The local church is being used as a test case for the rest of South Australia.'

**The Hon. S.M. LENEHAN:** I thank the honourable member for raising this matter because it will allow me to put some facts on the public record. I would hate to disappoint the member for Mitcham by actually allowing some facts to get in the way of his good story. Let me just very clearly state that it is a fact that residents complained about disturbance caused by the early ringing of church bells on Sunday mornings.

*Mr S.J. Baker interjecting:*

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

**The Hon. S.M. LENEHAN:** I do not think the honourable member will like this answer, so I will not be amazed if he wants to interject, because he does not like people putting facts on the table. As members would be aware, the Noise Control Act does not distinguish between different sources of noise emanating from factories, parties, sirens or, indeed, church bells. However, I have written to both the member for Mitcham and Father McDowell of the All Saints Church advising that the complainants have agreed to meet with them to seek a solution. I have asked, by way of letter, that the member for Mitcham in fact provide the assistance which every single local member of this Parliament provides on a daily basis in terms of resolving conflicts and issues within their electorates. May I pay a tribute—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. S.M. LENEHAN:** —to members—

*Mr S.J. Baker interjecting:*

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

**The Hon. S.M. LENEHAN:** —particularly backbench members on my side of the Parliament, who daily go about their duties of resolving conflicts at a local level, based on common sense and a reasonable and sensible approach.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. S.M. LENEHAN:** However, it is sad to have to acknowledge that the member for Mitcham has not been prepared to use common sense and a responsible and sensible approach to resolve this very localised problem. Indeed, what he has done is try to whip this up into some enormous, gigantic Statewide problem where he is quoted in the local paper as saying:

The local church is being used as a test case for the rest of South Australia.

Really and truly, I have read and studied Pope's *Rape of the Lock*, but this is absolutely ridiculous. Personally, I very much like and appreciate the sound of church bells, and the Government has absolutely no intention of inhibiting the rights of people to go about their daily worship. What we are seeking to do, if you like, is call upon the local member of Parliament to carry out his job in terms of trying to resolve this problem at a local level.

If the honourable member is saying that the Noise Control Act should, in fact, selectively apply to and discriminate against various types of noise, then let him bring some amendments to this Parliament. This is his freedom and right, but has he done that? No, he has not done that. What he has done is attempt to make a mischief, and I thank the honourable member for allowing me to set the record straight in this Parliament.

### CONFLICT OF INTEREST

**Mr INGERSON (Deputy Leader of the Opposition):** Will the Premier admit that the Minister of Tourism's failure to declare a conflict of interest, not once but twice, demands his public censure? Will the Premier also admit that her place in Cabinet has been saved on this occasion only by his own failure to establish proper guidelines for declarations of conflict of interest?

**The Hon. J.C. BANNON:** The answer to the second part of the question is 'No'. In reply to the first question, I do not believe that the Minister's position has been compromised at all and, in terms of penalty or consequences, to which the honourable member is directing his attention—of course, that is what the Opposition will direct all its attention to from now on—I believe she has had a pretty stiff penalty.

I suggest to the honourable member that, if he were subjected to the sort of inquiry into his personal and business affairs at the depth and intensity that the Minister has had, based on accusations and innuendoes—and the honourable member himself knows that he is not squeaky clean in that area of accusation and innuendo; he well knows the case concerning which, of some year on, we are still waiting for an apology—knowing that so far as his personal integrity were concerned he had not been involved or done any of the things that had been alleged, but nonetheless he had

been put through this kind of process, surely that would be penalty enough.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.C. BANNON:** To cry for blood when the issues have been clearly defined is, I think, quite demeaning on his part.

### KPMG PEAT MARWICK REPORT

**Mr QUIRKE (Playford):** My question is directed to the Minister of Industry Trade and Technology. What is the Government's reaction to the report by KPMG Peat Marwick entitled 'South Australia's Business Climate Study'? The Little report 'New Directions for South Australia's Economy' mentions a subconsultancy undertaken by KPMG Peat Marwick that critically analyses the State business climate.

**The SPEAKER:** Before calling the Minister, I again remind Ministers of access to ministerial statements and I ask the Minister to keep his reply precise.

**The Hon. LYNN ARNOLD:** I take your advice, Mr Speaker. As there are nine separate consultancies, it is a bit difficult to make an individual reaction to each one of them, but I know there was some concern about press reports a few weeks ago, after the Premier's statement on 24 June, about a supposedly secret document that the Government had refused to release. There was a big splash in the paper where the Opposition got hold of the document and prized it as something that showed that the Government was not acting in good faith, according to the Opposition. Indeed, it quoted selectively from that document and the document to which they referred was none other than the document released publicly last Friday which it was always the intention to release and about which the member for Playford is now questioning me.

In fact, I think it is of great concern that such selective quoting from that document took place, because a number of other types of quotations were left just unread. I will make particular reference to the level of Government charges and costs in our State and find out what the same study said about those—quotes that were not put in press reports by the Opposition in June or July. In the area of taxation, the consultancy says:

Nevertheless, in terms of State Government imposts at least, South Australia is a low tax State. The perception and the reality do not gel, however. Payroll tax is seen as particularly pernicious, yet only Queensland charges lower rates than South Australia. The payroll tax burden is also somewhat lower in South Australia because of the State's lower average wage rates.

I point out that these were not quotes that were leaked out of this document which was apparently found on the back of a truck in June and which the Opposition relished at the time. It continues:

If state taxes and charges are a major business concern, this is more a reflection of the business climate than what caused it. Entrepreneurial endeavour will not be impeded by minor difference in payroll thresholds or in FID rates.

It goes on to talk about other matters in terms of electricity. The Premier has made statements about the Government's commitment to reduce, in real terms, the cost of electricity to industrial and other commercial

users in this State, yet it needs to be noted that with respect to that area the KPMG study states:

When viewed on a segmented basis, South Australian electricity prices compare more favourably, particularly among larger users.

That was not referred to by the Opposition. Indeed, in reference to gas, the KPMG study states:

... the effective price of natural gas in the Adelaide industrial market to represent the least expensive in Australia across virtually all consumption levels.

One other area, which members opposite chose not to quote from this document but which, I am certain, will be quoted back to them by members on this side, relates to WorkCover. The study says:

WorkCover has attracted considerable criticism due to the perception of high costs. As a proportion of total costs, however, WorkCover is a small part of a firm's overall expenditure. The fact that it has attracted so much attention is a function of perception and what is seen as the discretionary nature of another Government impost.

If members opposite are going to take documents and quote selectively from them, I ask that at least they have the honesty to quote from the full content of those documents.

### PRISONER ASSAULT

**Mr MEIER (Goyder):** My question is directed to the Minister of Correctional Services. What prison administration policy allows a young 20 year old first offender to be placed in the same cell as a convicted murderer with a known history of violent sexual behaviour? A constituent of mine has told me that her 20 year old son was raped four or five times by his cellmate in the first two weeks of being sent to Yatala for breaking a two year good behaviour bond. The bond was ordered on his conviction for a breaking and entering offence when he was 18.

Following the rapes, the youth was so traumatised that he was hospitalised before being sent to Cadell. He told no-one of the sexual attacks because his cellmate had threatened to kill him, or have his mother, girlfriend or infant son killed. I understand that, because of threats at Cadell, he has been returned to Yatala under protective custody and he has been told this cannot continue for long, and that he will be back on the same floor as his attacker. My constituent fears for her son's sanity and life, and wants to know how this can continue to happen in our prison system.

**The Hon. FRANK BLEVINS:** There are two issues: first, the question of the placement of the young man—if the honourable member gives me the details, I will follow that through—and, secondly, the commission of a criminal offence. Allegations of criminal offence are dealt with by the police. If the member for Goyder has any information about an alleged criminal offence in South Australia, I hope he has taken it to the police. If not, I assume he will take it to the police. Would the honourable member like any assistance with respect to the police contacting him?

*Mr Meier interjecting:*

**The Hon. FRANK BLEVINS:** At the invitation of the member for Goyder I will contact the police on his behalf

and ask the police to interview him about an alleged criminal offence.

*Members interjecting:*

**The Hon. FRANK BLEVINS:** Yes, I will. However, as with all allegations of criminal offences, the police are the proper investigating authority. I have been in this job long enough to have heard allegations by members of the Opposition which, on investigation, are not quite as presented. I am not suggesting for one minute that the member for Goyder's is one: all I am saying is that it requires investigation. I will do that. I will contact the police to ensure that they obtain the information from the member for Goyder and, between us (the Correctional Services Department and the police), we will bring back a report to the Parliament.

### FOCUS SCHOOLS

**Mr HAMILTON (Albert Park):** Will the Minister of Education advise what benefits will accrue to students of Hendon Primary School as a consequence of their school's becoming a focus school?

**The Hon. G.J. CRAFTER:** I thank the honourable member for his interest in the recent announcement of focus schools. Thirty six focus schools across the State were announced: there were 10 in R-7 mathematics; six for primary students with high intellectual potential, children of gifted and talented capabilities; 10 schools involved in literacy education in years R to 10; and 10 schools in the R-7 category of science and technology, which includes the school to which the honourable member has referred.

These schools form part of a network, along with other schools that have served this State for a longer period, such as, for example, the four specialist music schools and other schools that provide specialist focus for language studies, agricultural studies and gymnastics. All of these form the network of schools across the State that assists teachers, particularly, and students to develop excellence in practice and to provide opportunities that otherwise would simply not be available for particular students.

The focus schools to which the honourable member refers are geared primarily to the professional development of teachers, and provide training and development for teachers to improve their teaching practices. Also, of course, indirectly they benefit students. Student teachers will have up-to-date information regarding curriculum development and appropriate classroom practices. School communities have made a commitment to the area of curriculum, resulting in targeted resources, including materials and teacher training and development programs.

Teachers will be using a wider range of effective teaching practices, resulting in increased learning outcomes for their students. Schools will be working with a network of other schools, which may result in a greater range of programs and access to extra resources and expertise and an increased positive profile of the school resulting in an enhanced climate and ethos for the school. These are a number of the spin-offs that will assist students in these focus schools but, most importantly,

they provide professional development and leadership for the whole teaching service.

### CHILD ABUSE

**The Hon. D.C. WOTTON (Heysen):** My question is to the Minister of Family and Community Services. Have allegations of child sexual assault at the Morphett Vale East Primary School been referred to the Department for Family and Community Services? If so, is the Minister satisfied with the department's response, and what action is the department likely to take against those responsible for the alleged assaults? Last night's Channel 7 news reported that three five-year-olds, a girl and two boys, had been repeatedly stripped, penetrated and then urinated and defecated upon by a gang of nine-year-olds in a secluded play area of the school. The three victims are reported to have suffered massive personality disorders that have forced them to leave the school.

The Opposition has received conflicting reports of when the department was first told of the assaults. One report indicated that the department was told on 20 July and another that this occurred on 7 August. Whichever of these dates is correct, parents of the victims are concerned at what they see as a tardy departmental response.

**The Hon. G.J. CRAFTER:** Most certainly, the matter has been reported to the Department for Family and Community Services by the Education Department, and to all the appropriate authorities. The honourable member has indicated—and I appreciate that he has—that the Opposition has received conflicting advice on this matter in a number of aspects. The Education Department is very concerned about the statements that have been made about the nature of this matter in that school.

I am also concerned about statements that have been made by staff of a television station to parents who have rung that television station seeking further information about this matter. Indeed, many parents in that school community have been interviewed, and particular assistance has been given to specific children and their families, although, I must say that the investigations that have been conducted so far reveal a picture that is vastly different from that which the honourable member has given to the House. Indeed, the television stations have paraded across the State—I understand, in many sensational advertisements about this matter—the fact that this matter is being featured on a news program.

Obviously, a full and proper investigation is being conducted, and the truth will eventually come out and will, of course, be acted upon where that is appropriate. It does little credit to our media and to the Opposition if an honourable member rises in this place and makes the statements that the honourable member has made, albeit with the rider that the Opposition has received conflicting advice, to sensationalise this matter, because it does—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. G.J. CRAFTER:** Well, members of the Opposition may interject in the form that they do, and I suggest that they might take a calmer and more reflective stance when they hear the facts of this matter. They might also reflect on the damage that they might well do

to the lives of young people in our schools right across this State, to the standing of teachers and to the good name of schools before sensationalising these sorts of issues.

Unfortunately, from time to time violence is perpetrated in one form or another on young people in our schools. In this case, the allegation is that it is students who have perpetrated these acts upon other students. Obviously, that is not acceptable and, where criminal offences are associated with this, obviously the appropriate action must be taken, and where other action is appropriate that will be taken as well, but simply to raise this matter, as has been done in the press, in a most spectacular manner does a great disservice to our schools.

#### PORT STANVAC REFINERY

**Mr FERGUSON (Henley Beach):** Will the Minister for Environment and Planning advise whether a quantity of distillate accidentally leaked from the Port Stanvac Refinery on 20 August 1992 and whether this posed a threat to the environment?

**The Hon. S.M. LENEHAN:** I can inform the House that a small quantity—about two barrels—of distillate leaked from a pinhole in a pipe which is used to load diesel onto ships. No discernible environmental impact has occurred, either on the shoreline or in the ocean. The clean up was achieved by using work boats, which were able to agitate the oil, and no dispersant chemicals were required in this case.

The refinery has advised me that it is further reviewing its work practices and equipment to ensure that they are adequate to meet the standards we have set down. The maintenance program for this summer will be reviewed by the refinery to ensure the integrity of all pipelines and also to ensure that the maintenance priorities are correct. It is important to use this opportunity to point out the importance of this facility in the South Australian economy. Port Stanvac is capable of supplying 100 per cent of South Australia's demand for gasoline. Indeed, the lubricating oil refinery exports about 60 per cent of its production to South-East Asia. The annual value of this production is about \$620 million.

In conclusion, I point out that the refinery handles in excess of 100 ships per annum. It is a major contributor to the economy of this State. I believe that the environmental impacts have been maintained and kept to a minimum. This was an unfortunate spill. Fortunately, it was very small, it was contained very quickly and there has been no discernible damage to the environment.

#### PORT CHARGES

**Mr OLSEN (Kavel):** I address my question to the Minister of Industry, Trade and Technology. How does he reconcile his Government's commitment to reduce port charges in South Australia and boost exports with the decision to increase by 300 per cent the hiring charges of two cranes on berths 13 and 14 at Port Adelaide?

The Minister's media release with the launch of the Arthur D. Little report talks of his Government's ongoing

commitment to boosting exports and changing the business climate of South Australia, two matters to which he has referred today in Question Time. In an article put out this month by the Labor Party called 'Small Business Dialogue', the Minister of Small Business and the Minister of Industry, Trade and Technology write that among initiatives to rebuild the South Australian economy is 'an immediate reduction in port charges at Port Adelaide and throughout the State'.

I have a letter from the South Australian Manager of Strang Patrick Stevedoring Proprietary Ltd that reveals that increased crane hiring charges of 300 per cent have added \$5 a tonne to the price of loading freight. In addition, I am told that a shipment of oranges to a new market in North America, obviously from small business operators in South Australia, cost an additional \$7 500 more to load than previously.

**The Hon. R.J. GREGORY:** I thank the member for Kavel for his question. What the honourable member said about a reduction in costs of operations generally throughout the port of Adelaide is quite true: there has been a significant reduction in costs. Members opposite have been amongst the body of people in our community who are of the view that there ought to be transparent costings on the waterfront in Australia, and they have sought true costings. I have no problem with that. The cranes at berths 13 and 14, to which the member for Kavel referred, have been under-utilised. They are old and we are evaluating whether we even need them. I think it might be cheaper in the long run—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. R.J. GREGORY:** I thought I was meant to answer only one question, not two.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. R.J. GREGORY:** As I was saying, it is a matter that the department is reviewing. In respect of operating costs, we are now charging the true costs of plant and equipment. That is why we have also been able to reduce costs. It is our intention to review—

*Mr Olsen interjecting:*

**The Hon. R.J. GREGORY:** The member for Kavel selects one item out of a group of hundreds of items for which the department charges. I should have thought that, when the member for Kavel was operating a business in Kadina, he would have known that costs generally in his business could be reduced while in some cases particular costs would go up. If that happened, would he object and say, 'All your costs have gone up'? That is precisely what he is interjecting now: he is taking things in isolation, not as a total cost of the operations of the department. In real terms, until the end of this financial year, the cost of the operations of the Department of Marine and Harbors has reduced by 19 per cent. There have been money reductions as well for this year's operations. I would draw the attention of the member for Kavel to press announcements that have been made whilst he was in another place in another Parliament in this country. He should have taken notice of that.

*Members interjecting:*

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

**The Hon. R.J. GREGORY:** With respect to his interjections, if he cares to write to me, I will then respond to him, because I understand that members opposite do complain about long answers from Ministers when they ask more than one question.

*Mr Olsen interjecting:*

**The SPEAKER:** Order! The member for Kavel is out of order. I would have thought that a wink was as good as a nod to a blind horse today. I have given everyone a fair go.

#### PALYA CLEAN COMMUNITIES COMPETITION

**Mrs HUTCHISON (Stuart):** Can the Minister of Aboriginal Affairs advise whether the Government this year will be running the Palya Clean Communities Competition along the same lines as that conducted in the Pitjantjatjara Lands last year, and can he also advise to what degree that campaign was successful last year?

**The Hon. M.D. RANN:** Bearing in mind the member for Stuart's obviously very strong interest in Aboriginal affairs as a member of the Aboriginal lands committees, I am pleased to be able to inform her that last year the inaugural Palya Clean Communities Competition was an outstanding success, and we were very impressed with the response from Aboriginal communities in the Pitjantjatjara Lands. I understand that six Aboriginal communities and 27 homelands were visited by the judges, and the winners were announced during celebrations of the 10th anniversary of the return of the Pitjantjatjara lands to Aboriginal ownership.

There are a number of very good features of that competition. We all know how important it is to have clean communities. This Palya Clean Communities Competition is loosely based on the Tidy Towns competition, and it was very pleasing to see that the community projects included tree-planting days, where an entire community stopped at a pre-determined time to plant 700 trees; organised clean-ups; and the involvement of schools. Lawns have been established; assistance has been given with dust suppression; and many communities and homelands have begun to grow fruit trees and vegetables.

I am delighted to be able to announce today that the State Government, with the assistance of KESAB, and with the strong support of my colleague the Minister for Environment and Planning, will again be sponsoring the 1992 Palya Clean Communities Competition. Again, the judging will take place in November. The winners will be announced in December, and there will be three categories: best overall community; best individual homeland; and best individual home, a new category for the best presented individual home. Various prizes and trophies, including a colour television and video cassette recorder, will be awarded to the best community and the best homeland. I am sure that all members, including the member for Victoria, who seems to think that this is funny, will support this competition.

*Mr Brindal interjecting:*

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

#### CONFLICT OF INTEREST

**Mr MATTHEW (Bright):** My question is directed to the Premier. Following the report he tabled this afternoon by the Attorney-General stating that the Premier 'may take actions ranging from reprimand to removal from a particular portfolio or a recommendation for dismissal from Cabinet' when a conflict of interest has not been declared, what action does the Premier intend to take on this occasion?

**The Hon. J.C. BANNON:** I was rather surprised because, when I saw the honourable member rise to his feet, I expected he would be asking a question on this issue. He certainly had a great deal to do about generating the allegations and innuendo which in fact resulted in this matter. I thought that, if he was going to give some explanation to his question, he would also have the decency to apologise for the implications—

**Mr Matthew:** Come off it!

**The Hon. J.C. BANNON:** 'Come off it,' he says. That is the reaction we get. But, no, the question was about his blood lust. Far from being apologetic, far from recognising that he might have gone too far, he wants more.

*Mr Ingerson interjecting:*

**The Hon. J.C. BANNON:** That is even more deplorable than the attitude of the Deputy Leader.

**Mr Ferguson:** Admit it, Wayne, you were wrong!

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

#### POLICE ROAD BLOCKS

**Mr HAMILTON (Albert Park):** Has the Minister of Emergency Services had the opportunity to investigate the feasibility of using steel-plated spike devices to stop stolen vehicles at police road blocks? On 19 August I raised this issue in Parliament on behalf of one of my constituents, and referred to an article that appeared in the *Advertiser* about a three-wheel car chase. Reference was also made to a stolen bus, which I understand careered down the South-Eastern Freeway and my constituent believes that the lives of members of the public were in jeopardy as a consequence of the actions involving those stolen vehicles. Hence my question to the Minister.

**The Hon. J.H.C. KLUNDER:** I thank the honourable member for his question. I was actually in the Chamber when the honourable member made his contribution on this matter in a grievance debate last week. One of the things that came through to me was the sense of the honourable member's frustration. I must say that it is a sense of frustration, shared by me and I expect by most members of this House, that there is a very small number of people, often very young, who steal cars and then use those cars for the purpose of putting at risk not only their own lives but also the lives of innocent bystanders, as well as the lives of police officers, by their high-speed driving.

Indeed, one of the things that the police are now doing is to call off those chases where it is apparent that life is in danger. As the honourable member and perhaps the

House know, the moment that a high-speed chase is started the control of that chase is handed over to a senior officer, who then takes control by radio and calls it off when necessary. Police are developing other methods for catching up with those offenders. Certainly, one of the tools that the police would have in their armoury for dealing with such offenders would be various ways of stopping the car and spikes of various kinds are obviously going to be a useful part of it.

Late in 1991 the Officer in Charge of the Special Task Force and Rescue Division visited police overseas and found that the Royal Canadian Mounted Police tested road spikes with a fair degree of success and found that they were excellent and reasonably safe pieces of equipment for the purposes for which they were designed. There are difficulties in producing them at the time that they are required, warning other people of the fact that they are being used and illuminating them so that other road users can ensure that they do not become victims of such a device.

Certainly, the police believe that the high-speed chase is something where the police need to take very clear account of any danger that might ensue to other people, the police themselves or the people who are engaging in driving stolen cars at high speed, and that, of course, has to be the first requirement on our Police Force.

#### GLENTHORNE SUBDIVISION

**Mr SUCH (Fisher):** My question is directed to the Minister for Environment and Planning. Why is the Department of Environment and Planning involved in secret plans to subdivide the 200 hectare Glenthorne property at O'Halloran Hill for medium density housing contrary to assurances by Federal Minister Bilney that the land has been saved from development? I have been informed that the Glenthorne property, which is owned by the CSIRO and the Wool Corporation, is being actively proposed for housing by the CSIRO in conjunction with the Department of Environment and Planning. I am told that plans for medium density housing, with access off Morphett Road, have been developed within her department, despite contrary assurances by Federal Minister Bilney and a recent tree planting exercise on the property involving the planting of 5 000 trees by children from 10 schools.

**The Hon. S.M. LENEHAN:** I thank the honourable member for his question. Certainly, that area is within his present electorate, and I acknowledge his interest and involvement in the area. I would also take this opportunity to acknowledge the interest that the Federal member (Gordon Bilney) has shown because he has indeed worked tirelessly with local communities and particularly the local primary schools with a view to looking at returning part of that CSIRO land, which has been cleared considerably and looking at revegetation programs. The honourable member is quite correct.

I am aware that within the 2020 document the planning review does canvass the possibility of some small areas of that land being made available some time in the distant future for some form of housing. I am also aware that Noarlunga council and, indeed, the Southern Region of Councils have looked at a small area of that land for a

cemetery situation. The council has paid me the courtesy of discussing this matter with me. I am not sure of the local member's view about part of the Glenthorne land being turned into a garden cemetery, but I am sure that the Southern Region of Councils would also have contacted the local member, as this land is within his electorate. I presume that it is all within his electorate, but some of it may be within the member for Bright's electorate.

*Mr Such interjecting:*

**The Hon. S.M. LENEHAN:** All of it is. Certainly, it is not my intention to subdivide the Glenthorne land. I have been in close contact with Mr Bilney about his tree planting and revegetation programs, of which I am very supportive. However, I would be very happy to conduct an inquiry to see whether it is a wishful thinking list by one officer within the department or what is happening. I am very happy to provide the honourable member with a personal briefing about any proposals for that land. However, I refer the honourable member to the '2020 Vision' planning document, which talks about some form of multiple use quite some time into the future.

*Mr Such interjecting:*

**The Hon. S.M. LENEHAN:** Yes, there is only one section. I am not sure whether that is the area from whence this allegation has arisen or whether there is something more to it, but I am happy to provide the honourable member with that information.

#### LIQUID OXYGEN

**Mr HOLLOWAY (Mitchell):** Will the Minister of Health inform the House whether patients of the Flinders Medical Centre with severe respiratory problems will continue to be provided with liquid oxygen?

**The Hon. D.J. HOPGOOD:** As I understand it, the answer is, 'Yes'. The honourable member is obviously reacting to a press report to the effect that domiciliary oxygen was no longer available through the Flinders Medical Centre. When this matter was drawn to the attention of the Health Commission, it was pointed out to the Flinders Medical Centre that that was in opposition to Health Commission policies. Members must understand that that has to be the case, because we cannot have a situation in which a substantially different service is being provided by one health unit compared with another. We would be in a situation where people would be shopping around to get from, say, Modbury Hospital that which was not available from the Flinders Medical Centre.

As far as I am aware, the service has been reinstated at the Flinders Medical Centre. At the same time, the Flinders Medical Centre has indicated that it wants to put a point of view to the commission and other health units because it believes that it was gearing up to provide the service in a different way. So, as I understand it, there is to be a meeting of representatives of the boards and management of the teaching hospitals so that there can be a common policy on this matter. As the matter stands, I am given to understand that the provision of domiciliary oxygen has been restored at the hospital.

## CHURCH BELLS

**Mr S.J. BAKER (Mitcham):** I seek leave to make a personal explanation.

Leave granted.

**Mr S.J. BAKER:** Earlier today, the Minister for Environment and Planning accused me of failing to resolve the problem of bell ringing in my area.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr S.J. BAKER:** I wish to refute the accusation that has been made in this Parliament today—and I refute it very strongly. I have done everything in my power to resolve this situation, because I believe that the Department of Environment and Planning has to back off and issue an exemption for the church in question.

**The SPEAKER:** Order! The honourable member may not debate a personal explanation.

**Mr S.J. BAKER:** I understand that, Sir. I would like to put on the record that I first learnt of the order made by the Noise Control Unit when the minister concerned, Reverend Ian McDowell, came to my office. He told me that an officer of the Noise Control Unit had been to his church and told him that unless he desisted from ringing the bells he would be subject to a \$5 000 fine—a \$5 000 fine for ringing the church bells! The minister refused to accede to this demand by the officer of the Noise Control Unit who, at taxpayers' expense, on a Sunday had gone to the All Saints Church on the basis of one complaint from a person who was a new resident to the area and who said he was a light sleeper. I have made every attempt to resolve this issue by writing to the Minister, asking her to issue an exemption for the All Saints Church bells and, indeed, for all church bells in South Australia. It is important that we do not have citizens of this State who can, on the basis of one complaint—

**The SPEAKER:** Order! The honourable member is clearly debating the matter.

**Mr S.J. BAKER:** I am debating the issue—

**The SPEAKER:** Order! If the honourable member admits that, he knows that he is outside Standing Orders.

**Mr S.J. BAKER:** I should simply like to complete my personal explanation by saying that this is a battle that the Minister should not be able to win.

## GRIEVANCE DEBATE

**The SPEAKER:** The question is that the House note grievances.

**Mr MEIER (Goyder):** Earlier today I asked the Minister of Correctional Services what prison administration policy allows a 20-year-old first offender to be placed in the same cell as a convicted murderer with a known history of violent sexual behaviour. I should have thought that prisons are meant to punish people for wrongdoing, not to expose them to physical danger and sexual abuse. A prison system that allows a 20-year-old lad to be placed in the same cell as a convicted murderer known to have a history of sexual attacks on other inmates needs its priorities urgently reassessed. This whole sad scenario came to my attention

last week, when the very distressed mother of the lad concerned telephoned my office and indicated that she had just heard that her son had been repeatedly raped whilst in prison. He had been in there for nearly two months, yet the sex offences had occurred within the first two weeks. She could not understand why, in the first instance, it had taken all this time for her to be told but, more importantly, why, when he was a first offender, the lad had been put in the same cell as a hardened criminal.

The history of the lad concerned is as follows: when he was 18 years old he, together with a 17-year-old, was charged with a break and enter offence and given a two year good behaviour bond. A year later, he committed a similar offence and, for breaking his bond, was given a penalty of 28 months in prison. It was during his current period of incarceration of 28 months or less, due to good behaviour, etc., that he was the subject of this attack. There is no doubt that this whole attack is disgraceful and horrendous and something that I would have thought would not happen in the normal course of events in our prison system in 1992, simply because one would think that prison officers would understand that you do not put new first offender inmates in with hardened criminals, with a person who, I believe, was given a life sentence for murder.

It has been reported to me that, apparently, some of the prison officers get a kick out of throwing so called 'young meat' into the cells of hardened criminals: again, thoroughly sickening. In fact, if this is known by the people concerned with this case, it would be known by the prison officers and by the prison administration; yet, it has happened. In fact, I know it is not the first time that it has happened.

Obviously, this young lad has been terrified because a murder threat has been made against him, against his mother and against his girlfriend, and terrified because he had no idea how he could disclose this information. In fact, I am not certain how the information was conveyed. I know that it was not conveyed to the parents by the son. The son was in such a state that the prison authorities after two weeks, thankfully, recognised his trauma and admitted him to the infirmary. He was there for only a short time when he was transferred to Cadell. Immediately, threats were being made, such that he had to be transferred back to Yatala.

Back at Yatala he has been told, 'Well, we can't keep you in protective custody for much longer; you will have to go back to the same floor where you were and face the music.' To put it bluntly, it is a totally unsatisfactory situation. I will wait very patiently for the Minister's answer in the hope that this situation can be fixed up once and for all so that no other young person has to go through the trauma this lad and his family have gone through.

**The SPEAKER:** Order! The member for Spence.

**Mr ATKINSON (Spence):** At the outset, I should like to congratulate the Minister of Finance for his splendid letter to the *Advertiser* recently defending his position on the question of poker machines. Although the Minister of Finance and I do not see eye to eye on the question of poker machines, his letter showed a literary talent rare among Ministers of the Crown and an admirable knowledge of the Gospel according to John.



All members of the House are aware that the *Advertiser* has a strong editorial policy against poker machines. That editorial policy is a reversal of its previous policy which was impatient for the introduction of poker machines. I share the current *Advertiser* editorial position of opposing poker machines, and that is how I have voted in the House. In a recent *Advertiser* editorial deploring the introduction of poker machines, the *Advertiser* came out against the conscience vote, that is, the *Advertiser* opposed the fact that the conscience vote was applied to the question of poker machines.

I want to share with the House a letter I wrote to the Editor of the *Advertiser* taking issue with its opposition to the use of the conscience vote. It seems to me that the *Advertiser* cannot on the one hand oppose the introduction of poker machines and on the other hand deplore the use of the conscience vote on the matter. Let me explain why by reading the letter which I have sent to the Editor of the *Advertiser* and which, of course, he has not published. It states:

Your editorial opinion (the *Advertiser*, 28 July 1992) says the vote on [poker machines] should not have been a conscience vote. You argue that the two major parties should each have taken a Party room vote and bound all their MPs to it. You write 'In the case of poker machine legislation, a conscience vote is nothing more than a cop-out.' I do not understand how this opinion of yours can co-exist with your stated opposition to the Bill.

I am a member of the parliamentary Labor Party. Together with the Deputy Premier . . . the Minister of Agriculture . . . and the member for Price . . . I crossed the floor to vote against the Bill as you wished. Alas, we were unable to defeat the Bill because so many Liberals crossed the other way to support pokies. If there is now a Party room vote, as you also wish, we will be bound by a majority of our colleagues to vote for the Bill, with the result that there would be four fewer votes against the Bill you want repealed. A Party room vote ensures that the Government majority in the House of Assembly prevents repeal of the Bill.

I discussed this *Advertiser* editorial with a former colleague of mine at the *Advertiser* and we reminisced about the process of the editorial conference and how editorials come to be written at the *Advertiser*. In respect of this editorial, she remarked to me, 'Drunk again.'

Mr OLSEN (Kavel): I will address some remarks to a position that was taken up this afternoon by the Minister of Industry, Trade and Technology in responding to questions on the Arthur D. Little report. I will first quote from paragraph 3 in the preface to the Arthur D. Little report, as follows:

The recommendation in this report must be given the bipartisan political support that will be necessary if South Australia is to make the transition to a modern advanced economy.

What the Minister did today was very selectively quote from the Arthur D. Little report to set a different perception that volumes one, two and three of the Arthur D. Little report put clearly on the record, and I will deal with those in a moment. As it relates to the bipartisan approach, I remind the House, and in particular the Minister that, following release of the final Arthur D. Little report, the Opposition said:

Its recommendations are a good signpost to the future of South Australians. Without a fundamental change of economic policy direction, our quality of life and job prospects will be further eroded. If the State Government is prepared to act and implement the findings of the report, the support of the Liberal Party in most instances will be forthcoming.

Clearly, that is an indication of bipartisan political support to the majority of recommendations contained in the Arthur D. Little report for South Australia's sake. What we saw today during Question Time was selective quoting, not in a bipartisan approach but in a political sense.

A fundamental change of policy direction will have to occur, more so than we have seen in the past 10 years, if we are to implement the satisfactory recommendations in the Arthur D. Little report. I hasten to add that one glaring omission in the Arthur D. Little report is that it is silent on industrial relations and work practices, both fundamental to achieving productivity gains and competitive advantage to meet the challenges of niche markets. When asked why the report was silent on industrial relations and work practices, the consultants advised us that they did not have the time nor the funds available to undertake that component of an assessment and study in South Australia. It disappoints me that that was not part of the study, because it is clearly an area where productivity gains and cost efficiency gains must be put in place. Today, all sides of politics tend to understand and accept that to varying degrees; in fact, the report is silent on it, and I regret that it is.

In relation to the two points put forward by the Minister, one dealt with WorkCover and the other with the cost of electricity tariffs here *vis-a-vis* other States. The inference the Minister wanted to give the House was that we really did not have higher charges, that it was only a perception. A letter from the Chamber of Commerce, which was sent to the Government and which looks at the change of initiative required to get the South Australian economy moving again, states:

WorkCover is a disgrace.

Not as the Minister would have us believe in his comments in the House during Question Time, not that it is not really a standard cost on WorkCover, that it is more a perception than that. The letter states:

WorkCover is a disgrace. It is clearly within the power of your Government to reduce this crippling impost on South Australian business. There perhaps is no other single issue detracting more from the perception of South Australia as a good place to do business than the Government's apparent unwillingness to fix the WorkCover issue.

In relation to the other part of the question, that is, electricity, smaller and medium consumers of electricity in South Australia pay some 50 per cent more than our Victorian counterparts. It is a fact that the majority of businesses employing South Australians are small. They are in a small to medium category, and they are paying electricity tariffs and bills that are 50 per cent greater than their Victorian counterparts. What a disincentive for job prospects, business growths and the re-establishment of a business climate, because the thrust of this point -

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

Mrs HUTCHISON (Stuart): Today, I would like to speak about a matter on which the Premier made a statement to the House today, that is, a matter which took \$500 000 of taxpayers' funds to resolve. It is a matter that the member for Bright raised in this House, and I hope the member for Bright thinks long and hard about what he has actually done here, because he has put the whole personal, private and financial life of the Hon.

Barbara Wiese under public scrutiny. That has been a very traumatic experience for her, and all for nothing. I hope that that honourable member can live with what he has done.

I should like to cite some of the comments that have been made in the Worthington inquiry, which was set up to look into this matter. The information was handed to the inquiry by the Attorney-General, Liberal and Democrat members of Parliament, Government agencies and others. In all that time there were 197 files, as the Premier said today, dockets were examined; 5 000 documents were extracted for closer analysis; and 62 people gave evidence to the inquiry. Mr Worthington says:

In this inquiry that sometimes involved assessing the reliability of the evidence itself—

he is talking here about making his findings—

and sometimes it involved making an assessment of the reliability of the person giving the evidence. On some occasions that assessment has necessarily included consideration of motives which may be relevant.

I stress the word 'motives'. I think that is one of the linchpins of this whole argument. He also notes:

I received some information which was hearsay upon hearsay and in some cases nothing more than rumour

I have to say in that regard that the member for Bright raised this matter and said that he had papers. I believe it is still in dispute whether those papers were obtained illegally or otherwise.

Mr Matthew: That is outrageous.

Mrs HUTCHISON: That is still being investigated. In his recitation of the facts, Mr Worthington says that the Opposition's implications of nefariousness and entwining of companies for personal gain are not substantiated. That was the first claim that was not substantiated. In relation to allegations that Mr Stitt acted as lobbyist, Mr Worthington reports that, apart from two isolated incidents, 'the evidence is overwhelming that Mr Stitt had no contact with politicians or public servants in relation to gaming machines'. This was something on which the Opposition hinged a lot of its argument. Mr Worthington goes on to say:

The involvement of the Minister in relation to the Bill and associated policy matters was peripheral... She did not contribute to any of the substantive provisions of the Bill... Confirmation of the degree of her involvement also comes from the evidence of those who attended conferences in relation to these matters.

She was backed up entirely on what she had said in that regard. The report continues:

As to other facts—

and I underline 'other facts'—

miscellaneous matters and documents not strictly related to the Gaming Machines Bill and policies, raised by the Opposition in Parliament, were noted. The recitation of facts showed them to be of little consequence.

It seems to me that the arguments put forward by the Opposition and by the member for Bright were of little consequence. But did they care about that? No, they did not; they did not care that they were vilifying a person who was innocent. They did not care what they did to her private, personal and business life; they did not care one little bit. The member for Bright sits over there and smiles about that. I hope that he can smile into the future, because he has a lot to answer for.

Mr MATTHEW (Bright): I wish to refer to the debacle that has erupted in recent days involving payments of overtime to police officers attending Neighbourhood Watch meetings out of hours. You, Mr Deputy Speaker, and others in this Parliament are no doubt aware that the press has carried a number of statements highlighting the fact that the recall payment provision to police officers can no longer be paid to officers attending Neighbourhood Watch meetings without special new approval arrangements.

The facts are that day-shift police officers are paid a recall allowance under clause 12(e) of the police officers' award where those officers are recalled to their duties outside their normal hours of work. This commonly occurs with day-shift police officers who need to attend evening Neighbourhood Watch meetings.

Secondly, an instruction was recently issued, due to budget constraint funding, that would make these funds no longer available to police officers. As a result of this instruction being issued to all police, a number of officers resigned from the Neighbourhood Watch program. The most recent resignation of which I am aware was notified to an AGM of a Neighbourhood Watch meeting last night.

Many police who have resigned from the program or have given notice of their intended resignation have contacted me, members of the Neighbourhood Watch State Executive, the Police Association and the media. As a result, a number of media statements regarding the matter were issued by Police Department representatives. The first of those statements was issued on the afternoon of Friday 21 August 1992 by Deputy Commissioner Hurley. In that statement, he said:

It should be realised that the management of the police budget requires the department to be looked at in totality with due regard to the fact that we are currently in economically difficult times.

This situation is not unique to the Police Department; in fact, it is common to both the public sector and in the main the private sector. This means that hard decisions have had, and will continue, to be taken with respect to prioritisation of departmental resources.

Instructions have been issued regarding day-shift workers to ensure that any significant alterations of shifts must comply with the necessary approval of a senior officer, due to the managerial responsibility in difficult economic times. Hence, it may well happen that some officers will attend such functions as Neighbourhood Watch meetings in their own time.

In other words, the Deputy Commissioner of Police confirmed, through that press statement, that police officers would be having their payment for Neighbourhood Watch meeting attendance withdrawn. However, later that evening, the same police officer issued yet another media release which states:

Further to my release concerning the police budget this day, I make the following points. Similar arrangements that existed in 1991-92 vis-a-vis police co-ordinators concerning their interaction with Neighbourhood Watch programs will continue in 1992-93. The concern that was expressed in your queries that this will materially affect existing Neighbourhood Watch programs is unfounded.

In other words, it is a complete about face. I would be pleased to accept that as meaning that the overtime payments have not been withdrawn, except that the instruction that was sent out to police stations has been neither rescinded nor amended, and no further instruction has been sent out. Indeed, the problem continued to the extent that the next day, 22 August, the Police

Commissioner himself issued a statement that was nothing other than a combination of the two statements issued by Deputy Commissioner Hurley. Once again, there was no attempt to issue a new instruction.

Under this Government local communities have lost their police stations. Now payments are being withdrawn from police co-ordinators of Neighbourhood Watch. These police officers already volunteer their time to be part of Neighbourhood Watch. The payments that they have been receiving amount to three hours overtime. In a large budget spectrum, they are but a small contribution. This Government is now taking the money out of the pockets of police officers and they are saying, 'Enough is enough.' Officers have resigned from the program, and the Minister of Emergency Services has just sat back on his hands and done nothing.

**Mr HAMILTON (Albert Park):** The lust for political blood by some members opposite has no bounds. Today the Minister of Tourism has been vindicated against one of the most disgraceful and outrageous attacks that I have seen in all my years in this Parliament. Like many others on this side of the House, the Minister has been subjected to outrageous attacks. I will remind the House of some of those attacks. I refer first to the attack by the member for Morphett on the Premier in relation to the repairing of a broken window at his home; he later came across and apologised to the Premier.

The now Deputy Leader of the Opposition attacked the member for Unley in relation to Grand Prix tickets, again without any evidence, and has never apologised. There was an attack upon the Minister for Environment and Planning in relation to her daughter, but still no apology. Then there was the outrageous attack upon the Attorney-General that almost destroyed his health. He did get an apology, but after the damage had been done.

There is an old saying out in the community: where there is smoke, there is fire. It is very easy for members in this place to stand up and point the finger. It is very easy to make allegations, but the member for Bright has said that he had cast iron evidence. One could ask the Parliament and the people of South Australia, 'Where is this cast iron evidence?' Have you misled the Parliament, I came into this place in 1979 with the Minister. I believe she is an honest and trustworthy person, but her life and that of her partner has been laid bare by the serious and outrageous allegations of many members opposite in this Parliament. I believe that the misuse and abuse of this Parliament to gain political scalps had no bounds. Nothing was spared in relation to the Minister. The life of the Minister, and that of her partner, was laid bare; it came under the microscope.

There were allegations that evidence had been taken from their bank accounts and used to frame some of the questions asked in this Parliament by some members of the Opposition. How outrageous and disgusting! How low and sleazy can one get when one wants to bring down another member of this Parliament! How low can you get! When the Premier read out the Worthington report today, there was silence from members opposite, and well may they hang their heads in shame. Like you, Sir, I have been here for 13 years, and I do not believe that either you or I have stooped to those levels, and I will not do so in the future.

Information has been given to me on many occasions in relation to members opposite, but I will not use it. I will not go down that path. I believe that, if those members had any decency at all, they would apologise to the Minister. I do not think they will. It is my view that, if they do not, they are spineless and gutless; they are yellowbacks. I could say a lot of other things, but the member for Bright is one I single out in particular, because he is gutless. He stands in this place and attacks members, and then walks outside the Parliament and wants us to be friendly. There are limits to what members on this side of the House are prepared to bear. He is gutless and he is a political whimp.

**The Hon. Frank Blevins:** He is scum.

**Mr BRINDAL:** On a point of order, Mr Speaker, the honourable member referred to somebody as being gutless and a political whimp. I know that you normally demand that honourable members raise the point themselves; as he is not here, I believe that the member should withdraw.

**The SPEAKER:** Order! I believe I have heard the term used previously in the House. I do not particularly like it, but I am not prepared to rule it as unparliamentary.

**Mr S.J. BAKER:** On a point of order, Mr Speaker, the Minister of Finance, who was out of his seat at the time, called the honourable member concerned a scum. I ask him to withdraw.

**The SPEAKER:** First, the Minister is out of his seat and I would ask him to resume his correct seat if he is going to respond. However, the Chair did not hear that comment. If the Minister did use the term, I would ask him to withdraw.

**The Hon. FRANK BLEVINS:** Well, it was not quite what I said. I did not say he was a scum—it would be ungrammatical. I said he was scum. I am happy to withdraw.

## SITTINGS AND BUSINESS

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

That the time allotted for—

(a) completion of the following Bills:

Debits Tax (Rates) Amendment,  
Stamp Duties (Rates) Amendment,  
Tobacco Products (Licensing) (Fees) Amendment,  
Liquor Licensing (Fees) Amendment,  
Police Superannuation (Miscellaneous) Amendment

and

(b) consideration of the message from the Legislative Council regarding the Gaming Machines Bill—

be until 6 p.m. on Thursday 27 August 1992.

The issue of sessional orders can be dealt with later.

Motion carried.

## DEBITS TAX (RATES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 August. Page 74.)

**Mr S.J. BAKER (Mitcham):** The Liberal Opposition opposes the Bill before the House for a number of reasons, not the least of which is that we believe that this

minority Government has forfeited the right to govern this State. We do not believe it should have the right to tax the people of this State; we do not believe that it has the right to spend money on behalf of the people of this State; and we do not believe that it has the right to make decisions on behalf of the people of this State. So, we oppose the taxation measures before the House. The debits tax, as it is called in this Bill (or the BAD tax), is the first of the taxation measures which were alluded to by the Premier in his statement of 23 June 1992.

Before I deal with the content of the Bill, I would like to make some reference in my opening remarks to the issue of taxation, because it is central to the argument we are launching here today that the Government has forfeited the right to tax the people of South Australia. I remind the House that this Government has set new taxation records in terms of the penalties it has applied to the businesses and people of South Australia.

Members should be well aware that in 1982-83, which was the last year of the Liberal Government, the taxation collected from the businesses and citizens of this State amounted to \$545 million. Today the taxation measures and receipts add up to a huge \$1 652 million—a 203 per cent increase in the level of State taxation applied by this Government and, in real terms, well over 100 per cent (to be exact, 125 per cent). The action of this Government has been quite extraordinary, and we have seen a 125 per cent increase in its taxation effort since it was elected in November 1982.

At the same time the Government has been crying poverty and suggesting that somehow it has been discriminated against by the Federal Government, but of course the facts do not bear that out. In 1982-83 Commonwealth grants added up to \$1 594 million. The estimated relative contribution by the Commonwealth for 1991-92 is \$2 582 million, an increase of 81 per cent, or a real increase of 3 per cent.

The State has done particularly well from the Commonwealth, and the great problem created for this State derives from the fact that recurrent expenditures have increased by 148 per cent over the same period. Recurrent expenditure amounted to \$1 929 million in 1982-83, and the estimate for this year is \$4 778 million, an increase of 148 per cent, or 70 per cent in real terms. The Government has failed to control expenditure.

In terms of capital expenditure, which is the contribution made by the Government to the future well-being of its population, the picture is quite different. In 1982-83 capital expenditure was \$626 million and in 1991-92 the estimate was \$788 million, which represents an increase of 26 per cent or, in real terms, a decline of 52 per cent. That is a travesty for the whole State. It is important to understand that, combined with this massive expenditure and massive taxing effort by the State Government, we now have a record State debt.

The official estimate of the State debt as at 30 June 1991 is \$6.6 billion or, to be more exact, \$6 642 million. This was an increase of \$2 300 million from the previous year. In terms of State debt per head, every man woman and child in this State owes \$4 568. The estimated net interest bill for 1991-92 was put at \$694.2 million, and that adds up to an interest cost per head of \$480 per annum. So, \$480 for every man woman and child is necessary to fund this State's debt.

We are all aware that a large proportion of that debt is due to wastage, an incredible wastage when we take into account that the State Bank disaster's contribution to the \$6.6 billion debt was about \$2.2 billion. I should remind the House that at 30 June 1982 the State debt was \$2 604 million. If we take account of changes in the value of money, it represents \$4 657 million in real terms compared with \$6 642 million at 30 June 1991. That is without even reflecting on the other levels of debt that have increased at almost the same rate.

I refer to such imposts that have to be found in the future superannuation, where the unfunded liabilities were estimated at 30 June 1991 at \$3 200 million, long for service leave, \$500 million, workers compensation owed from the State scheme, at least \$200 million and lease back arrangements, of the order of \$1 000 million. We now have a total State indebtedness of between \$11.5 billion and \$12 billion. But they are old estimates, and we will now await the budget to be delivered later this week to find out the actual situation as at 30 June 1992.

Various estimates have been made. In the *Advertiser* today there was some speculation that the total State debt would have blown out to \$7 billion, and that coincides reasonably well with my own estimate of the situation and is reasonably close to the assessment made by Standard and Poor's and Moody's, in downgrading our rating on world markets from AAA to AA. We are in an incredibly difficult situation, brought about by the mismanagement of the State's economy, and of Government funds which were entrusted to this Administration by the people of South Australia.

It was only 48 per cent of the people of this State who actually approved of this Government at the last election, and it seriously raises this question: when the Government has failed to act responsibly, at what point should it be brought down? It is the belief of the Liberal Opposition that that must happen immediately.

**The SPEAKER:** Order! The honourable member should be aware of the need for relevance and reference to the Bill. There is nothing in it relating to elections or percentage returns in elections. The member for Mitcham.

**Mr S.J. BAKER:** Thank you, Sir. As to the amount of money being collected, it is worth noting that the Minister's second reading explanation suggests that the BAD tax—the debits tax—will raise \$12 million this financial year and \$29 million in a full financial year. Every South Australian must be wondering what is this going to pay for. We have seen the disasters of the past and I believe that everyone in this State wants to know how this money will be spent. Will it be spent on the interest relating to the State Bank disaster? First it was \$2 200 million of disaster and now \$2 300 million with the last bail out, with perhaps some more to come with the budget on Thursday. Will this collection of money from the people and businesses of South Australia pay off the State debt and the interest relating to it, or will it somehow absorb some of the liabilities associated with WorkCover or the workers compensation scheme operated by this Government?

Then there is the \$465 million paid by SGIC for 333 Collins Street. SGIC, whose finances have been placed in such a difficult situation, may well be the recipient of these additional taxes. Members of the House will note that this payment of \$465 million was well in excess of

the value of that property, and that it resulted from an irrational decision by SGIC, one which all taxpayers will have to wear. Members will also be aware that this \$465 million in last year's budget became \$395 million, and now there is some speculation that the valuation may be \$300 million. However, if we believe the Melbourne City Council, the actual valuation of that property is \$216.4 million. So, the people of South Australia could well reflect on whether the \$29 million being taken from their purse will be used to prop up SGIC and provide it with some capital input to allow it to continue in business rather than go bankrupt.

Members of the public and businesses of this State can reflect on the massive deficit by the State Transport Authority, which the Minister of Transport has done little about and which this Government has, over the past 10 years, allowed to increase to \$163 million. I am sure that the people who pay this tax are not amused by a Government that has no concern about the way in which their taxes are being spent. We could look at the SGIC, with its \$81 million loss last year, or the Remm-Myer project which, all up cost, about \$650 million and which may be worth as little as \$150 million. What part does the \$29 million in BAD tax have to play in bailing out these atrocious decisions?

We could reflect on the way in which the Government has managed other areas such as Tourism South Australia—and the \$1 million required to remove the asbestos, which everyone knew about many years ago but about which no action was taken—or the South Australian Timber Corporation, with \$85 million being lost on Scrimber, Greymouth, plywood mills and other timber ventures. We could ask whether the TAB should spend \$20 million on new premises and why should the taxpayers forgo revenue from the TAB merely to satisfy its demand for premises which, although not the grandest in Adelaide, are far better than anything this Parliament has to offer.

We could reflect on the cost of the Marineland fiasco (\$7.6 million), a development which was going to assist tourism in this State and which was destroyed by the actions of the Government and the West Beach Trust and, in particular, by a former Minister of this House. There are so many other areas in which the Government's actions or lack of action have been highly questionable. I mention the Terrace Hotel, the Centrepoint building and ASER, which have been dealt with recently. The people of South Australia should get a better deal from the Government than they are receiving at the moment. All taxpayers would have to wonder why the Government needs an extra \$29 million, and which area will receive it.

I mentioned earlier that the taxation effort of this Government has been considerable since it first took office. It is worth reflecting on the budget papers in this regard and looking at the taxation effort and the impact of other areas of financing. I have already mentioned the Commonwealth grants, which have been considerable and which have assisted this State over a period. Then there are the fees for regulatory services and the fees, fines and charges that have increased substantially over this period. It is important to remind ourselves that not only have all areas of taxation increased dramatically but new forms of taxation have been introduced. For example, in 1982-83,

land tax was \$23.8 million, whereas the Government now expects to accrue \$76 million from land tax in 1991-92. The estimated contribution this year from the Casino is \$19.25 million, a form of revenue that was not available to the Government in 1982-83.

The outstanding success of the Lotteries Commission's collections over a period should be noted, with more than a tripling of revenue for the Hospitals Fund benefitting the hospitals of this State (although one would not think so, looking at the standard of service now being delivered because of budget cuts).

I remind members of the very sensitive area of payroll tax—\$231 million in 1982-83 and a whopping \$511.8 million expected to be collected this last financial year, more than a 150 per cent increase in taxation at a time when we are all aware that taxation on jobs costs jobs and, as such, is quite unconscionable.

The debits tax is expected to bring in \$28.6 million this last financial year. That tax was not available to the Government previously, although it should be mentioned that there has been a trade-off in the grants. However, as we have seen, the grants from the Commonwealth have more than matched inflation over the same period. Financial institutions duty was not available to the Government in 1982-83, yet it will raise an estimated massive \$115 million this last year. So, the Government has done particularly well from that level of financing. The sum collected in 1982-83 for stamp duty had almost tripled by the end of the 1991-92 financial year.

I could go through all these areas of taxation and say that the Government has done particularly well and the citizens of this State particularly badly. Every member of the public would ask whether this Government has provided value for money. I refer to the debits tax and the way in which it was introduced in this House. In November 1990, the Minister of Finance introduced the Debits Tax Bill, and I remind members of exactly what he said at that time:

On 20 June 1990, the Premier wrote to the Prime Minister suggesting an 11-point program for reform of Commonwealth-State financial relations. One of his suggestions was that the Commonwealth remove the debits tax (with offsetting reductions in State grants) to leave the field of taxation of financial transactions to the State.

Clearly, it says 'remove' and not 'transfer' the debits tax.

**The Hon. Jennifer Cashmore:** It certainly does not say 'increase it'.

**Mr S.J. BAKER:** It certainly does not, as my colleague the member for Coles points out. The Minister's explanation continues:

It was the Government's intention to rationalise the taxes imposed on financial institutions to assist with micro-economic reform.

The Minister of Finance should have bitten his tongue, because that is a blatant untruth. We have seen no micro-economic reform in the whole of this State's economy or the whole of the labour laws that have governed this State, nor have we seen any micro-economic reform in relation to our financial institutions. All we have seen over time is more regulation and more taxes. The statement goes on:

Unfortunately, there was no discussion of this proposal at the Premiers Conference and, without consultation, the Prime Minister announced his intention to transfer the debits tax to the States.

I would reiterate that the Premier said that he had in mind that the debits tax should be scrapped. We are now dealing with a debits tax that not only was not scrapped but is now being doubled by this measure before the House. If ever we have seen duplicity, if ever we have seen statements that have been blatantly untrue and promises that have been broken, this would stand as a stark example.

*Mr Holloway interjecting:*

**Mr S.J. BAKER:** The member for Mitchell said that John Howard introduced the debits tax in the first place. I find that comment quite irrelevant, given the status of the taxation system of this country right now. Of course, Governments have a right to change taxation and taxation law but, when we see quite clearly that the Premier had in mind that the debits tax should be scrapped in order to achieve some micro-economic reform—and, not only have we not seen it scrapped but we have seen it doubled—we question the integrity of the Premier in making those statements. In fact, the Minister of Finance made those statements on his behalf. The statement goes on:

Despite our best efforts to secure consideration of the original and far superior concept, it now seems certain that the Commonwealth will legislate to reduce State grants by the amount of debits tax collected in each State. Discussions have been taking place with the Commonwealth as to the precise start date of the legislation. From that date it will remove its own debits tax but have in place legislation to enable the Australian Taxation Office to collect debits tax on behalf of the States.

That is the only part of that statement that is true—the last part that says that the tax would be transferred. The statement continues:

The Government has already had to put before Parliament a package of tax measures to compensate for the shortfall in Commonwealth funds. It has also committed itself to finding significant expenditure savings through the Government Agency Review Group between now and the end of the financial year. Given that the Commonwealth will automatically reduce this State's grants by the amount of debits tax collected, the Government has no alternative but to legislate for a State debits tax.

Again we have misleading statements before this House from the Minister of Finance. We did not have a reform of our taxation system or a reform of our expenditure as suggested by the second reading explanation of the Minister of Finance - quite the opposite. The expenditure levels increased by, I think, 12 per cent, rather than there being a reduction that was going to be implemented by the GARG review. If anything, the GARG review, which is ongoing, has been a huge disappointment to the taxpayers of the State, and to this point its endeavours have shown no benefit.

That is the background of the BAD tax. The Premier believed that he had no option at the time: he had to ensure that he continued to collect that tax, because his grants were being commensurately reduced. What is the BAD tax? It actually lives up to its name particularly well, because it is a thoroughly bad tax. It is bad because it is quite iniquitous. One cannot question whether taxation should be imposed through the financial institutions system; that is not the point of the debate. The fact is that the BAD tax happens to enable a tax on taxation itself. I am not sure whether all members of the House are aware of this, but the BAD tax is applied to financial institutions duty, to bank account debits, to

service fees imposed by financial institutions and to excess transaction fees imposed by—

**The Hon. Jennifer Cashmore:** And stamp duties.

**Mr S.J. BAKER:** And stamp duties, as the member for Coles points out. What happens is that, every time a debit transaction takes place in a cheque account, and that expands into areas of easy access and a number of other linked accounts where savings and cheque accounts go hand in hand—the Commonwealth Government collects a fee on behalf of the State. That fee is as follows: from \$1 to \$99, it currently stands at 15c and is to become 30c at the beginning of next year; between \$100 and \$499, it is 35c and is now to become 70c; from \$500 to \$4 999, it is 75c and is now to become \$1.50; from \$5 000 to \$9 999, it is \$1.50 and is now to become \$3; and for \$10 000 and above the fee is increased from \$2 to \$4.

What this does is hit particularly hard the business community and non-profit organisations which do not have special exemptions. Every time a small amount is taken from an account for whatever reason, the BAD tax is brought into play. For example, on all our cheque accounts financial institutions duty is imposed. It may be only a few dollars but, under this provision, the Government then steps in and takes another 30c. The BAD tax itself goes down as a debit on the cheque account, and then the next month along comes another debit, if the BAD tax is over \$1, with another BAD tax of 30c on the original BAD tax.

How iniquitous is this sort of tax? There should be a rule in this country that you should never be able to impose a tax on a tax, because it is an escalating form of taxation and, as I said at the beginning and have reiterated, it is basically iniquitous. Why should people pay tax upon tax? We do not know where it will stop, and to allow this to continue without taking action, without the State Government's stepping up to the barrier and saying to all its State colleagues and to the Federal Government that we should remove this anomaly, I find absolutely disgraceful.

Only a few organisations can actually escape the debits tax if they are operating cheque accounts. They include people with diplomatic privilege; those who gain exemption under Commonwealth law for which Australia is obliged under international agreements to grant tax exemptions; an official of an international organisation of the same ilk; a Government of another country; a public benevolent institution; a religious institution; a public or non-profit hospital or a non-profit school, college or university; or any organisation established and operating exclusively for the raising of money for or supporting such institutions.

A debit to an account held by any of these bodies will not be an excluded debit unless it is related to a transaction carried out wholly and exclusively to promote the objectives of the body. These bodies should include a brief statement of principal objectives as part of the grounds for seeking exemption. The other is a Commonwealth, State or Territory Government, body or authority, or a municipal or local government body that does not carry out an activity in the nature of business as its sole or principal function. So, the State Government's businesses, of course, are not exempt, but the State Government itself is. What that list of exclusions implies is that there is a group within Australia that can avoid



that tax. However, many non-profit organisations do not fit into the categories I have mentioned to the House.

My colleague the member for Light raised with me the question of whether the Country Women's Association was exempt from the BAD tax. I have found that the Country Women's Association and many hundreds of organisations of the same ilk which do such a marvellous job for the poorer elements of our community are not exempt because of the stringent way in which the Commonwealth views benevolent societies.

Few people get out of paying the BAD tax. The people who really do pay the BAD tax are those who are in business, particularly those businesses that have a large turnover and a number of small transactions. I would hate to think what an organisation such as Mutual Community would pay in BAD tax every year, given the numerous number of small cheques it posts. I can assume only that many of the organisations which are reasonably large and which have reasonably large bills of this ilk would take advantage of the relatively low level of tax in Queensland and take their finances to that State.

Not only have we doubled the BAD tax but we have the highest FID tax in the country. We have a rate that is 2½ times that which applies in other States. So, far from micro-economic reform for the financial institutions of this State, as suggested to the Parliament by the Minister of Finance on 14 November 1990, more taxation has been loaded onto business, in particular in this State, and on many of its citizens through the measures introduced by this Government.

There are some very strong reasons why we should reject this tax. We should no longer suffer a Government which I no longer support and which I believe 70 to 80 per cent of the population no longer supports in any shape or form. The people of this State are sick and tired of the wastage, the profligacy and the lack of care and attention to detail of the Bannon Government. That is quite clear. In fact, one has only to look at the polling and the research that is being done at the moment to see that this State is on its knees. The people of South Australia do not believe that this Government has the capacity to change the fortunes of this State.

Four taxing measures have been introduced in this place prior to the introduction of the budget. In relation to each one of them, every citizen in this State would question where the revenue will go, and each citizen of this State would question how well it will be used. Each citizen would question quite seriously whether this Government should be able to continue in the same way it has been going over the past 10 years, and in particular over the past three years.

There are many reasons why we should reject the BAD tax on principle. The BAD tax is a reflection of the desperation of this Government, and it is a reflection of its money grabbing in order to prop up its shaky State budget. The BAD tax is a bad tax. It is intrinsically bad because the anomalies have not been sorted out. It is bad from the point of view that, if we approve it, it will suggest that we accept the way the Government operates in this State. For those reasons, I and the Liberal Opposition oppose the Bill.

**The Hon. JENNIFER CASHMORE (Coles):** For the Opposition to oppose a money measure in the Lower

House is a serious matter; it is tantamount to an expression of no confidence in the Government. We believe that the Government has lost the confidence of the people if, indeed, it has not already lost the confidence of Parliament. Its hold on the confidence of the Parliament is so precarious that I do not believe that Parliament will run its full term. In the meantime, people are suffering intolerable burdens, caused partly by this Government's total mismanagement of the economy and of its financial institutions, and also partly by the Government's insatiable demands for tax, tax and yet more tax. There must come an end to Parliament's willingness to grant, without any let or hindrance, the Government's full demands for taxation.

The tax before the House at the moment, the Debits Tax (Rates) Amendment Bill, calls for a doubling of the BAD tax—as it is rightly known—on withdrawals from cheque accounts to apply from 1 January next year. The rates, which have already been outlined, are a doubling for transactions between \$1 and \$99 from 15c to 30c, a doubling of the 35c rate to 70c for transactions between \$100 and \$499, a doubling of the 75c rate to \$1.50 for transactions of \$500 to \$4 999, an increase from \$1.50 to \$3 for transactions between \$5 000 and \$9 999, and from \$2 to \$4 for transactions of \$10 000 and over.

As I said, this is a serious action for an Opposition to take. The Opposition's decision has not been made without careful thought and consideration of the background and events leading up to the announcement of the doubling of this tax and of other similar taxes which are to be introduced as a parcel of Bills which were announced earlier this year, well before the budget. It is indicative of this Government's desperation that it seeks to diminish the traditional importance that has been placed on the budget as an avenue for income raising as well as an expenditure document and to announce progressively, prior to the introduction of the budget, a series of taxation measures in the hope that the hue and cry and the public opposition to these measures will have died down by the time the budget is introduced and that somehow the political odium that ought to be attached to the budget will be diminished as a result of this dribbling out of bad news.

No diminution of the rage felt within the community will occur as a result of this and other taxes. I felt it from my own electorate immediately the announcement was made about the BAD tax. I had phone calls that very day from people who knew they would suffer severely as a result. One phone call came from a person operating in the fuel distribution business. My constituent said that her company was required to withdraw three fuel tax cheques per fortnight, each amounting to \$5 000. Those cheques were to pay fuel tax imposed by the Federal Government.

As a result of this BAD tax, the \$1.50 bank debits tax, which that company has been paying to date on each of those cheques for \$5 000, becomes \$3 every time a cheque is signed. That means that a total of \$450 per annum will be paid in bank debits tax. If you add that to the \$1 000 per annum which that business will be paying by the way of financial institutions duty tax, it means that the company is paying \$1 450 in bank charges alone. When one calculates that for that business it is \$15 000 tax per fortnight, one sees that it becomes a huge sum annually that that business is paying. As my colleague the



member for Mitcham said, it is a tax on a tax. Worse than that, it becomes a tax on a tax on a tax. If there is nothing left in the account other than the sums charged by the Government, they also are taxed. We have financial institutions duty, bank account debits, stamp duties and a whole range of other taxes being imposed on taxes which, in the case of my constituent with fuel tax, have already been paid.

It is like a dog chasing its taxation tail. Eventually, in terms of a logical progression of taxation, the Treasurer will fall down in a heap because there will be nothing left in bank accounts on which a tax can be levied. Taxes upon taxes upon taxes will have the inevitable effect of causing people to close their bank accounts, as my constituent is doing, and moving to another State. My constituent, on the day she phoned me after the announcement, said, 'If I ran my business like this Government runs the State, they would have me in gaol. It is robbery. Frankly, I would rather be robbed in my own home than robbed systematically and daily through my bank account as a result of laws passed by Parliament and imposed by the Government.'

I have another constituent who has just moved back to South Australia from Victoria where he paid stamp duties to the Victorian Government on the sale of his property, 10c per \$100 FID on the deposit in his bank account when he transferred that money to South Australia and then FID again on the transfer from one bank account to another when he changed branches. He ended up paying \$312 in financial institutions duty just for the pleasure of coming back to South Australia. What a wonderful welcome home, as he said. Another constituent wrote to the Premier—she sent a copy of the letter to me—saying:

How can you justify putting up bank charges? Surely by doing this you are discouraging people like myself from saving for the future. I will personally be taking my moneys out of the bank and will go back to using cash in all things. It will possibly be inconvenient for me and it will certainly cost jobs. How? The bank will lose a customer and the Post Office will not sell stamps, the postman will not have anything to deliver, and the accountant at the business houses that I frequent will also be without a client.

She could have gone on to talk about the jobs of bank tellers and a whole range of other people involved in financial institutions who will be affected because of the imposition of this tax. Yet the Government will not learn. It must know that taxes of this nature have an extremely depressive effect upon business. The constituent to whom I referred, who runs a fuel distribution business, is simply moving to Queensland. In doing that, she joins a long line of people who are choosing to leave South Australia because they can no longer tolerate the taxation regime of this State, and they ignore the other regressive and restrictive laws that apply and diminish business incentive. If the Government thinks that it will pull itself out of the hole that it is in through increasing taxation, it is seriously in error. Indeed, it will dig a deeper hole.

It is worth looking at the way in which taxation has increased, to get a broader picture than the one I have already painted in respect of individuals, and its effect on the State. State taxation has increased from \$1.2 billion in 1988-89 to an estimated \$1.4 billion in 1991-92. That includes payroll tax, which has been increased from 5 per cent to 6.1 per cent of employers' payroll since the 1989 election; FID, which is a tax on deposits, has increased from 4c to 10c per \$100, and that is 40 per cent higher

than the next highest State and a huge impost compared with Queensland where there is no FID; and the BAD tax which was imposed and which has now been doubled without any offsetting removal of stamp duty for cheques, as has occurred in New South Wales and Victoria. These taxes are being increased because the Government's appetite for spending is uncontrollable. Recurrent spending has increased from \$4.1 billion in 1988-89 to an estimated \$4.7 billion in 1991-92. The total State budget is about \$5 billion and it will be interesting to see what the increase is when the Premier brings down the budget later this week.

There has been no reform of the State taxation system, as has been promised repeatedly by the Premier since 1983. I doubt that any of us could count the number of times that the Premier has said that the taxation system will be totally reformed. It has not been reformed. All we have had is an increase in State taxation. There has been no rationalisation whatsoever, there has been no sincere attempt to cut expenditure and there have been repeated debacles regarding financial management by this Government.

The Government's management of the economy has been an unmitigated disaster. Its demands for taxation have been endless, and a halt has to be called. The Opposition has decided that the place to call that halt is with this and other Bills which are currently before the House. The BAD tax is indeed a bad tax imposed by a bad Government for the worst of all possible reasons. There is every reason why the House should reject the Government's approach on this tax. The people have had enough. They are looking to Parliament to save them from the misery and despair that has enveloped them as a result of this Government's mismanagement of the economy. We must not let them down. The Opposition opposes the Bill. I call upon the majority of members to do the same in the interests of the State and to let people know that the Parliament is prepared to fulfil its responsibilities even if the Government is not. I oppose the Bill.

**Mr S.G. EVANS (Davenport):** I want to speak mainly about one aspect of the Bill to which reference has been made by others. We are debating the Debits Tax (Rates) Amendment Bill. The Government is asking Parliament to increase the amount of tax on debits that people may make to their bank accounts. A gentleman who came to see me within this last week was concerned about the aspect of paying tax on a tax and, as the member for Coles mentioned, sometimes a tax on top of that. Surely a Government that claims to have some principles would like to show us that it has some principles and to say that it is wrong to tax somebody on money that they take out of their bank account and then tax them again on the tax they are charged to take the money out of the bank account.

Surely that is unprincipled in any form of lifestyle that we have or in any form of government in the world. I do not think that even Communist Governments or dictatorships of the right extreme would think in that way. Then, to take it a step further, if someone buys a cheque book, they pay stamp duty on each cheque, and they have to pay this tax on the stamp duty that was paid on the cheque. That cannot be accepted in Parliament as

being a good principle or a basis on which to conduct a democracy. If we accept that principle, let us go on taxing the tax with another tax and call it a tax on taxes; we could continue to apply it until we break everyone.

For the small operator, the amount of money concerned is not great, but percentage wise it is the same amount of money to that person's income as for the large operators. Apart from how it affects individuals, it also affects businesses. If we want people to come to South Australia and stay here in business, surely we must understand that we must adopt a commonsense approach to issues such as this. The gentleman who came to see me is not in business. He is a citizen and is perhaps trying to get by on some form of retirement money. He looks at every cent, as he has to, to be prepared for the future. He does not know how long he will be here. It could be another 25 years. Each time he does something with his bank account, he is being bled.

I do not think that any member in this Chamber, either those who are here presently or those who may come in later when they find time, would agree with that sort of principle. If the Government does believe in it, I would like all members opposite to stand up individually and tell us, 'We think it is a great idea to tax people on a tax'. Only those in safe seats or those who are fools would do that. We know there are some around, but the Labor Party has fewer safe seats than it used to have. I understand what people are saying; there is no chance of trying to improve in business in South Australia, because everywhere you turn there is some little niggling thing that gets at you for a few dollars, so people are better off to go to Queensland.

Queensland is now no longer governed by Sir Joh Bjelke-Petersen; it now has a Labor Leader. He is telling his own public servants that it is all right to have planning regulations, some restrictions and some rules but, if it means they have to change the rules to have more economic development, they will change the rules. But here we have a Government that is blinkered on this issue. I have no doubt that the Premier of this State, who should be running the State—and we know that that has not been the case in the immediate past—has been told by people in business and, I should think, his own constituents in private operations, that they are being taxed on a tax.

The Premier might stand up and say that it is not a great amount of money. If people do not have much money, if they are out of work and have to live on the few bob that they have on Social Security payments, and if they believe that the safest way to operate is to run a bank account, then they are being taxed. In fact, they are being taxed on the Social Security payments that you get because you withdraw some to pay an account after the Social Security payment has been paid directly into their bank account by the Federal Government. Not only that, they are taxed from the tax on that Social Security payment. How ludicrous can it be? Our State is in a terrible financial position and it will not get out of that position by taxing people to a greater extent. It has to find a way. If this Government cannot do it, it should step aside now and give somebody else a go—to encourage people to invest and to become industrious, and to create the circumstances so they can do that. Other States are doing it.

As much as I do not like to admit it, I know that the Queensland ALP Government is doing it, because it followed Sir Joh Bjelke-Petersen's attitude towards development. My question is—and my constituents and I would like the Premier to answer it—while the Bill is before the House, how can this anomaly be corrected? If he tells us that he cannot correct it because it is a Federal piece of legislation, he should not increase the tax until the Federal Parliament agrees to change it. If the tax is being collected for us through Federal legislation passed a few years ago, and if the Federal Government took the responsibility of collecting it to give us the benefit—they get the odour and we get the sweet tone of the money—the Government should tell the Federal Government that we want it to correct that fault in the legislation before we increase the tax further. That is a fair proposition.

I challenge the Premier to give a logical reason why he will not take either one of two approaches: to amend this legislation now (and I am sure there must be a way of doing it through the State Parliament) or, if he says 'No', if his legal advice is that that is not possible, to come out publicly and attack Keating and his mob for not correcting it through the Federal Parliament. It will not disadvantage Keating and his mob; they will not get the benefit of the tax. It comes back to the State. The challenge is there, if someone has the intestinal fortitude to take it up. I offer that challenge to the Premier and those sitting behind him, shaking because of the mistakes that have been made.

**Mr MEIER (Goyder):** It was at the 1983 Federal election that the then Prime Minister, Malcolm Fraser, said, 'If Labor is successful in the election, people ought to put their money under their beds.' I well remember that that comment was treated with scorn and scepticism, and people laughed about it at the time. However, many of us did not because we knew what Labor's policies were. We knew what its ultimate aim was, and now more and more people are saying, 'Malcolm Fraser and the Liberal Party were 100 per cent correct.' In fact, we have just heard the member for Coles indicate in her speech that at least one (and probably many) of her constituents has taken money out of the bank and will go into a cash society. No longer can they stand the high Government taxing of their accounts.

Unfortunately, the situation has progressively become worse, and today we are seeing a massive 100 per cent increase in the debits tax—the BAD tax, and what a bad tax it is. We have a 100 per cent increase at a time when the Federal Government has been crowing about the low CPI increases and the low level of inflation, yet now this Government, in association with the Federal Government, seems to take great pleasure in increasing this particular tax by 100 per cent. It is absolutely scurrilous, absolutely unfounded and unwarranted, yet it is occurring before our very eyes. There is no doubt that the Government is in the nose! There is no doubt that the Government is in its last days, and you, Mr Speaker, together with two of your colleagues, have the power to decide whether the Government will stay or go. Hopefully you will use that power wisely with respect to this Bill. The people of South Australia are looking to you and your colleagues to

throw out this inept Government that has tried to govern this State for 10 years—

**The SPEAKER:** Order!

**Mr MEIER:** —and now its failed policies—

**The SPEAKER:** Order!

**Mr MEIER:** —are catching up with it.

**The SPEAKER:** Order! The member for Goyder will come to order when the Chair raises a point with him. I have perused the Bill carefully, as I am sure the member has, and I see no reference at all to the points he is raising. I ask him to draw his remarks back to the Bill.

**Mr MEIER:** Thank you, Mr Speaker. This is one of several taxing Bills presently before the House. I cannot say that it is the worst, because they are all bad but, with a 100 per cent increase, I guess it has to rate with the worst and it is typical of the way that Labor Governments have endeavoured to suck dry the people of this State. I suppose they make leeches look pretty ordinary compared to the way this Bill operates because, as my colleagues have said, it is not only a tax on transactions but a tax on tax.

I remember when the financial institutions duty (FID) first came before the House and I said then that it would have an undesirable effect on the State's economy. I well remember the Premier, who probably will not be there for many more days—in fact, I was amazed to see him in the House today, because I did not think he was coming back—saying he would resign if he had to bail out the State Bank any more.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr MEIER:** That is why we have imposed these conditions on the Bill. When FID came before us the Premier pooh-poohed my calls of alarm and said that there would be no such problem, yet over the years we have not only seen people take their money out of this State but the Government has also had the audacity to increase the FID from .4 to .9 plus .1, which is 1c in \$100. It has increased it to the extent that more people will not keep money in this State. Queensland must be looking at a fairly rosy situation! We see the tax on tax and not only on FID. This tax could involve applying 30c to a person's bank account every time a transaction occurs.

The BAD tax will be levied on top of service fees and excess transactions and will be applied to stamp duties. It will be there all the time and will serve as a reminder for the rest of this Labor Government's term in office of how it treats the citizens of this State. It makes a mockery of the Government's pronouncements when it is applying this same tax to pensioners, the unemployed and the less well off members of the community. That is the way we have become used to Labor operating, year after year. There is not even a tie-in with interest rates—not that I expected it—but we well recall when people were receiving about 15 per cent on their money. At that stage one could have said that the BAD tax, as with any other Government taxes, could be accepted, because people were receiving a reasonable return.

What are we down to now: 5 per cent and, if you are lucky, 6 per cent on your savings, and I would suggest that in many cases, because of bank fees on account transactions and the BAD tax, people will see no interest at all. Why should they not take their money out and

keep it under the bed, as was suggested many years ago? The situation of higher taxes has been a characteristic of the Labor Party ever since I have been acquainted with it, yet many articles and documented examples indicate that if we want to stimulate the economy we have to start lowering our taxation base and make sure that the imposts on business and individuals are removed. But this Government has no idea how to manage the State and it has no idea how to manage any of its affairs, least of all taxation. I strongly oppose this BAD tax. It means exactly what the abbreviation states: it is a bad tax on South Australia and a bad tax on everyone in this State. Unfortunately, it shows clearly that we have a bad Government.

**Mr BLACKER (Flinders):** I, too, oppose this Bill. There are some fundamental issues about it that cause me considerable concern. First, why should people pay tax twice on the same money? It has always been a fundamental principle that one should have to pay tax on money only once, but it appears from the way this tax is set up that there can be double taxing on the same amount of money, or at least a portion of it.

Certainly, to have a 100 per cent increase has meant that revenue to the Government is to increase as from the end of June 1991 through to 1992-93 by an extra \$12 million, giving a \$29 million collection in a full year. There is that escalation. My main objection is that every tax of this type is anti-business, anti-development and, therefore, anti-jobs. From that point of view alone, the direction that the Government is taking with this form of taxation, which is against the very principle of encouraging business, is one that we in this House should strongly oppose.

I am sure that, if the Government took a long hard look at what it is doing with these extra add-on costs to business, it would realise that our present high unemployment figures have been caused by this and similar forms of taxation, which are disincentives to business, entrepreneurs and employers in being able to create those extra job opportunities and, therefore, to get money moving.

I have mentioned in this House on a number of occasions that it is the add-on costs that are the discouragement factors for job opportunities and, again, we see just another one of those taxes. It is for this reason that I oppose the measure. I do not intend to speak further, other than to place on record my opposition to the measure for the very way in which it has a negative effect on business opportunities.

**The Hon. B.C. EASTICK (Light):** I oppose the Bill. I recognise that it is a budgetary measure and, as such, it is one of the issues that a Government needs to raise before the House, but I take exception to the manner in which the Government has raised the percentage, in this case, to cover its own ineptitude. It is another opportunity that I can take to draw attention to the statement made on an earlier occasion by the elderly lady who came to my office when the first tax measure was operating and said, 'I have a mouse in my account. Every time I get a statement there is a bit more nibbled away.' I indicated about 12 months ago that if she looked at her account on that occasion, as a result of additional events and

additional increases, she might believe that it was not a mouse but a large rat that was nibbling away. We now have an even worse situation.

*The Hon. Jennifer Cashmore interjecting:*

**The Hon. B.C. EASTICK:** Yes. I do not want to be personal or anything like that. Just as well elephants cannot get into a bank account. This sort of activity will obviously affect those who find their small sums of money being frittered away by a Government that has not yet come to reality—the reality that people should spend only as much as they have and, if they do not have it, they do not spend it. That is picked up in an article in today's *Advertiser* under the heading 'Bannon to push debt to \$7 billion' where it states:

This year's budget could be compared with a domestic household borrowing money from Bankcard to pay for the groceries and to meet mortgage payments. The budget is not expected to include any significant new tax rises, although an 'environmental tax' is likely to be applied to the petrol price to assist in pollution controls.

Whether or not any further taxes are to be announced this Thursday when the Premier brings down the budget, there are four measures listed on the Notice Paper this week that will increase taxes on the people of this State.

**Mr Meier:** Over 700 individual charges.

**The Hon. B.C. EASTICK:** Well over 700 individual charges, and some of them of mammoth proportions running into several hundred per cent. The member for Goyder only last week drew the attention of the House to the percentage increase of multi-hundreds in relation to shacks and the leases involving a charge against people for their own enjoyment.

I do not want to stray from the purport of this particular measure, but I wish again to draw attention to the Government's continued failure to cut its coat according to the cloth it has—it just keeps cutting a bigger coat and whips out to the public seeking a bigger piece of cloth. Information made available clearly indicates that State taxation has increased from \$1 250.9 million in 1988-89 to an estimated \$1 487.8 million in 1991-92. When I first came into this House, the amount for both the works program and the recurrent budget was less than \$1 000 million; in fact, it was half that figure, and the State did very well. We made progress because of the effect of the previous Liberal Government, which had set a reasonable course that made use of funds that could reasonably be expected of the public, and those funds were expended on works to the eventual benefit of the community.

Payroll tax, which as we are all aware is a tax on employment, was increased from 5 to 6.1 per cent. The FID tax, another tax upon the bank account, has increased from 4 to 10c per \$100, 40 per cent higher than the next highest State of Australia, and such a huge impost upon business in this State has led to large numbers of accounts being transferred to Queensland, where businesses are able to make ends meet in other ways and where opportunities exist for employment that is otherwise being denied in South Australia.

As I have said, no reason has been given by the Government for continuing along its present track. It has made no attempt whatsoever to bring its spending back to reality, to cut out the largesse that we spoke about last week when dealing with the Supply Bill, or to recognise that, if the State is to prosper in the future, although it

will take some time to turn around the present mess, it will have to be done by the Government—and it will be a Government of the political persuasion that I represent that will do it, I am quite sure of that. It will be a Government that the people of South Australia is demanding because they recognise that the Australian Labor Party in this State has an impossible dream and is unable to come to grips with reality.

My contribution is small, but it by no means ignores the responsibility which all members of this House have to speak on behalf of the people they represent. The people do not all vote Liberal, Democrat or ALP, but through their electorate they are screaming out for a little more commonsense than has been exhibited in this Bill and others accompanying it. The people are fed up with the inability of the Australian Labor Party, which is supposed to represent their interests but which does not fulfill that responsibility. I have no hesitation in stating that this measure ought to be defeated.

**Mr LEWIS (Murray-Mallee):** My contribution to this debate has, in part, already been canvassed by other members, but I will not allow the opportunity to pass without placing on record my concern for the effect of this measure on the South Australian economy and its ability to continue to survive and retain those businesses that have weathered the storm of the recession. If any form of higher animal life, including human beings, finds itself in an unhealthy environment, it will smartly shift away to where there is less risk of its becoming infected and suffering death or disability.

Business is no different. Any healthy business—and there are not many left in this State—which finds itself confronted tomorrow or the next day with an even unhealthier environment in which to operate, will leave this State and go to where the business climate is more salubrious. For the interest of members, in case they do not know, 'salubrious' means 'health giving'. We will find our best businesses shifting their head office and bank account out of South Australia, because their better paid employees and their own interests will be better served by seeking an environment in which they are more welcome, which is kinder and warmer, so that they are less likely to be exposed to the kind of infection inflicted by this Government causing terminal illness.

I am sure that no business wishes to share its future with this Government. This tax is about making the financial environment in which citizens and businesses exist less conducive to good health than has been the case to date. As if that were not enough, this Government says it is about social justice and equal opportunity, using such other catch phrases as it chooses to describe its so-called social conscience. Yet it has no social conscience or commitment to anything that will secure for the future of South Australia a sound base from which to provide welfare for those less fortunate than the majority.

It is committed to destroying those very things that provide the basis of prosperity. All we have to do as good men—and this particularly includes you, Mr Deputy Speaker—is simply to allow evil to prosper by standing aside and doing nothing. This is most certainly evil: to double up on the taxes levied on the community is to do evil. The evil that made it necessary for this compounding of evil upon evil was to stand aside and

allow irresponsible actions to be taken by Government instrumentalities and quangos such as the State Bank, Scrimber and those other projects, those other excursions into enterprise that the Government has made in the past decade.

Those excursions into such enterprises have been disastrous, as they always will be, because the people appointed to manage them do not personally feel the cut of the inaccuracy or irrelevance of any bad decision. They do not feel that: they are not compelled to get out of bed at 5.30 in the morning and get into the office to check exactly what has been going on and to devise the strategy for damage control. Nonetheless, they have enjoyed the benefits of ill conceived schemes to provide them with the so called incentives to do business. We have only to look at the crooked way in which those incentives were applied to executives in the State Bank's wholesale banking division, when they wrote business that was crook business, and it collapsed. They took commissions on it as though the profits that they said would come had already been accrued. That is crook—there is no other way to describe it. They did nothing to rectify that, nor did the Government, nor the Premier, and now this measure is introduced to meet the cost.

We must recognise that in this State the level of interest we are now paying on our public debts, not our individual and private debts, is a sum 20 per cent greater as a proportion of the GDP of the State than applies in any other State. That is iniquitous and evil. It is wicked. I cannot find other words to describe my disgust at the way it has been allowed to happen in spite of the warnings given by the former member for Culance who became a Senator and who is now the member for Kavel, and other people supporting him during the time leading up to the 1989 election. We knew about that, and it is not good enough now for the Government to bring a measure such as this before the Parliament to increase taxation yet again, to transfer the debt of the Government and of the Government's manufacture away from itself to its citizens.

It compels people then to borrow money to pay this debt. Let me give an instance of the way in which this tax is currently working. I will not name names, but a farmer in my electorate transferred the proceeds of a partnership arrangement between his operating company and a share farmer from the bank account of that partnership arrangement to the bank accounts of the parties who were the partners, and it involved a sum of just over \$10 000. After the first quarter following that, he found no transaction in that trading account except the BAD tax on the transaction. After a further quarter had elapsed, he received another statement from the bank, and the only transaction on that statement was a further BAD tax debit on the BAD tax transaction.

After finishing seeding, which is a period of intense activity, he took time off from the farm in business hours to see the bank, and he was given yet another statement showing the BAD tax on the BAD tax on the BAD tax. When a Government has a ratchet like that working on collecting taxes, there is something wrong. Something stinks, because it is not a fair thing for the Government to create the means by which it can generate more moneys for itself without the citizen or the bank being

able to do anything to stop it. That is sick. It is my judgment that we would do well to amend this legislation to prevent the Government introducing any change to it and deriving any revenue from it until such time as it has removed those provisions that allow the BAD tax to apply to BAD tax transactions, and then require the bank to calculate the BAD tax it pays on behalf of its account owners to the Government on other than those transactions.

I have been advised that that can be done, and believe that it should be done (my advice came not from anyone in this State but from someone who should know, someone who does this kind of work for the Federal Parliament). More particularly, we need to recognise that the Federal Government collects this money and passes it on to the States, so the means by which we can put a tourniquet on the process is simply to amend the legislation so that the Government cannot receive the money from the Federal Government until that part of the process of a BAD tax on a BAD tax has been amended.

For me to say any more than that about the amending legislation needed at this time is unnecessary. Before sitting down, I would say that, at present, the action being taken by the Government resembles the sort of thing that was done in industrial England during the eighteenth and early nineteenth centuries, when the Government had a policy of encouraging people to have children so that there would be sufficient labour to work in the coal mines and places such as factories that were not safe. The working class were children, and any who happened to survive childhood in illiteracy and innuery into adulthood were so crippled by the experience of long hours of labour, whether in factories, down coal mines or anywhere else, that they did not have much joy in their lives but the responsibility of procreation, having children to take care of them as well as to do the work that the country and the industry of the country needed to have done. Lord Shaftesbury fixed that problem.

In this instance, it is up to us to do something equally appropriate to this Government and to the kinds of measures it is imposing on our enterprises and the fabric of our community through these kinds of taxes. It is driving people not to drink but to bankruptcy or driving them and their businesses out of South Australia.

**Dr ARMITAGE (Adelaide):** Quite a long time ago Gertrude Stein said, 'A rose is a rose is a rose.' What we are looking at here is, a tax, on a tax, on a tax. That is nothing more or less than a sign of desperation on behalf of a Government that is completely bereft of ideas, is tired and, indeed, which deserves to offer to the people greater hope and consolation. I indicated that I believe this is a sign of desperation, and one of the reasons I say this is that, as the member for Adelaide, I am privileged to represent the central business district. The percentage of small businesses in the central business district is, of course, huge. I am regularly contacted by people who are striving to produce the best for their families by working very hard against all odds.

The business people who are struggling already in the central business district in my electorate—and I am confident in the electorates of other members in this Chamber—do not need further imposts placed upon them.

They are already having enough difficulty in advancing their businesses without further troubles. In South Australia we have 12.5 per cent unemployment and, even more appallingly, youth unemployment rates of 42 per cent—figures, which are quite horrific. I am dismayed that a Government which ostensibly has a charter of looking after or protecting the people less able to protect themselves would even contemplate putting yet another tax on to businesses.

The reason I say that is that I have been told by employers that their lives are made hell by State Government taxes and charges, to the extent that they are almost to the stage now where they realise that, having down-sized—horrible word—their work force to two-thirds what it was, they now have only two-thirds of the WorkCover payments, two-thirds of payroll tax payments, two thirds of the union troubles, and so on. These business people are telling me that they quite like not having all these extra troubles and imposts. In fact, they are saying, 'We are now employing only 400 people and we will probably never go back to the stage where we were before of employing 600 people. At most we will employ only 450 or 500 people'. So, the recovery in itself will not be an answer to the State Government's maiden's prayer in its own way. But if there is another tax on another tax, it will be even worse for business.

I well recall the horror and indeed amazement that I felt sitting in Parliament last year when clinically, callously and coldly the Premier announced that the financial institutions duty would go from 4c to 10c in \$100. I was quite amazed at the unfeeling manner of the Premier in the blithe way this was just shrugged off with the attitude, 'So what?' I mentioned that businesses in my electorate are already leaving South Australia because of the South Australian State Government taxes. Indeed, many have said to me, 'We cannot wait for a Liberal Government in South Australia and, in particular, for a Government which will remove these crazy imposts and encourage us to expand our business.'

Members opposite may or may not realise, this but expanding business is not something horrible. Certainly, people may make profits—and sometimes members opposite regard profit as a particularly dirty word—but expanding business is about employing people and about making life better for South Australians. It is not about something which should be swept under the carpet and acknowledged in a clandestine manner. Making profits is good for everybody in South Australia.

**Mr Brindal:** I hope this message gets back to the Premier's office.

**Dr ARMITAGE:** So do I. I turn now to the well-known tax index. It is absolutely apposite that I should be discussing this Bill today, because yesterday at lunch-time I was told by someone who had been speaking with a taxi driver who, difficult as it may be to believe, told the person with whom I was lunching that in the past month he had taken six couples to the airport. One might say that that is not surprising, but why were these six couples going to the airport?

*Members interjecting:*

**Dr ARMITAGE:** The members for Hayward, Coles and Custance ask, 'Why were they?' I know that they are on the edge of their chair waiting for the answer, so I will tell them. The six couples were going to the airport

because they had sold their businesses and their homes and they were moving to Queensland because they said doing business in South Australia was too tough.

**The Hon. Jennifer Cashmore:** Escaping Bannon.

**Dr ARMITAGE:** Escaping Bannon; precisely. So one taxi driver drove six couples to the airport. That may not seem like many people but, if we expand that over South Australia's excellent taxi network, think how many people might be doing the same thing. This Government must make some tough decisions. I know it is difficult for it to contemplate but, nevertheless, it is what South Australians are calling for. It can no longer spend, spend, spend.

However, it does indeed bring to mind an easy piece of advice that I am happy to give the ALP as its theme song for the next election—which Lord only knows South Australians are wanting desperately enough. As its theme song, I would suggest that well-known Shirley Bassey classic *Hey Big Spender*, because it is certainly not at all interested in doing anything other than spend, spend, spend. Most people in South Australia suffering from quite appallingly difficult times are actually now at the stage—and they have been for quite some time—of cutting their cloth according to their measure.

**Mr Brindal:** There is very little cloth left.

**Dr ARMITAGE:** There is very little cloth left, as the member for Hayward says. What this means is that people are going out and selling assets that they have built up over many years. They are forced to spend their assets in order to survive.

**The Hon. Jennifer Cashmore:** And going without.

**Dr ARMITAGE:** Indeed, as the member for Coles says, they are going without. The people of South Australia know what it means to make tough decisions. They do not go to the bank and say, 'Things are a bit tough; I need more money.' They know, given a budget that they have to manage, that it is impossible to borrow money to pay interest on previous borrowings. It just does not work. There is a whirlpool and it sucks people like that into it until they do not come up for the third time. That is what this Government is trying to do with the people of South Australia.

**The Hon. Jennifer Cashmore:** It has gone under twice, with the bail-out of the bank—or three times.

**Dr ARMITAGE:** As the member for Coles says, the Government has forced the South Australian people under three times. That is usually the last time one sees a drowning person come up above the surface. Let us hope that while South Australia's economy is in its death throes it manages to poke its head above the surface once more. I said before that people in South Australia are having to cut their cloth according to the measure. Using the tailoring analogy, this Government seems to have a similar philosophy, only its philosophy is, 'Never mind the quality, feel the width.' Indeed, there is no quality about the decision to add a tax on a tax on a tax on a tax, and on it goes.

That will take \$29 million from the community of South Australia into the Government's coffers. That \$29 million could well be spent on productive mechanisms employing people. That is what South Australia needs. It needs its businesses to have the confidence to go out and say, 'I am working 16 hours a day, seven days a week. Rather than do that at the risk of my own health and my



family's health, I will employ someone else.' But no; this Government says, 'Let's spend more money; let's take it from the people who work hard.'

The present Premier offered us flair and light. There is absolutely no flair and there is no initiative in saying to the South Australian public, 'We need more money; we will take it from you.' Why is this man, who challenged South Australians looking for hope by saying, 'We will offer flair and light,' not innovative? There is one prime reason why he is not innovative. It is because he has lost the plot. He is tired.

**The Hon. Jennifer Cashmore:** He is paralysed by fear.

**Dr ARMITAGE:** He is paralysed by fear, as the member for Coles says, and the fear which is paralysing this Premier is reflected month after month in the opinion polls. That is what has generated the policy initiatives of this Government for the past 10 years. There has been no planning and no consideration of what is good for South Australia; only, 'Let us pick off an interest group here and an interest group there.' Finally, like the lemmings, they have gone over the cliff. That is what is happening to the Premier's popularity and the popularity of the Government.

We are supposedly aiming to be a clever country. Indeed, we in South Australia are supposedly again hanging our coat on the fact that we have this multifunction polis with its intelligent focus. I do not believe that it is intelligent to put the Government's hands deeper into the pockets of South Australians who are already suffering.

**The Hon. DEAN BROWN (Leader of the Opposition):** I oppose this tax measure along with a number of the other tax measures to be debated today and tomorrow. I do so for the simple reason that there is a fundamental need in South Australia for this Government to start to apply some discipline to its expenditure. I bring to the attention of the House the fundamental problem that has faced South Australia for the past 10 years. We have a high expenditure Government, a Government that is spending more of our gross State product on running Government in South Australia than any of the other major States that we are trying to compete against. As evidence of that, I do none other than bring to the attention of the House figures brought down in the Arthur D. Little report. It is a report commissioned by the Government, the Government's own document, and I throw it back to the Government as clear evidence that this State is doing the wrong thing and has been doing the wrong thing for the past 10 years.

South Australia, based on figures for 1990, spent 22.5c in every dollar of gross State product on running the State Government. If we compare it with the other mainland States in Australia, we find that Western Australia spent 19.4c, Queensland 17.7c, New South Wales 17.3c, ACT 16.7c and Victoria 16.6c. The national average for the whole of Australia, which includes South Australia, is 18.1c. We are more than 20 per cent higher than the rest of Australia in 1990 in terms of—

*Mrs Hutchison interjecting:*

**The Hon. DEAN BROWN:** I mentioned New South Wales at 17.3c. The important thing is that since 1990 South Australia has continued to go up with its

expenditure while the rest of Australia has tended to come down - and take New South Wales in particular. I suggest that the 20 per cent differential between South Australia and the average for the rest of Australia has widened considerably since 1991. Again, I throw back to the Government as evidence for this a statement out of the Arthur D. Little report which states:

There are a number of forces at work which suggest that the overall underlying trend of State revenue is downwards with that of expenditure upwards.

The clear evidence is that the size of the gross State product in South Australia has contracted very sharply in the past 12 months, but at the same time Government expenditure has tended to increase in real terms. In fact, it has increased by twice the inflation rate. So we have this continuing expansion of Government expenditure at or above the inflation rate—for the last year it has been above—and we have a State economy which is contracting rather sharply.

**The Hon. Jennifer Cashmore:** And they think it's funny.

**The Hon. DEAN BROWN:** The Minister of Finance just does not even start to comprehend these concepts. As a result, the Minister of Finance and the Premier and Treasurer have led this State down the garden path to nowhere, as one of my colleagues earlier said, like lemmings jumping over a cliff. That is exactly what has occurred in South Australia. It is for that reason that a future Liberal Government would totally change the direction in which South Australia would go.

**The Hon. T.H. Hemmings:** How?

**The Hon. DEAN BROWN:** We would make sure that the gap between expenditure and income is reduced rather than expanded. We would make sure that the State debt is stabilised and then reduced. We would also make sure that there is smaller, more efficient, Government in South Australia. Unless we have that, this State will before long be classed as bankrupt if we look at any reasonable measure for bankruptcy. We are technically very close to that now, if we are not at that point, because we have a Government which is prepared to go out and borrow to pay for this year's interest bill. In other words, the Government is prepared to use the Bankcard to pay for the mortgage. Companies and small businesses cannot do that without going into receivership or bankruptcy immediately. This Government has entirely the wrong philosophies, direction and management strategy.

*The Hon. T.H. Hemmings interjecting:*

**The Hon. DEAN BROWN:** You say that it is rhetoric. Do you not understand the difference between right and wrong? One is that it is going in the right direction and the other is that it is going in the wrong direction. I am arguing that everything that your Government has done in terms of budgetary policy for the past 10 years has taken this State in the wrong direction. In consequence, the people of South Australia and future generations are now about to pay for those excesses. I strongly oppose this tax measure and the other tax measures.

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

**The SPEAKER:** The Leader had finished, I take it? The honourable member for Napier.

**The Hon. T.H. HEMMINGS (Napier):** I think you summed it up just then, Sir, when you asked, 'Had the



Leader finished?', after five minutes. This piece of legislation, if we believe what we read in the *Advertiser*, was going to be a trigger, a mechanism to, in effect, invoke section 28a of the Constitution Act, one that we all know and know well. In fact, Mr Speaker, the Leader canvassed you, the member for Elizabeth and the member for Hartley requesting your assistance to defeat this piece of legislation.

**Mr BRINDAL:** On a point of order, Sir, I would ask you to rule on the matter of relevance. The honourable member seems to be canvassing matters that have nothing to do with the Bill before the House.

**The SPEAKER:** Order! I do find that frivolous. The honourable member had been speaking for but half a minute when you got to your feet.

*Mr Brindal interjecting:*

**The SPEAKER:** Order! I know that all members are allowed leeway to make their argument and build a case. I think less than a minute is hardly appropriate in this case. However, I will be watching the member for Napier and listening closely.

**The Hon. T.H. HEMMINGS:** Mr Speaker, I know that you always listen closely to what I say because I speak a lot of wise words in this place.

**The SPEAKER:** As long as they are relevant to the Bill before the House.

**The Hon. T.H. HEMMINGS:** We do not really need the member for Hayward to protect his Leader; however the relevance to this Bill is that this is all about the defeat of this legislation through another mechanism of which this House has already been served notice.

**Mr S.J. BAKER:** On a point of order, Sir, the honourable member is pre-empting a debate of which we gave contingent notice today in relation to the trigger motion.

**The SPEAKER:** Yes, the honourable member cannot anticipate debate in the House.

**The Hon. T.H. HEMMINGS:** What have we had? We have had a series of speeches—and I have been in the House all afternoon—from members opposite talking about how bad this tax is and what a disastrous impost this Government is placing on the people of South Australia, particularly the business community, and we have heard it from every member opposite. We have heard from them that the business community is anxiously awaiting the outcome of this Bill. But what did we have before dinner? We had five minutes from the Leader, five minutes of rhetoric strung together, and it reminded me of a painting that I have at home entitled 'Man of Straw'—no substance whatsoever.

Now, I would have thought that, because so much hinges on this piece of legislation, we would have had a full gallery with the press boxes jam packed. They do not have to go to the royal commission; they can come down here. But what did we have? We had five minutes from the Leader, and nothing of substance. I was waiting all afternoon for members opposite to say that, if they got into Government, they would either repeal this particular piece of legislation or at least revert it back to how it was prior to the introduction of this amendment.

Where is the unequivocal guarantee to the people of South Australia, about whom Opposition members are saying this is the last straw that will break the camel's back? There has not been one peep. I asked the Leader

what he was going to do and he quoted from the Arthur Little report. He started talking about a growth rate, equating taxation with productivity, but he did not say anything at all about repealing this legislation. Yet to hear all the Leader's colleagues, it seems that is what the people of South Australia are demanding. One would have thought that the Leader would take the opportunity in the scant five minutes in which he addressed the House to make that comment.

*Members interjecting:*

**The Hon. T.H. HEMMINGS:** It is important. So far there are three States and, if members read the Minister's second reading explanation, they will notice that—and you, Mr Speaker, will also notice that I am coming right back to the Bill—New South Wales and Victoria, along with South Australia, have decided to go down a common track. I did not hear one word of criticism of the New South Wales Government. In fact, I did not hear any criticism about the Victorian Government, yet there was criticism about this Government and what it is doing.

We have also heard from members opposite about its impact out in the community. If the Opposition is not going to repeal the measure, obviously the charade we have gone through this afternoon and the charade we will be going through later on is a waste of your time, Mr Speaker, my time and the time of the people of South Australia. If the Opposition is going to repeal this legislation, I ask what it will do to make up the shortfall. What is the Opposition going to do to make up the \$29 million in a full year that this legislation will bring in to the Government of the day? The Minister said that in his second reading explanation. What services will the Opposition cut? Not once did I hear that canvassed by members opposite.

Mr Speaker, you have most likely been driven crazy, as I have, by the speeches made in this House in which members opposite are demanding more and more services from the Government. Rightly or wrongly, the Government is trying to raise \$29 million a year extra to provide ongoing services. Members opposite say that it is a bad tax, but they have not said that they will do away with it. I would like at least one member opposite to say to the people of South Australia that the Liberal Party, when it gets into government, will repeal this legislation or that it will revert to the level that presently obtains. It has not done that because, as you know, Sir, if they have the luck and the good fortune to sit on this side of the House, they will give all the excuses under the sun why that tax has to be maintained. They know it, I know it and you know it, Mr Speaker.

I would have thought that in five minutes the Leader would outline what the Opposition would do if it had the power to repeal this legislation, but there was not one hint, not one small aspect of their policy. All we had was a line of rhetoric from the Leader in his five minutes: that is all we had on what he was going to do.

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

**Mr OLSEN:** On a point of order, Mr Speaker, I draw your attention to the honourable member's contribution to this House and the legislation before us. I ask that the member for Napier bring his remarks back to the subject.

**The SPEAKER:** I assume that the member for Kavel is moving a point of order in regard to the procedure. I

uphold the point of order, and I remind the member for Napier that repetition is also out of order. Comments must be relevant to the Bill before the House. The member for Napier.

**The Hon. T.H. HEMMINGS:** The history of the debits tax is quite well-known. On 1 January 1991—well over 18 months ago—the Commonwealth Government transferred the proceeds of the debits tax to the States and continued to collect it on behalf of the States. Did we hear anything from members opposite 18 months ago when that major shift of Commonwealth/State relations took place? What did the State Liberal Governments do? We all know that at the last Premiers Conference the New South Wales Government under Premier Greiner, the Victorian Government under Premier Kirner and this Government under our Premier accepted that they would go down this path of increasing the debits tax, as outlined in the Minister's second reading explanation, which I am sure we all have before us and to which we are sticking strictly to satisfy members opposite. Everyone knew. I would be willing to bet that the other States will follow suit as soon as it is convenient for them to do so.

Was there any condemnation of the attitude of the New South Wales Government in the contributions of members opposite this afternoon? There was not one criticism whatsoever. It seems that everything is happening here. At the risk of perhaps transgressing against this Bill—but I note that you, Sir, will be listening to me very carefully—I point out that all we have heard is rhetoric and puffing up over the past couple of days. What we have heard amounted to a lot of hot air.

I have every sympathy for you, Mr Speaker, in that you were dragged away from whatever you were doing at the weekend—as were the members for Elizabeth and Hartley—and you had to place on the record your contempt for what the Leader was trying to engineer today, because before us we have a normal taxation measure. I can understand the Liberal Party's opposition to that. It cannot put up one legitimate argument against the debits tax. The Leader has spoken; so I take it that the Opposition is down to its worst contributions; we will get nothing more. All the Opposition is doing is going through an exercise to place pressure on you, Sir, the member for Elizabeth and the member for Hartley so that it can force an early election. One could argue that that is not the way Oppositions should act. I note that you, Sir, are on the record as saying that you were elected for a full term and your job is to ensure that everything is done correctly and properly.

The Bill before us is not the vehicle for what the Opposition wants. If the Opposition opposes the legislation, let it do that, but it should at least give some credible answer to the people of South Australia as to what it would do if, by some sheer chance, it actually defeated the Bill tonight. I support the Bill and I hope that not only you, Sir, but other thinking members of this Chamber do likewise.

**The Hon. FRANK BLEVINS (Minister of Finance):** I thank all members who have contributed to the debate, particularly those one or two who actually spoke to the Bill.

*Mr Brindal interjecting:*

**The SPEAKER:** Order!

**The Hon. FRANK BLEVINS:** It was refreshing to hear that members opposite could deal with a Bill and stick to it. Mainly they did not, Sir; there was a lot of anticipation of the debate which is to come and to which we all look forward. When these Bills come in, and when there is an increase in taxes, nobody likes doing it. I do not like moving such Bills and the Government does not like supporting them, nevertheless, it is something that has to be done from time to time. It would be quite cowardly for a Government to be in a financial position where the tax base was being eroded and not do something about it.

*The Hon. Dean Brown interjecting:*

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

**The Hon. FRANK BLEVINS:** It is not just this Government that has this problem. The then Greiner Government, the highest taxing Government in Australia, was compelled to do the same; the Victorian Government also felt that it was necessary to do the same; and I believe that other Governments will follow suit when they get their elections out of the way. So, if there is a problem in this State with an eroding tax base, and the necessity, if we are to maintain services at the same level, is to increase taxes in as restrained a way as is possible.

I do not want to respond to all the speeches that were, in the main, out of order. However, I will make one comment on the contribution that was made by the Leader, despite the fact that this is John Howard's tax. This is one of the many legacies that was left by John Howard when he was the Federal Treasurer. Some of the other legacies he left are even more obnoxious than this particular tax; nevertheless, it is one that the Federal Government 'handed over'—and it is now built into the base of this State's taxation system and will be very difficult to eliminate. Once a tax is built into the base of a State it is very hard to get it out. However, as I have stated on a number of occasions—and as I will quite surely repeat on another three occasions—South Australia is a low taxing State in a low taxing country with a very high level of services.

*Mr S.J. Baker interjecting:*

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

**The Hon. FRANK BLEVINS:** The comment that sparked a longer response from me than usual was made by the Leader when he quoted from the A.D. Little report. I want to further quote from that report specifically, from the sub-consultancy of KPMG Peat Marwick, a company that is well known to all of us and is highly respected. Some of the quotes from the report that form part of the A.D. Little report are as follows:

Nevertheless, in terms of State Government imposts at least, South Australia is a low tax State.

I have said that repeatedly, but it is nice to hear KPMG Peat Marwick advising the A.D. Little consultancy that that was the case.

*Mr S.J. Baker interjecting:*

**The SPEAKER:** Order! The member for Mitcham is out of order again.

**The Hon. FRANK BLEVINS:** It is pleasing for me to have my statements confirmed by such an august firm as

KPMG Peat Marwick. I do not wish to labour the point, but I do wish to emphasise it. The report continues:

The perception and the reality do not gel, however. Payroll tax is seen as particularly pernicious, yet only Queensland charges lower rates than South Australia. The payroll tax burden is also somewhat lower in South Australia because of the State's lower average wage rates. If State taxes and charges are a major business concern, this is more a reflection of the business climate than what caused it. Entrepreneurial endeavour will not be impeded by minor difference in payroll thresholds or in FID rates—

and, I add, BAD rates.

*An honourable member interjecting:*

**The Hon. FRANK BLEVINS:** You take that up with Peat Marwick. Continuing the report:

This is not to suggest that costs are not important—but any perceived differential between South Australia and other States is more imagined than real and would matter less if market share was increased or new markets tapped. The New South Wales tax review found that payroll tax is a relatively low add-on cost factor. On this basis, the review concluded that the abolition of payroll tax would represent a relatively low employment generator. Payroll tax in South Australia is amongst the lowest in Australia.

I could go on. These quotes are available to anyone in the Chamber who wishes to use them in a more appropriate debate, such as a grievance debate, because I think that what KPMG Peat Marwick has said deserves broadcasting more widely than it has been. I have not heard anyone from the other side quote from this document, and that surprises me, because this company is a very well respected South Australian company. I know that my colleagues on this side will use this material wisely.

In summary, no-one likes increasing taxes; however, it would be a cowardly Government, or one that failed in its social responsibilities, that did not increase taxes but allowed the massive reduction in areas that would have to occur in the essential services of health, education, community protection and all the other services for which the community has a very real need, in most cases, and concerning which there is certainly a very strong demand. I think the demand in my office alone from members opposite for services in their electorate would, if agreed to, require much higher taxes than we have at the moment. The requests are across the board; they are not specific to the three or four areas that I have mentioned but involve almost every area of Government activity. There is no limit to the demand from members opposite; however, we will meet reasonable needs. One way to do it, similar to the way Mr Greiner and the Victorian Government have acted, is to increase the BAD tax. Therefore, I urge the House to support the second reading.

The House divided on the second reading:

Ayes (22)—L.M.F. Arnold, M.J. Atkinson, J.C. Bannon, F.T. Blevins (teller), G.J. Crafter, M.R. De Laine, M.J. Evans, D.M. Ferguson, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hopgood, C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, J.A. Quirke, M.D. Rann, J.P. Trainer.

Noes (22)—H. Allison, M.H. Armitage, P.B. Arnold, D.S. Baker, S.J. Baker (teller), H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown, J.L. Cashmore, B.C. Eastick, S.G. Evans, G.M. Gunn,

G.A. Ingerson, I.P. Lewis, W.A. Matthew, E.J. Meier, J.W. Olsen, J.K.G. Oswald, R.B. Such, I.H. Venning, D.C. Wotton.

Pair—Aye—M.K. Mayes. No—D.C. Kotz.

**The SPEAKER:** Order! There being 22 Ayes and 22 Noes, I cast my vote for the Ayes.

Second reading thus carried.

**The Hon. DEAN BROWN (Leader of the Opposition):** I move:

That Standing Orders be so far suspended to enable me to move a motion without notice forthwith.

I think it only proper that I inform the House that the purpose of seeking a suspension of Standing Orders is to allow this Bill to be dealt with as a Bill of special importance. I have already foreshadowed that to the House and think, therefore, that Standing Orders should be suspended to allow us to proceed accordingly.

**The Hon. FRANK BLEVINS:** The Government is supporting the suspension of Standing Orders, merely to help the Opposition. Members of the Opposition have made all kinds of announcements over the weekend about what they will do. When they finally come round to looking at the Standing Orders, they find that they have got it wrong and will need to ask the Government to help them. We are accommodating, and that is why we are supporting this motion.

Motion carried.

**The Hon. DEAN BROWN (Leader of the Opposition):** I move:

That, pursuant to section 28a of the Constitution Act 1934, this Bill be declared a Bill of special importance.

I move this motion to take up a very specific challenge by the Premier, and I therefore hope that he is willing to stay in the House and listen to the debate this evening, since it was he who made a very specific promise to the people of South Australia when, on 10 February last year—

*Members interjecting:*

**The SPEAKER:** Order! I am surprised that members of the Opposition would shout over their Leader. Interjection and yelling in the House are out of order, especially when your own Leader is on his feet. The honourable Leader.

**The Hon. DEAN BROWN:** I can understand their disappointment at seeing the Premier, who after all is the man who made this commitment to the people of South Australia, suddenly getting up and departing the moment we move the motion. That is how little commitment the Premier bothers to make either to this Parliament or to the people of South Australia. On 10 February last year, when the Premier first announced the bail-out of the State Bank, he made a very specific commitment. That is there in black and white in the *Advertiser*. The commitment the Premier gave was a very specific commitment to the people of South Australia about the bail-out of the State Bank, and it is just a pity that the Minister of Finance has so little regard—

**Mr FERGUSON:** On a point of order, Mr Speaker, I listened very carefully to your rulings on the relevance of this debate, and I agree with them. I was just wondering whether this is relevant to this debate.

**The SPEAKER:** Order! Once again, that is a frivolous point of order. The Leader has been on his feet for just one minute of a 20 minute speech. All members are allowed leeway to build a case, and I would ask members to be more careful about their approach to these points of order and allow speakers time to build their speech.

**Mr FERGUSON:** The point I have raised concerns the debate on this motion: does it need to be relevant to the Bill that is before the House?

**The SPEAKER:** There is a motion before the House, not a Bill. I might point out to the member for Henley Beach that his colleague sitting right alongside him had to be cautioned on relevance just a few moments ago, and I again point out the danger of raising frivolous points of order.

**The Hon. DEAN BROWN:** Thank you, Mr Speaker. I go back to the point: on 10 February 1991, when the Premier announced the \$970 million first bail-out of the State Bank of South Australia, he made a very specific promise. That was: 'If this bail-out fails I will go to the people.' It is there in black and white in the *Advertiser*, and I will read it to the House as follows:

The Premier, Mr Bannon, promised to go to the polls if the package failed.

It is related to the doubling of the BAD tax, because tonight we have been debating the doubling of a BAD tax simply because that first bail-out of the State Bank did fail, as did the second bail-out and as we believe we are about to find out this week the third bail-out failed. Therefore, it is highly relevant that tonight we look at the failure of the State Bank bail-outs and relate it back to this Bill, which is raising additional revenue for the State Government to try to cover the interest payments based on that enormous debt which is now hanging over the heads of South Australians as a result of the failure and mismanagement of the State Bank. I come back to this very specific promise, which is the core of this whole move this evening, that is, that the Premier gave that promise on 10 February last year that, if the first bail-out of the State Bank failed, he would go to the polls.

The Premier is a very smart man when it comes to political contriving, because the Premier knew at the time of making that promise that the Constitution Act of this State, proclaimed in 1934 and amended in 1985-86, prevented him from going to the polls in under three years from the last election. He knew darned well that he could make a bold promise like that publicly because in fact the Constitution Act prevented him from going to the polls until February next year. Therefore, almost with a Colgate ring of confidence around him, once again he tried to deceive the people of South Australia. The point is that we have carefully looked at the Constitution Act and we have found a very legitimate and constitutional way around it so that the Premier can stick to the promise he gave on 10 February last year.

The Constitution Act is quite specific. There can be an election in under three years only on one of three grounds: first, that a vote of no confidence is passed in the House of Assembly and is successful; secondly, that the Government itself moves a vote of confidence in itself and that motion is defeated; and, thirdly, for a Bill to be made a matter of special importance. We have therefore decided to take the third of these three courses, for several reasons. First, we cannot expect this

Government to vote no confidence in itself. Even though we believe it fully understands the incompetence it has inflicted on this State, we do not expect it to openly admit it; it is just not that honest. Secondly, we equally understand that it will not vote against a vote of confidence in itself or move such a vote of confidence in itself. So, we come to the third measure, which simply requires a majority in the House of Assembly to vote to make a Bill a matter of special importance.

There are three very important people in this House this evening who will vote on this measure. They are the three Independent members: the member for Semaphore, our Speaker; the member for Elizabeth; and the member for Hartley. Those three members have, or any one of them has, the power this evening to support this rather simple measure. We are appealing to them simply to listen to the arguments put forward this evening as to why they should support this measure. Even if they do not support the measure, the Premier has his honour and his integrity at stake in also supporting this measure. After all, he made the promise. He publicly came out and said, 'I will go to the polls.' So, tonight I challenge the Premier to uphold his integrity, to uphold his promise and be willing to face the people of South Australia.

This could be achieved quite simply by the following: for the House tonight to make this Bill, which is a doubling of the BAD tax in South Australia, a Bill of special importance. The Bill would then go to another place, and in that other place, if the Bill is either defeated or deferred for a period of two months, then automatically the Premier would be in a position to call an election. So, using the full constitutional provisions of this Parliament, without any breach of undertakings, of procedures or of protocol, we are giving the Premier the clear opportunity to call an election and to give a choice to the people of South Australia whether they want another four years of this Government or four years of some hope and promise for South Australia and for a new direction.

I would challenge the Premier to come back into this House and to give us a clear undertaking that he will uphold his word and allow this measure to go through. Of course, it does not just rely on this House; it also relies on the other place. I realise that we would need the support of the Australian Democrats and the Liberal Party members in the Upper House to ensure that this Bill is either defeated or deferred for two months, but we are willing to take that risk. We are willing to put it to the Upper House to see whether it is willing to either defeat or defer the legislation.

I come to the second important issue that needs to be considered this evening, that is, the fact that here we have a Government that is doubling the BAD tax in South Australia for which it has absolutely no mandate whatsoever. We all recall the Premier, in his 1982 election promise, saying, 'There will be no tax increases by the Labor Government'.

*Members interjecting:*

**The Hon. DEAN BROWN:** And no new taxes as well. It was this Premier, who we are asking today to stand up and account for his integrity, honesty and honour, who made that promise, and since then has inflicted new tax after new tax, and tax increase after tax increase, so much so that, since he became Premier in

South Australia, taxes have increased by 200 per cent during that period. The State taxes collected by this Labor Government during that period have increased by 200 per cent or by \$1 000 million. Of course, we know darned well that, during that same period, the population of the State has increased by only 34 per cent—a 34 per cent increase in population and a 200 per cent increase in taxes inflicted on South Australians by the Labor Government.

Even since the 1989 election, we have seen a 19 per cent increase in State taxes, which represents a real increase—in other words, an increase over and above the inflation rate—of 6 per cent. So we have had, during those recent years, a decline in our State's economy. The Minister of Finance in summing up his second reading speech admitted that point. We have a declining tax base in South Australia, yet the Government has inflicted a real increase of 6 per cent in tax in South Australia and an actual increase of 19 per cent.

The Premier and his Government share absolutely no mandate whatsoever for a doubling of this BAD tax. We have already heard today the impact that will have, particularly on the business sector. I have spoken to small businesses and heard their story, particularly car dealers and small companies with a very high turnover in terms of product. The impact of a BAD tax such as this is enormous and will almost certainly mean a loss of jobs in so many of those small businesses.

A number of them have made the point that they will be forced to close as a result of this BAD tax. I have already been out to one small business which has shut up shop in South Australia and moved to Queensland as a result of this increase in taxation. That is the sort of pain that is being inflicted upon South Australians now and which is directly impacting on the loss of jobs in this State. As a result, we have the highest unemployment of any State in Australia at 12.5 per cent, with a projection in the Arthur D. Little report that, if this trend continues, this State will be experiencing unemployment of 14 per cent by the turn of the century with the loss of another 130 000 jobs. I find it incredible that this Government has so little feel for what is needed to create jobs in this State. Over the past 10 years it has created only 3 600 full-time jobs for males in South Australia. That is less than one job per day for the past 10 years, yet it is proud of its record. Queensland, as an alternative, has created 355 000 new jobs in that 10-year period.

The third important aspect of this debate is the pain that is being inflicted upon South Australians by the debacle with the State Bank. After all, that is the crux of what this motion is about and what the Premier's promise to the people of South Australia was about. On 10 February the Premier announced a first bail-out of \$970 million, assuring people that subsequent bail-outs would not be necessary. However, by August of last year that had increased to \$2 200 million as a total bail-out of the State Bank. About three weeks ago we had the third bail-out with the injection of another \$100 million to take it to \$2 300 million. All the forecasts, according to the pundits, are that by Thursday of this week there will be yet a fourth bail-out proving that the third bail-out has failed and taking the debt, we believe, to \$2 500 million at least.

Let us look at the impact. I find it incredible that the Minister of Finance, who, along with the Premier, is responsible for the finances of this State, sits there and yawns as if he were sitting in his club in Whyalla with little or no regard for the South Australians upon whom he has inflicted the pain. Those bail-outs of the State Bank are now costing taxpayers about \$650 000 per day in interest payments. Imagine if we had 365 communities or suburbs in South Australia and we went to them today and said, 'It's your lucky day. You have a gift of \$650 000 and we will not expect you to pay it back.' We could be doing that day after day for the entire year if we had not had this financial mismanagement and bail-out of the State Bank.

Tonight I do not intend to deal with whether or not this Parliament has been misled over that financial mismanagement. I think that would be more appropriately dealt with on another occasion. For those members of the public who are anxious about that, I say, 'Be patient.' I also do not believe that we should be dealing tonight with the fact that the Premier clearly fiddled with the interest rates imposed by the State Bank prior to the 1985 and 1989 State elections and the 1987 Federal election. Again, that should be dealt with at another time in this place.

Tonight we are dealing with the impact of the State Bank bail-out and the financial mismanagement on the taxes of this State, because we are dealing with a tax measure, and the pain and suffering that is being inflicted on the South Australian community. Consider the cuts in services that have occurred, for example, the closure of kindergartens throughout the State, such as the Penneshaw kindergarten, or the fact that kindergartens are unable to offer more than one service per week for 3½ to four-year-old children. Yet, 10 years ago the promise and the standard was a minimum of four such services per week. I have kindergartens in my area where the children can get one session per week, even though they are four or 4½ years old.

Look at the closure of schools around the State or the closure of hospital beds. We announced to the House last week that the Queen Elizabeth Hospital was about to be forced to cut hospital beds by 50, and it is estimated that there will be a closure of about 200 hospital beds in the metropolitan area alone. The Southern Districts Hospital at McLaren Vale, in my area, suffered an enormous cut in support of 17 per cent last year, with an anticipated cut this year of about 42 per cent over and above that of last year. Look at the cut back in public transport services that has been inflicted on metropolitan Adelaide in the past three weeks. Why have night services and weekend services been cut back? Simply because this Government has squandered the money through the State Bank and, as a result, it is having to cut back on its expenditure and therefore cut back on such services as public transport.

Look at the cut back in police services announced in the past 48 hours and the impact that is having on such services as Neighbourhood Watch. We can go on and on and on. On the other side of the ledger, look at how taxes are increasing in this State, such as the increase in the BAD tax we are dealing with here, the increase in stamp duties and the increase in tobacco tax. This State maintains a very high level of payroll tax, even though it

is a direct tax on employers who are trying to employ some of those who are unemployed.

Look at the breakdown in families that is occurring, simply because the children are unable to get jobs here in South Australia. I am amazed at how many parents are now distressed at the fact that their children are having to go interstate or overseas to have the chance of getting their first job. One in every two of them out there looking for a job at present are unable to get a job in this State. That is an appalling record, and the only response that the Labor Party can give both here in South Australia and federally is to try to churn more of them back into the high school system and put more into training, or to go out and create some short-term jobs.

Why does this Government not start to create the long-term jobs that people are looking for, the sorts of jobs our young people want so they can have a career in life instead of having to go overseas? There are 500 unemployed fully qualified engineers here in South Australia, many of whom are experienced, who cannot get a job because not only has this Government killed any confidence in the private sector but it has killed the confidence to invest and it has killed the opportunity for new people to come here and create businesses. It has also very sharply reduced capital expenditure in this State. There has been a 27 per cent reduction in capital spending in the past four years alone. That is the third reason why we would urge all members of this House to support this motion.

I do not expect Government members to vote in any way other than a purely political manner tonight. I have been here long enough to realise that Government members have no conscience when it comes to looking at what is needed for the State, and that they would cast their vote in a manner which is purely directed by their front bench. Therefore, obviously they will vote against this motion. So, we come back to your vote, Mr Speaker, and the vote of the other two Independents. I was interested to take some note of your statements, Mr Speaker, when you said on 8 February this year, for instance:

The Government has my full support provided they act in the interests of South Australians.

I ask you, Mr Speaker, as a man who claims to be independent and who is acting in the interests of the unemployed and the small businesses in his electorate—and I hope also beyond his electorate—are you acting in the interests of those people if you allow this BAD tax to be doubled here in South Australia? Will you be acting in the interests of those people if you allow this Government, which has maintained this direction for the last 10 years, to continue to exist even another month or so? Are you willing to vote against the desire of the four out of every five South Australians who now clearly want a change of direction in South Australia? Are you prepared to shun that four out of five simply to maintain the position that you have in this House, in support of this Government?

**The SPEAKER:** Order! I hope you are not reflecting on the Chair with that comment. I warn the Leader to be very careful about accusations or allegations towards the Chair and the person, whoever it may be, who is in the Chair.

**The Hon. DEAN BROWN:** I come back to the statement you made, Mr Speaker, and that is what I was referring to, that you would support this Government provided it maintained the best interests of South Australians. I am asking you to think seriously about whether what this Government has been inflicting on the people of this State for the past 10 years, and particularly for the past 12 months, is in the interests of South Australians. Only you can make that judgment as the Independent member for Semaphore. A great deal of responsibility lies on your shoulders as you consider this measure. I also point out—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. DEAN BROWN:** On 24 May, having said that you would support this Government only if it was in the interests of South Australians, you went on to say (*Sunday Mail* of 24 May):

The simple fact that Mr Bannon has been unable to take control of the deteriorating situation must suggest he is not able to do so.

Mr Speaker, you suggested publicly, and I believe I have quoted you accurately—

**The Hon. J.P. TRAINER:** I rise on a point of order, Mr Speaker. It is a tradition of this House that members do not draw the Chair into debate. It is completely unfair to the Chair because the occupant of the Chair is not able to participate in the debate.

*Members interjecting:*

**The SPEAKER:** Order! It is the tradition of the House. However, members have decided to break that tradition. It is very lucky for the Liberal Party that they have someone to aim at. It just happens, by a quirk of the vote, that they have someone in the Chair who is not a Party member. I ask the member at least to pay some lip service to the traditions of the House and not attack people who do not have the right to respond.

**The Hon. DEAN BROWN:** The Independent member for Semaphore passed that comment in the *Sunday Mail*. Then yesterday in the *Advertiser* of 24 August the member for Semaphore—

**The Hon. T.H. HEMMINGS:** Mr Speaker, I rise on a point of order. My point of order is a continuation of your remarks to the House. Everyone knows that the member for Semaphore is the Speaker of the House and, therefore, I am putting to you that, in effect, the Leader is in direct conflict with the ruling that you gave a minute ago.

**The SPEAKER:** Order! I understand the point of order. The Chair finds itself in a very difficult position. If I rule that the Leader is out of order, I am gagging the debate. I will allow the Leader to use all of his ammunition and get it all off his chest. Once it is gone, it is gone. At least we will all know where we stand. The honourable Leader.

**The Hon. DEAN BROWN:** Thank you, Mr Speaker, and I appreciate your ruling, because I think it is only right and proper. Mr Speaker, you have a potential casting vote in this House and I believe that I have every right to put a case to this House and to all the members of the House as to why they should support the motion.

**The SPEAKER:** And the Chair has upheld that right.

**The Hon. DEAN BROWN:** I appreciate and thank you for that, Mr Speaker. On 24 August the Speaker is quoted in the *Advertiser* as saying that he will talk to the



Premier, Mr Bannon, over his future and that of his Government. I ask you, Mr Speaker, given that that statement was made on Sunday, whether in the past 48 hours you have had a chance to speak to the Premier about the future of his Government? After all, it is well known that this matter was coming up in the House today; I had foreshadowed it on Saturday.

**The SPEAKER:** Does the Leader wish me to respond, because I will respond to other people I have spoken to as well? Are you asking the Chair?

**The Hon. DEAN BROWN:** I am asking the Chair to respond, at the appropriate time, if that is what he would like to do.

**The SPEAKER:** Including the Leader?

**The Hon. DEAN BROWN:** Yes, including the Leader, if you like, because, Mr Speaker, you made a public statement and I am picking up that public statement. So, I ask: have you spoken to the Premier and, if so, what did you discuss with him in terms of the future of this State Government? I also point out that in your quote to the *Advertiser*—

**The SPEAKER:** I also point out that even though this motion is very wide-ranging—and I am certainly not trying to protect myself from anything at all the Leader wishes to say—the reason for the motion is that we have an election in this State. We make a Bill of special importance. My vote in that will be a matter of record at the end of the debate. So, I draw the Leader's attention to the fact that we are not debating at this stage the vote of the Speaker or the member for Semaphore; we are debating the motion for a Bill of special importance.

**The Hon. DEAN BROWN:** Thank you, Mr Speaker. The final point I wish to make is that one of the three Independents was quoted in the *Advertiser* yesterday as quite clearly stating that we have been in a state of hibernation for 12 months. So, one of the three Independents whom I mentioned earlier clearly believes that the State is in a state of paralysis, and surely that Independent would therefore consider whether this State can continue in a state of paralysis for another 18 months. I say '18 months' because there is the unfortunate prospect of another 18 months until the next election if this motion is not passed tonight.

I turn to the two other members of this House: the Independent member for Elizabeth and the Independent member for Hartley. I am delighted to see that the Independent—if I may use that expression—Labor member for Elizabeth is in the House at present. I put the same plea to those two Independents. There is an enormous obligation on their shoulders to consider very carefully whether they wish this Government to continue for another 18 months, whether they support a doubling of the BAD tax, whether they support the increase in the tax burden imposed upon the people of South Australia and whether they support the hypocrisy of the Premier in making a bold promise on 10 February last year and then appearing to want to back away from it as he is obviously doing this evening. It is up to those two Independents, along with the third Independent, to consider their position carefully. I am sure that how they vote tonight will be a subject—

**The SPEAKER:** Order! I draw the Leader's attention once again to the fact that we are not debating the vote of any member in this place, which will be a matter of

public record when the vote is taken. We are debating the reason for the need to make this Bill a Bill of special importance.

**The Hon. DEAN BROWN:** Exactly, and I am putting my case to the various members of the House, which I think I have a right to do. However, I will come back to the substance of what you have asked me to do.

**The SPEAKER:** I would advise the Leader to do that.

**The Hon. DEAN BROWN:** I highlight that there is an enormous obligation on members of the House, whether they be ALP members or Independent members, to consider how they vote and their accountability to their electorates. We in the Liberal Party will ensure that their electorates understand how they vote tonight on this particular measure. Other members of the House—not from this side—have also questioned whether this Government should be allowed to continue and whether there should be a continuation of confidence in the operation of this Government. I come back to the key issue before us this evening; that is, whether the Premier is prepared to uphold his promise, his honesty and his integrity by going to the people of South Australia with an election as he promised to do on 10 February last year.

There is no more complex issue than that. The Premier made the promise; the Premier said that he would go to the polls. We are giving him the opportunity to go to the polls. Now, let him take up our challenge, my challenge, and go to the people of South Australia so that they can have a choice. The choice tonight is to support this motion and therefore get rid of both a bad tax and a bad Government.

**The Hon. FRANK BLEVINS (Minister of Finance):** I oppose the motion. In doing so, I want to thank the Leader for his assistance in ensuring that the motion is defeated. I have never heard seen such a suicidal speech to a motion in my life. It is with great sincerity that I say to the Leader, 'Thank you', and to those who put him there, 'Thank you, too'. The Leader has not improved. The best thing that can be said, the kindest thing that can be said, about this tactic is that it is puerile and juvenile. I think that has always described the Leader when he was here prior to his defeat by the member who now sits behind him. I think it is typical—

*The Hon. Dean Brown interjecting:*

**The SPEAKER:** Order! The Chair protected the Leader and it will protect other speakers. The honourable Minister.

**The Hon. FRANK BLEVINS:** I do not intend spending any great length of time on this because, quite frankly, I do not think that the Leader is serious. This procedure was placed in the Constitution for very serious reasons; it was not included for somebody such as the Leader of the Opposition to dream something up over a weekend—and to not even get the procedures correct—and say, 'We will use this particular provision of the Constitution, not that we think that this Bill is a Bill of particular importance. We do not believe that it is particularly important.' The Leader is on the record as saying that he does not believe that this Bill is of particular importance.

The Leader has said quite clearly that there are half a dozen Bills that he will tack this to. Are they all Bills of



particular importance for which the Constitution sought to make some provision? Most certainly not. That is not just my opinion or my assessment of what has gone on over the past four or five days since some bright spark thought this one up: it is the Leader himself. I will quote from the ABC news:

**READER . . .** The State Opposition is persisting with its attempt to push the Independent Labor members into forcing the Bannon Government to an election. The political reporter, Alexandra Kerr, says that despite the three Independents who hold the balance of power saying they won't support the Opposition's latest move . . . Opposition Leader, Dean Brown admits it's just a device to defeat the Government on the floor of the Parliament saying it's to test the independence of the Independents.

. . . Mr Brown wants any one of the three Independent Labor MPs in the Lower House to vote against the Government's bad tax legislation which doubles the tax on bank withdrawals.

**DEAN BROWN . . .** We need to simply put it to any Bill in the House of Assembly and we've picked on the BAD tax to do that.

That has nothing at all to do with this Bill: it is merely a half smart tactic—and I say that in the pejorative way—that can, apparently, apply to any Bill that now comes before the Parliament without that Bill in any way being important. To me, that amounts to treating the Constitution with a degree of contempt.

*Mr S.J. Baker interjecting:*

**The SPEAKER:** Order!

**The Hon. FRANK BLEVINS:** I do not believe for one minute—

*Members interjecting:*

**The SPEAKER:** Order! The member for Victoria has been cautioned several times today.

**The Hon. FRANK BLEVINS:** Members opposite were told in this debate to behave. They have managed to do so for about half an hour, but already they are falling apart. They should control themselves. I do not believe for one moment that the Constitution was intended to be used in this way. Rather, I would have thought there was a quite simple procedure: if members opposite want to bring down this Government, they need to look no further than a motion of no confidence. If they believe that you, Sir, or anyone else in this Parliament no longer has confidence in this Government, why not put a motion of no confidence and see what happens? That is a perfectly proper procedure, and that is why motions of no confidence are provided for. If the Leader and the House feel that this Government ought to go, the Leader should move a motion—

**Mr Olsen:** I thought this was going to be a short contribution.

**The Hon. FRANK BLEVINS:** This is one of my short ones.

*Mr Olsen interjecting:*

**The Hon. FRANK BLEVINS:** Do you want to hear one of my long ones? You have been away for a while and you have forgotten; you should not have come back. That is a procedure that everyone in the House would respect. They would respect the Leader for moving it and the House would deal with it accordingly. This proposition that this or any Bill is merely a device for some elaborate way of stroking or massaging the Constitution—for what reason, I do not know—is absolute nonsense.

I want to finish on this note. The first union meeting I attended was held very many years ago. I was very

young and very naive: I was a juvenile. During that meeting, out of total ignorance, I attempted to involve the Chair in debate. I was told by some very wise people, well versed in debating that it is absolute ridiculous nonsense, childish and very bad form to attempt to involve the Chair in the debate. The wisdom of those old unionists has been vindicated here today, because whoever advised the Leader to involve the Chair in the debate advised him poorly. Any Leader worth his salt would have rejected that advice and said, 'That's ridiculous'. In any event, if the Independent Labor members in this Chamber were of a mind to support this nonsense, this charade, what did they hear from the Leader that would convince them?

If an election were to be held and the Opposition were to win it, what would be the fate of South Australians? Who knows? I can tell you, Sir, that there was nothing in the Leader's speech to persuade anyone, any fair-minded person, that there was a viable alternative. The stupidity of the tactic of involving the Chair in debate shows that there is still a lot of sorting out to be done on the other side before members opposite can make any claim even to be an alternative Government, never mind a Government. In summary, this is a device, a rather childish device. If the Opposition has no confidence in the Government, fair enough, let it put up the motion and it will be dealt with. This device is nonsense and Parliament should not waste too much time on it. I urge the House to reject it.

**Mr INGERSON (Deputy Leader of the Opposition):** What concerns me most of all this evening is the arrogance of the Government and, in particular, the fact that only six members opposite are present: the hapless Minister of Finance, the member for Walsh, the retiring members for Henley Beach and Napier, the surviving member for Albert Park and the retiring member for Peake. I now welcome the Independent member for Hartley who will probably be the next member for Napier.

One of the things that concerns me is that the Premier of this State has decided to walk out on the very serious motion that is before the House. He has walked out because he is not prepared to face up to the reality of this very important motion. The Premier does not have to agree with the motion but what he does have to do, and should do as Premier of this State, is respect it and face up to the reality that the Opposition has in all good faith put forward this motion because it believes that this is the action that needs to be taken at this time.

I note with interest the comments of the Minister of Finance (the member for Whyalla) about the seriousness of this motion. It is a pity that the Minister of Finance was so flippant and so arrogant in his response to this motion. I have heard the Minister many times in this House put forward presentations that are formidable and worth listening to, but the flippancy with which he dismissed the motion is a disgrace to him and to the Government. This Bill, which doubles the BAD tax, is a very important Bill for this State because it will double the tax on the out payments of individual's accounts and it will be a very serious increase in the cost of business in this State. I am staggered that the Minister of Finance

can stand here and virtually laugh off the seriousness of this motion.

The Minister of Finance also made specific mention of the involvement of the Chair or, as we have put it, the Independent member for Semaphore. Every member in this House has a right to be questioned and challenged in terms of their beliefs and their attitudes in the public arena. We respect your position, Sir, as Speaker, but we also challenge your position in terms of your belief and attitude concerning government. That is the right of the Opposition, as it is our right at any stage to challenge the member for Elizabeth, the member for Hartley and the Independent member for Semaphore.

In supporting this motion, I remind the House of one of the Premier's most famous pledges. It was one that ranked with Bob Hawke's promise that no child will live in poverty by 1990. The Premier told South Australians that when he won office in 1982 taxes and charges would not rise above the rate of inflation and that there would be no new taxes. I am pleased to see the hapless Minister of Finance is now leaving the House. Perhaps the Minister is finding a little difficulty in understanding what is going on. As you, Sir, and we on this side all know, within six months of the Government's coming to power, we had a budget that immediately introduced a new tax, the FID, the tax that is now being doubled, to the extent that businesses in this State are now transferring their financial transactions to Queensland.

What an indictment that is on this State: that we have introduced a tax that is forcing the financial dealings of business to other States. That promise, as with others from this Premier and his Labor colleagues in Canberra and in Adelaide, has fallen by the wayside. Those taxes have increased revenue by over 200 per cent and have meant a 19 per cent increase in total taxation in this State. That is a 6 per cent real increase in taxation over the past 10 years. The tax that forms the centrepiece of this motion is another example of the Premier's inability to stick to his word.

The bank accounts debits tax is a tax on industry, on business and on every man and woman in this city. This Bill, which represents the increase in tax, is a total, across the board tax that has been increased again by the Premier totally against all promises that he made not only at the last election but also at elections prior to that. This tax will now cost South Australians 30c for every withdrawal of more than \$1. That means that every single time you withdraw \$1 from your bank account, whether it be for business or as an individual, there is a 30c tax on that which goes straight into Government coffers.

This Bill is a very important one in relation to taxation in this State, and it deserves to be made a Bill of special importance. This tax involves an increase of over 100 per cent compared to the 2 per cent increase that the Premier pledged to the public in 1989. This tax will hit all business in this State. The A.D. Little report said that this State was bleeding: that business in this State needed to be looked after. And taxation increases of this type on business are only driving businesses to the wall and out of our State.

This State tax will raise \$29 million in a full year. This is little more than 1 per cent of our State Bank debt. It is 10 per cent of what we owe on Collins Street. It is less than 50 per cent of what the Government owes on

Scrimber and because of the bungle in that area. We do not believe that this is a way to recoup finances. We believe that this Bill is of great importance to this State and, consequently, should be made a Bill of special importance. We believe that any Bill that effects significant tax increases right across the general community should be made a Bill of special importance, as it then it puts us in the position of being asked to ask you, Mr Speaker, the member for Elizabeth and the member for Hartley to consider your position in terms of a future election in this State.

You, Mr Speaker, and I know that a very significant number of people in the community, are saying to us all that this Government should go. This is an opportunity that we are giving to you, to the member for Hartley and to the member for Elizabeth to express the community's concern and to make sure that this Government goes as soon as possible. I support the motion.

**The Hon. T.H. HEMMING (Napier):** I oppose the motion. The Deputy Leader has tried very hard to regain the high moral ground in this debate. He accused the Minister of Finance of being flippant, but let me repeat what the Minister read to the House from the ABC news today. The Leader said:

We need to simply put it to any Bill in the House of Assembly, and we've picked on the BAD tax to do that.

If we follow that line of argument as to why this Bill should be given the status of being of extreme importance and we work on the Leader's logic, even Order of the Day No. 9 on the Notice Paper, namely, the Animal and Plant Control (Agricultural Protection and Other Purposes) (Immunity from Liability Amendment) Bill, could attract a similar motion. With all due respect to the Minister on the front bench, if we follow the logic of what the Leader has put to the House and to the listeners of the ABC, those on the other side of the House could quite easily have mounted a similar argument and insulted you, Sir, the member for Elizabeth and the member for Hartley in the way they did earlier on saying that this was of great importance.

They know that under the normal set of circumstances under section 28a, they must, in effect, persuade the three Independent members that this Government is no longer functioning to the benefit of the people of this State, and so far they have not done that. We have yet to hear the kind of policies that could prove to be more attractive not only to the people of the State of South Australia but also, more specifically, to the three Independent members who keep this Government in office. They cannot do that in this House because they cannot fool the Independent members.

They have not fooled the Independent members because there has been nothing that they could offer. So, they go through this mechanism of making this Bill of great importance so that the dirty work can be done in the other place—so that they can wash their hands and say that at least they tried to defeat the Bill here but they could not. They tacked on this motion in effect with the support of the Government, to allow them to debate it (I will touch on section 28a later), but then the dirty work can be carried out in another place—hoping that the Democrats would support the Liberal Party in another

place. In effect, that is a blatant piece of hypocrisy, because you, Sir had to listen to the Leader, trying to put you on the spot, and I think the Leader already knew that you and the other two members had made your position perfectly clear. However, the Leader hopes that the others up there in another place can do the dirty work.

Let us look at the reason for this motion. There was a Liberal Party AGM this weekend and, because the Leader had to appear tough to all those Liberal Party red-necks out there, he got some smart people in the Liberal Party to tamper around with the Constitution Act. I have never trusted lawyers, *per se*, but I trust Liberal Party lawyers even less. But the ones I trust even less are Liberal Party lawyers, and I detect the evil hand of the Hon. Trevor Griffin in this little ploy which is typical of the way they usually operate.

Mr BRINDAL: On a point of order, Mr Speaker, I believe the member for Napier is reflecting on a member of another place. That is out of order, and I ask you to rule accordingly.

The SPEAKER: The reflection being?

Mr BRINDAL: The evil hand.

The SPEAKER: I do not uphold the point of order. The honourable member for Napier.

The Hon. T.H. HEMMINGS: I do not think that we will get a good record in tomorrow morning's *Advertiser* of how the Liberal Party came unstuck or how members opposite insulted you, Mr Speaker. As my colleague the member for Henley Beach has quietly interjected, the story has most likely been written, and it is already rolling in order to catch the early editions. The Liberal Party wanted it done directly after grievances this afternoon, so that it could get 6 o'clock television and the 7 o'clock ABC news. The Liberal Party wanted prime time. So, I would be willing to bet that those presses down at the *Advertiser* are already rolling.

The SPEAKER: Order! Gambling is out of order.

The Hon. T.H. HEMMINGS: I know gambling is out of order. I am like you, Mr Speaker, I treasure every dollar I earn and I spend it wisely. Let us go back to why section 28a was put in the Constitution Act. Most members opposite who are in the House today took part in the debate on the amendments to the Constitution Act when we discussed section 28a. Section 28 was repealed, and then section 28a was brought into the Act. You, Mr Speaker, and I have discussed this matter over a cup of coffee many times. Paragraphs (a) and (b) of subsection (1) are self-explanatory. Paragraph (c) was primarily included for the Government to be able to say, 'We consider the measure in question to be of such importance that we will stand or fall by it.' Its purpose was not for the Opposition to say that it was a Bill of special importance.

Mr Ingerson: Every member has the right to—

The Hon. T.H. HEMMINGS: The Deputy Leader, who has adopted the mantle of the moralist of the Liberal Party, may say that every member has the right, but the Deputy Leader, just by the position he holds in the Liberal Party, was party to this shonky trick that was being inflicted on the House and this manipulation of section 28a of the Constitution Act. There was always the problem of legislation being defeated in the Upper House, because this Government has never enjoyed a working majority in that place, and this provision was inserted so

that the Government of the day could say, 'Regardless of what has been debated here' (the Government having the numbers here) 'the Government places so much importance on the legislation that it is prepared to stand or fall.

Section 28a (4), referring to the mechanism that could be applied in the other place, provides:

(a) the Bill is defeated on a vote taken in the Legislative Council;

(b) the Bill has not been passed by the Legislative Council at the expiration of two months from the date of the transmission of the Bill to the Legislative Council;

(c) the Bill is passed by the Legislative Council with an amendment or suggested amendment to which the House of Assembly disagrees and the differences between the Houses are not resolved within one month of the passing of the Bill by the Legislative Council.

That was clearly understood by everyone who took part in the debate when the Constitution Act was amended. Let us be hypothetical and assume that you, Sir, the member for Elizabeth or the member for Hartley, jointly or individually, will support this motion. I do not know what the views are. I have read reports in the newspaper, but I do not know what your view is, Sir, or will be when we take the vote.

Then we have the scenario of what will happen in the other place. They will then play around with the legislation. They will do all manner of things. We all know what the Standing Orders are like there. There are no such things as time restraints or keeping things going as applies here. They could ensure that one month quite easily passed before the Bill was considered. That is what this motion is all about.

The Liberal Party does not have the guts to move a motion of no confidence in this Government, not because you, Sir, or the members for Elizabeth and Hartley are in our pockets—nothing like that—but because it does not have a set of policies that you, Sir, or the other two Independents would find attractive. So, the Opposition has to get some shonky lawyer to come up with this grubby little trick and hope that it can fool you, Sir, and the members for Elizabeth and Hartley. I have more faith in your judgment, Sir, than I have in members opposite. It is a shabby trick and it should be rejected.

Mr S.J. BAKER (Mitcham): I should like to come back to what the debate is all about, and that is a promise by the Premier on 11 February 1991. It was reported:

The rescue package announced yesterday will cause a multi-million blowout in the State's budget and could spark further increases in State taxes and charges.

That is what we are seeing in the BAD tax. The report goes on:

Importantly, the Premier, Mr Bannon, promised to go to the polls if the package fails.

There it is, clear and unequivocal. For members opposite to treat this debate as a joke, as they have done, is a reflection on them and on their Government. It is clear the Premier said that if the package failed he would go to the polls. How many times has it failed? Some \$970 million was the first effort, \$2 200 million was the second effort; \$2 300 million was the third effort, and we do not know what the fourth effort will be. For members opposite to treat this debate as a joke, as I said, is a reflection on their capacity to govern this State. They cannot even debate the motion on its merits. We have

had the Minister of Finance, who had a job to do, saying said, 'I am going to turn this debate into a farce,' and he tried to do so. Then, of course, he was followed by the clown jester, who stood up for 10 or 12 minutes and did nothing to—

**The Hon. T.H. HEMMINGS:** On a point of order, Mr Speaker—

**The SPEAKER:** Order! The member for Mitcham will resume his seat. The member for Napier.

**The Hon. T.H. HEMMINGS:** The member for Mitcham has reflected on me, Sir.

**The SPEAKER:** Order! What term did the member find to be a reflection?

**The Hon. T.H. HEMMINGS:** When the member for Mitcham was speaking, he was talking about the Minister of Finance who was, in effect, reducing the debate to a very low level. Then he said 'followed by the clown jester'. I do not mind repeating that, but it is automatically a reflection on me.

**The SPEAKER:** Order! The member for Napier has requested the withdrawal of the term 'clown jester'.

**Mr S.J. BAKER:** If it will assist the debate, I will refer to the humorous gentleman across there and withdraw the words 'clown jester'. The Minister of Finance and the member for Napier had a job to do, because they had no capacity whatever to answer the charges laid against them tonight. I remind the House of what the Premier promised, as reported accurately on 11 February 1991. This debate is about integrity. It is about facing up to responsibility, something which the Premier has not been particularly noted for in recent times but which we would expect him to face up to now.

I will be very brief in this debate, or we will be here all night and will not get to the vote to see how squeamish the Government really is. If it had any guts or determination, it would make it a matter of public importance. Members opposite would make it a Bill which is serious for the future of this Government. With respect to the community of South Australia, the Government has been totally reprehensible, and the people are demanding that it be put to the test. I have said many times in this House that I have people running into my office and ringing my telephone day after day saying, 'What are you doing to get rid of this lot? The State cannot survive with them as the Government any longer.'

As Shadow Treasurer, I am absolutely terrified if I have to wait another 18 months to find out what the state of the Treasury is. We simply cannot afford to allow this Government to continue for one minute more to pillage the Treasury and to take no action to arrest the State debt in the way it has over the past 10 years and, in particular, the last 18 months. The Treasury has been raped and continues to be raped by this Government. We have before us a Government that talked about the way it was going to look after the State's assets. I well remember the former Leader of the Opposition being pilloried because he dared suggest that we should in fact look at our asset base, take areas of government and put them into the private sector. It is called 'privatisation'.

Let me point out to the members of the House that the Government is now indulging in a sale of SAGASCO shares which it hopes will bring to Treasury approximately \$300 million. There are no conditions

attached, as we have all heard, so there is another fire sale to help out the State Treasury. If we wait another 18 months, everything that is saleable, anything that can be lifted up and anything that can be put on the market will be put out there just to sustain this Government in power, and I do not believe that the people of South Australia want that.

A number of comments have been made about the capacity of this Government. It has been called 'snap frozen', 'in a state of paralysis' and 'in a state of hibernation'. I think all descriptions are equally apt. They describe a Government that has actually taken us backwards rather than forwards. I would ask members to reflect on what is happening to families in their areas; what is happening to the unemployed people in their areas; what is happening to the public debt; what is happening to the level of suffering; and what is happening to the level of investment in this State under this Government's management.

I note that members opposite made a point about whether the Speaker of the House should be challenged. The House of Commons has an independent Speaker: in this House we do not have an independent Speaker. We have three independent members who are here to make up their minds on the merits of the case being put forward.

I remind the member for Elizabeth, for example, that he has 60 per cent youth unemployment in his area. If he wants that to continue, then let this Government remain in power for the next 18 months. I remind the member for Semaphore that he has more than 50 per cent of his young people unemployed and looking for work, without hope, and I would remind him that he has a responsibility, as does every member in this House, to change the Government, because that is the only way we can give those people hope.

The member for Hartley may well have a lower percentage of unemployed people in his district—certainly the number would be more than 30 per cent in his area. Each member has a special responsibility to the House. It is right of the Leader and any other member of the House to challenge that person to consider what they are doing here tonight.

The Minister of Finance made three points. First, he said that this is a puerile exercise. I ask the House to reflect on how puerile the situation is in South Australia. The statistics have been given. They are raw statistics and they understate the level of suffering and hopelessness brought about by this Government. They relate to the 11.5 or 12.5 per cent unemployment. They relate to the over 40 per cent unemployment among the young and the enormous unemployment among the older members of the work force. They relate to the fact that we have 5 per cent of investment in South Australia. It is an important debate that demands the attention of the Government. It cannot treat this House with the arrogance that it has shown to date.

The Minister also mentioned section 28a of the Constitution. The Constitution is a fact of law and was passed by this Parliament. In fact, it is the guiding light of this Parliament and it is being used properly and appropriately on this occasion, as members opposite would understand. We do not expect the Labor drones and clones to change the world: they will follow

faithfully behind their leaderless Party. But we do expect some leadership from the three Independents in this House. My last words in the debate are to remember a famous statement: 'Never has so much damage been done by so few.' I support the motion.

**The Hon. D.J. HOPGOOD (Deputy Premier):** The member for Mitcham when he rose to his feet indicated that he wanted to get us back to the debate at hand. He did not quite succeed and I would like to suggest, rather immodestly, that I will succeed in bringing us back to the essential nature of this debate. There is a basic assumption behind all that the Opposition has considered in bringing this motion forward. If that assumption is correct, then it is not unreasonable that this debate should take place. If the assumption is incorrect, then the debate is a complete waste of time, as I will illustrate by going directly to section 28a of the Constitution. The basic assumption must be that this Government believes at this time that it is the right, proper and responsible thing to go to an election. If the Government does not think that it is the right, proper and responsible thing to go to an election now, all of this is a waste of time.

Let me explain what I am getting at. Section 28a arose from the debate when this Parliament very properly determined that we should extend the life of the Parliament to four years. At the same time the Parliament also very properly considered what should be the minimum fixed term for the Parliament, because the concern in the past has not only been short Parliaments—and a number of us longer term members recall those short Parliaments—but also the ambit of choice that was available to the incumbent Government in going to an election. It was felt that the extension to four years would simply give four years' ambit to the incumbent Government instead of three years, and nothing would be gained. So, at that time Parliament indicated that it should include in its amendments the guarantee of a three-year term.

Mr Speaker, you know, as I know and as other members know, that one can never tie things down completely; there may be circumstances when it is appropriate and, indeed, essential, that an election occur before the end of that three-year term. So, the Parliament determined to write into the Constitution three circumstances in which an incumbent Government could seek or be forced to an election prior to the completion of those three years. What are those circumstances?

The first is that the Government should lose on a vote of no confidence in the House of Assembly. That is not what we are voting on tonight. A good deal of what has been said by members opposite would be pertinent to such a debate—I do not say I agree with what they have said, but it would be pertinent to such a debate. It is totally irrelevant to the debate we are having this evening because that is not the procedure we are following. I guess, as my colleague the Minister of Finance explained, that is something that is open to members opposite to test if they want to do so.

There is no point in appealing to you, Sir, in relation to a no confidence vote, because that is not what we are having this evening. The second circumstance in which a Government of the day can invite the Governor to dissolve the Parliament and go to an election is when a

Government member moves a vote of confidence in the Government and, again, that is defeated on the floor of the Chamber. Some of what has been said tonight would also be relevant to such a debate—although I do not say that it is accurate. Are we having such a debate? No, we are not.

So, what remains? What remains is section 28a, which relates to what happens in another place rather than in this Chamber. It provides for the House of Assembly to pass a motion declaring a Bill to be a matter of special importance and then, if two conditions are met, an election may take place. Of course, the first condition is that the Bill is rejected in the Legislative Council—and there is no guarantee at all of that happening. The second condition is that the Government then takes the option to invite Her Excellency to dissolve the Parliament. I can inform members that the Government believes that such an action would be highly irresponsible in the present circumstances. So, there we have it.

The basic assumption—that is the only basis on which there can be any justification for anything that the Opposition is putting before the House in this motion—is false. The Opposition is trying to help the Government. We are saying that we do not need help. It is trying to help us through the tortuous process of calling an election prior to the guaranteed three-year term. We are saying that we are not interested; we are saying that it would be totally irresponsible to go to an election at this stage, given the matters which are currently in train and which would be unravelled by such a process.

So, the situation is that, even if all this were to occur in the way that has excited the Opposition, the Government would not take the option of inviting Her Excellency to dissolve Parliament—so it is all a waste of time. As my colleague indicated to the House, most of what members opposite said may be relevant to a no-confidence vote, but that is not what we are having. We are having a sham and an opportunity for members opposite to talk about anything they want to talk about. The forms of the House are sufficient for that to happen. We have just finished a debate on the Address in Reply; we have just finished a debate on the Supply Bill; we are shortly to have the budget debate when we have not only the normal debate but a further motion to go into a Committee of Supply. On all those occasions members are virtually unfettered to say the sort of things that have been said here this evening. Let them contain their impatience just a little longer.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr OLSEN (Kavel):** I support the motion that was moved by the Leader, principally because what we want is for the people of South Australia to have a say through the ballot box as to whether this Government should continue in office in the foreseeable future. As the Deputy Premier said, the Government is not interested in that, and the reason it is not interested is clearly because it would lose so many seats that it would have to have cardboard cutouts put on this side of the Chamber to fill up the benches. That is why it does not want to go to the polls; and that is why it is rejecting this motion.

Tonight I could speak on a number of issues in the time that is available to me as to why this Government

ought to be tested by the final arbiters, the people of South Australia. For example, I could speak about the \$2 million secret payment that the Premier gave to the State Bank to keep interest rates down during the course of the last State election campaign when high interest rates was the dominant issue—and, we would all remember that Alan Bond is in gaol for being involved in a secret payment—but, I will not indulge in that on this particular occasion.

The Westminster system of responsibility is another reason why we ought to be testing the capacity of this Government to continue in office. Under any test of the Westminster system of Government, the Premier, as Treasurer of South Australia, should have resigned the day he announced the State Bank's first bail-out—there is no doubt about that. That is where the buck should have stopped. However, the Premier said, 'Well, the easy option would have been for me to resign, but the difficult thing is for me to stay on board and work through this problem.' I reply to that, 'No, thanks', simply because this Government's track record over the past 10 years gives me no confidence, nor is there any confidence out there in the electors of South Australia, that the Government will ever get this economy back on track again.

What I want to talk about as the main reason for supporting this motion is the effect of this Government's policies on small business and the reason why small business can put up with no more in South Australia. Small business cannot afford to wait 18 months between now and the next election to have put in place policy directions that will start giving it a fair go in the community. One only has to look at the Arthur D. Little report, which states:

South Australia's performance in manufactured exports is more typical of a less developed country, a performance in manufactured exports that is lower than that of India and Malaysia...Greece is the only one of the 22 OECD countries whose performance in internationalising its economy is judged to have been worse than Australia's.

That is some track record of 10 years of Administration by the Bannon Government! It is this Government that has said repeatedly at election campaigns that the small business community is the engine room for economic growth. It is the small business community that policy direction ought to give a fair go to because the small business community is the major employer in this State and nation.

This motion is attached to a financial measure that doubles the cost and impact on those small business enterprises. When one looks, as I have, at a survey of small business that was conducted in recent times, one finds that 40 per cent of the respondents to the survey expected a downturn in sales of greater than 15 per cent or more over the previous year, and one should bear in mind that sales and turnover are at rock bottom already. The survey also found that 50 per cent of those small businesses reported an increase in bad debts and that 11 per cent are experiencing an increase of 100 per cent in their bad debts, and that, Mr Speaker, dries up their cash flow, their capacity to continue to employ and grow, to take on new development and seek further turnover.

What does the Government want to do with the measure that is before the House at the moment—further dry up the cash flow of those small business operators.

Seventy-five per cent of small business operators are using borrowed funds. There is no spare cash rattling around in these businesses, and 50 per cent or more will have to borrow funds to meet their company tax requirements at the end of this year. This is happening against a backdrop where bankruptcies are at a post-depression high. That is the background, the picture, as to the small business community in South Australia—this State's largest employer—as a result of this Government's economic policies.

The cash flow has gone because of high interest rates, taxes and charges and small business is being crippled through regulations and fees. As a result, we have these job losses; as the Leader said, some 12.5 per cent of South Australians are unemployed. That record is not good enough for South Australia; and none of us should tolerate it. The reason for this is the total lack of confidence in the administration by the community and the way in which this Government's policy direction has crippled small business and put people on to unemployment queues.

We have a basket of taxes which has killed off any prospect of recovery. What we have before the House today on the Notice Paper is not one but a range of tax measures, five or six increases across the board. We are compounding the problem. This Government knows no end. This is the result of the Government's mismanagement as it relates to the State Bank—\$2.3 billion. We have a massive increase in debt servicing costs, and that is why these taxes and charges are being piled on to a community that cannot afford to pay existing taxes and charges, let alone having a range of them increased by 100 per cent.

If any business sought to increase the price of its products by 100 per cent, many questions would be asked, and I am sure the Prices Surveillance Authority would be interested, but this Government, with the stroke of a pen, can bring in a Bill and increase taxes and charges on business by 100 per cent. We want to let the people of South Australia decide this matter. They are the final arbiters, and they ought to be the ones to say whether this Government should stay or go, whether they are prepared to wait another 18 months or whether they want a change of Government and policy direction put in place now. There is not much doubt which way the population of South Australia would respond to an opportunity such as that: this Government would be defeated and defeated solidly.

I mentioned taxes and charges. Let me provide one comparison. The last Liberal Government in South Australia took the taxation levels in this State to the lowest *per capita* of any State in Australia. That is a statement of fact. Over the past 10 years, this Government has taken us off the bottom rung, from the lowest tax State *per capita* of any State in Australia, and is moving us progressively up the ladder. I think at the moment we are number three. If they stay there much longer, in, say, 18 months we will be at the top of the ladder. Of course, in respect of a number of taxation measures, they clearly have taken us to the top of the ladder. We cannot wait for that policy direction, because costs are mounting daily.

We are about to see in the business community what is described as the second wave of bankruptcies and the



second wave of increases on the unemployment queues because small businesses that have been struggling to hang on until this point of time have now burnt up all cash reserves. Their bankers are not prepared to keep bankrolling them in the position they are in at the moment.

Mr Lewis: They've got no equity.

Mr OLSEN: They have no equity, and the great tragedy is that people have given up. They shrug their shoulders and say, 'Why bother? It isn't worth the effort. Why should I mortgage my home further when, clearly, Government taxes, charges and imposts are severely restricting our capacity to get up and make a go of it.' Yesterday, I took a random sample from an accountancy firm to see what the cost of the BAD tax would be in the next financial year for a small business employing just a handful of people with a turnover of just about \$1.2 million. It was some \$780. One might say that \$780 is not much, but that amount applied on top of WorkCover and a range of other taxes and charges is the last straw: it would have another \$15 a week impact on that small business. What we have seen is the continual erosion of cash flow. Turnovers are not increasing because people are not spending, and retail trade figures clearly indicate this contraction of cash flow in small businesses, to the point where they are simply at the end of their tether.

That is why this second wave of bankruptcies will go through the community and that is why there will be a further increase in the unemployment level towards Christmas this year and in the first quarter and first half of next year. We should not sit idly by and allow that to happen without a fight, without debate. We ought to be giving small business operators and, therefore, young South Australians job opportunities—a fair go to have a go. They should have the right to succeed and the right to fail—I do not deny that—but we ought to ensure that they have a policy direction that will bring prosperity or a chance to survive.

Mr D.S. Baker: Some incentive.

Mr OLSEN: Yes, we must put incentive back into the system by proper policy direction, and that is what we seek to do. What we have had in the past 10 years is totally contrary to the Little report and its recommendations. This legislation does not establish a business environment and climate conducive to investment. What it does is put further impediments on the prospects for a business climate or business culture. This measure and the other measures on the Notice Paper are contrary to the Arthur D. Little report. It has told the Government that we have been going in the wrong direction for the past 10 years and it has given the Government a signpost to the right direction, but the legislation before us is more of the same of the past 10 years, the 200 per cent increase in taxes and charges that was quoted earlier.

Small business cannot wait for a change. Little says that the change is urgent, it is overdue, and that, if we do not do it, we will reap the consequences of inaction. Inaction will have dire consequences for the community, not only the business community but for individuals in South Australia. That is why it is absolutely imperative and important that this motion be passed now so that we can test in the community the attitude of South

Australians. I am sure their response will be that they want a change of policy now, not in 18 months time.

Mr FERGUSON (Henley Beach): I am very glad that the member for Kavel did not win the leadership because he certainly outshone the Leader in this debate. While listening to the debate tonight, shivering and shaking because we might be facing an election, I could not believe my luck. I could not understand why the Leader of the Opposition would be so stupid as to stand up in this place and try to strongarm those members whom the Opposition needs to support this motion. I could not understand why anyone would adopt such a tactic to strongarm a group of Independents who have already shown some fortitude by getting into this place.

I could not believe, Sir, that the Leader of the Opposition would try to strongarm a working class person from the Port Adelaide wharves who has had industrial problems from time to time and who knows what pressure is. He must surely have known that, the more pressure he tried to apply, the more resistance he would get. Is this a piece of stupidity or is this a long-term plan to get at the Independents in this place? For the next 18 months, are we to be faced with a continuing campaign to try to wear down those people who call themselves Independents and who are Independents in this place?

*Members interjecting:*

Mr SUCH: Mr Speaker—

*Members interjecting:*

The SPEAKER: Order! The member for Henley Beach will resume his seat. The member for Fisher.

Mr SUCH: I ask you, Sir, to rule whether that comment was a reflection on members of this House, including the Chair.

The SPEAKER: Order! The Chair has absolutely no idea of what you are speaking about. Be specific.

Mr SUCH: Reference was made to people calling themselves Independents. I take that as a reflection on the Chair.

The SPEAKER: This might come as a shock to the member for Fisher, but it is really not his place to take points of order on reflections upon the Chair. Let me also say that, after some of the contributions tonight by some members in this House, to take a point of order on reflection on the Chair does seem a little cynical. The honourable member for Henley Beach.

Mr FERGUSON: The guffaws from the other side only prove the point that I am trying to make. The proposition that we have in front of us is only a ploy. When the Leader found himself before the annual general meeting last weekend with division amongst his ranks, he had to do something in order to try to bring his Party together. And he said, 'We'll create an atmosphere where we might be able to get an election.' To prove my point I wish to quote once more, and I feel that this quotation should be repeated over and over again.

Dr ARMITAGE: On a point of order, I ask you to rule on Standing Order 128, which relates to a member indulging in irrelevance or tedious repetition of substance already presented in the debate.

The SPEAKER: Order! The member will resume his seat: he has made his point of order. After contributions here tonight, I find it very hard to support that point of



order and would ask the member for Adelaide to reflect and to read through some of the speeches from his own side of Parliament this evening before he takes points of order concerning members on the other side and relevance.

**Dr ARMITAGE:** On a further point of order, Mr Speaker, the member for Henley Beach indicated in his contribution before I took my first point of order that he was going to repeat a point over and over and over again.

**The SPEAKER:** Order! The member for Adelaide will resume his seat. That is not what the member for Henley Beach said, in the opinion of the Chair. He said that it bears repeating. He did not say that he would repeat and, until he does repeat it, it is not repetitive. The member for Henley Beach.

**Mr FERGUSON:** This is one of the most difficult tasks I have had. I have never had such a barrage of interjections. I refer to the press release from station 5DN on the news at 1300 hours, which says:

Opposition Leader, Dean Brown, admits it's just a device to defeat the Government on the floor of Parliament, saying it's to test the independence of the Independents. He wants to force the Government to an early election, claiming Premier John Bannon has failed to live up to his promise to go to the polls if a first State Bank bail-out failed. Mr Brown wants any one of the three Independent Labor MPs in the Lower House to vote against the Government's BAD tax legislation, which doubles the tax on bank withdrawals.

So, the real purpose of this exercise is not to force an election but is the start of harassment as far as the Independent members of this House are concerned. That is what we are really on about, and I have no doubt that, if the Leader is fair dinkum in the proposition that he put to 5DN, that this is a device to test the independence of the Independents, then that is really the issue we are dealing with tonight. Surely, the Leader of the Opposition could not expect seriously to go to the people of South Australia without producing one policy. Not one policy paper has been presented so far as the Opposition is concerned. How could the Opposition expect to convince independent members that they should vote for members of the Opposition when they have not been able to produce one policy paper about what they will do if they are fortunate enough to get into power.

Much has been made by members opposite, particularly the member for Kavel, of South Australia's tax situation. South Australia is a low tax State, and I would like to quote from KPMG Peat Marwick, *South Australian Business Climate Study*, as follows:

Nevertheless, in terms of State Government imposts at least, South Australia is a low tax State. The perception and the reality do not gell, however. Payroll tax is seen as particularly pernicious, yet, only Queensland charges lower rates than South Australia. The payroll tax burden is also somewhat lower in South Australia because of the State's lower average wage rates.

If State taxes and charges are a major business concern, this is more a reflection of the business climate than what caused it. Entrepreneurial endeavour will not be impeded by minor difference in payroll thresholds or in FID rates.

This is not to suggest that costs are not important, but any perceived differential between South Australia and other States is more imagined than real and would matter less if market share was increased or new markets tapped.

I do not know the small businesses that the member for Kavel is talking about when he said he has gone out and consulted them but, if they are really providing him with the information he has suggested in his speech tonight that they are providing him with, those small businesses

are wrong, because South Australia is in fact a low tax State. I cannot follow the logic that has been put forward by the Opposition in that it will reduce taxes while at the same time the Leader complained about budget cuts in relation to the Penneshaw kindergarten, schools, hospitals and transport. On the one hand he is suggesting that these services should be maintained and on the other he is suggesting that taxes should be cut. The member for Victoria is shaking his head and I understand that he is—

*An honourable member interjecting:*

**Mr FERGUSON:** Yes, I can hear it. I understand that he is a businessman. I would like to get him to explain how he will cut taxes on the one hand and increase services on the other, because that is the proposition that members of this House are expected to swallow regarding this proposition before us. What we really want to know is what the Liberal Party will do. All we had tonight was criticism about the bail-out of the State Bank. Is it the Liberal Party's intention not to bail out the State Bank? What will the Liberal Party do about the State Bank?

This is a question to which the people of South Australia ought to have the answer before members of the Opposition insist on convincing this Parliament that it should go to an early election. The logic that the Leader put to this Parliament makes about as much sense as the logic that he put to his own electorate of Davenport many years ago and they showed him what they thought about it, so what we need is some sort of logic by the Liberal Party as to what are its policies and what it would do with the State Bank.

Two members opposite so far have mentioned the State Bank. Is it the Liberal Party's intention to withdraw support from the State Bank? Is that its intention? That is the only conclusion one can draw from the arguments that have been put to this House. There has been criticism about the Government's support of the State Bank, but what the people of South Australia would want to know is what the Liberal Party will do about the State Bank. Is the Liberal Party prepared to see the State Bank collapse? Is the Liberal Party prepared to see the State Bank go under?

That is what we really want to know because, if members opposite do not support the State Bank being supported, obviously we will see the collapse of the State Bank, with the consequential collapse of other businesses in South Australia. It would be like pulling the bottom card from a house of cards. I would like to know the Liberal Party policies on the State Bank. Will the Liberal Party support the State Bank? What are its policies on taxation? How will it make up the shortfall? How will the Liberal Party make up the shortfall if this proposition does not go through? What are its policies on all the cuts that the Leader was talking about? What is the Liberal Party policy on pre-school education, on schools, on hospitals and on transport? What will it do? When will it produce a policy paper which the South Australian people can critically look at if it is intending to go before them in an election?

The proposition before us tonight is a farce. It has been put up to get at the Independents in this House. It is the start of a long campaign. This policy has been put together in the smoky rooms of the Liberal Party conventions at head office, and the idea is that from now until the end of the session we will hear a continuous

attack on the Independents in this place. That is absolutely disgraceful. If members of the Opposition wish to bring down the Government, they should have the courage to move a motion of no confidence. If members opposite are not prepared to do that, they should not resort to such ridiculous devices such as the proposition that they have put before us.

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

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

Motion carried.

**The Hon. JENNIFER CASHMORE (Coles):** Debate on this motion is unprecedented. It is seven years or so since this provision which permits a motion of this nature to be brought before the House was put into the Constitution Act. In that seven years, this State has been in a state of steady decline. On this night, the House of Assembly has the opportunity to reverse that steady decline, or at least to take the first step towards reversal of that steady decline. When the Minister of Finance responded to the Leader of the Opposition, he sounded more cynical, more bitter and more hollow than even he has sounded of late. He suggested that section 28a of the Constitution Act, under which this motion is being put, was put there for what he called serious reasons.

I ask the Minister of Finance: does he not think that a \$2.3 billion debt is serious? Does he not think that a 12 per cent level of unemployment is serious? Does he not think that to have more than 80 000 people unemployed in this State this very night is not serious? Does he not think that to have an unprecedented number of homeless children is not serious? Does he not think that a total State debt of \$7.4 billion is not serious? I think we are bound to ask what, in effect, the Minister of Finance considers is serious. This State faces the gravest situation that it has faced since the 1930s—the Great Depression. Even that was not brought upon the people by the total incompetence of the State Government as our present problems are in respect of the State Bank debt and the overall State debt.

In my opinion, and in the opinion of my colleagues, it is a very proper use of this constitutional provision that the Debits Tax (Rates) Amendment Bill be declared a Bill of special importance in accordance with section 28a of the Constitution Act. The Deputy Premier claimed that section 28a was put in the Act not for the reason that the Opposition is using it but because it would be useful for the Government—‘the Government’, he stressed—to declare a Bill to be a Bill of special importance. Section 28a (1) (c) makes no reference whatsoever to the Government. It provides:

The House of Assembly shall not be dissolved by the Governor before the expiration of three years from the day on which it first met for the dispatch of business after a general election unless—

it refers to motions of confidence or of no confidence—

(c) a Bill of special importance passed by the House of Assembly is rejected by the Legislative Council.

There is no provision whatsoever in that section for the Government to declare a Bill to be a Bill of special importance. It is the House of Assembly that makes that judgment, not the Government, and it is the House of Assembly that is being called upon to make that

judgment tonight. Every member of the House of Assembly, irrespective of Party affiliation or whether there is no Party affiliation, is being called upon to make that judgment. It is a very solemn and serious matter. That section was put there for a very serious purpose. This State is in a very serious condition, and that is why we are debating this motion. For the Minister of Finance to say that it is not serious is to deny the legitimacy of the English language.

The Deputy Premier claimed that it was highly irresponsible of the Opposition to move this motion. What hypocrisy! ‘Highly irresponsible’, says the Deputy Premier. Was it responsible for the Premier, in the knowledge that there was a Government guarantee, to let the State Bank proceed to gamble on the international financial market? Was it responsible for the Minister of Forests to rack up a debt of \$60 million for which he claimed he was responsible but not culpable? Is it responsible for virtually every Minister on the Government front bench to have got his or her department into serious deficit through lack of management ability? Is it responsible for Ministers in another place to be doing exactly the same as their colleagues in this House—helping to create even greater debt and putting more and more burdens on small businesses and households? No, it is not responsible. Nor would it be responsible if the majority of members in this House permitted it to continue. That is why this motion is before the House tonight.

The member for Napier described the motion as a shabby trick. It is very hard to bear to listen to members of the Government talking about shabby tricks. The shabby tricks that have been perpetrated upon the people of this State are uncountable. We have had 10 years of shabby tricks and unkept promises. It is getting to the stage where it is almost impossible for people to endure the burdens that are being placed upon them.

The member for Henley Beach criticised the Opposition for allegedly ‘strong arming’ the Independent members. Every member who supports this Government should be subject to the scrutiny of the Opposition. There should be no exception because every member who supports this Government is ensuring that the people of South Australia have to continue to endure what has become unendurable, and no member should escape the obligation to look at this motion and to realise the consequences if it is not carried.

In our opinion, the Government is bankrupt. It is intellectually bankrupt and bereft of ideas. It is ethically bankrupt, as we heard in the Premier’s statement to the House tonight, when it is okay to have minor conflicts of interest but it is not okay to have major conflicts of interest and, when the normal ethical standards are abandoned and betrayed, the Government simply rewrites a whole new set of ethical standards. It is virtually as if the Ten Commandments are not sufficient so we will write 100 commandments or 100 000 commandments so that we can make sure that there are more and more that could possibly be broken, and the scope goes a little wider.

The Government is financially bankrupt. In our opinion, this BAD tax Bill, the Bank Debits Tax Bill, is the appropriate Bill to declare a Bill of special importance in accordance with section 28a of the

Constitution. It is appropriate because it symbolises most appropriately the Bannon Government's attitude to revenue raising, expenditure and dealing with problems: if something is wrong, just double the revenue to fix it up. If there is a problem, sweep it under the carpet. If things cannot be solved through normal proper management processes, just raise a bit more money.

This Bill epitomises all those things that are wrong with the Bannon Government. It is therefore a most appropriate Bill to be declared a Bill of special importance. Its declaration as such will enable the proper constitutional processes, which have been supported by this Parliament, to be carried forth. It will enable members of the public to express their opinion at a duly held election in accordance with the Premier's absolute promise and undertaking in February of last year. It is a motion that should be supported, and I urge every member of the House who is not bound by the obnoxious ALP pledge to support the motion.

**The DEPUTY SPEAKER:** The honourable member for Albert Park.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Albert Park has the floor.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**Mr HAMILTON (Albert Park):** I oppose the motion before the House. Whilst the levity of members opposite may give them some short-term pleasure, the reality, as has been indicated by the Deputy Leader, is that I will be around for some time to come. Despite the attempts by members opposite to unload me over the years, they are well aware of my frankness, both within the Party and outside. Tonight we have seen a blatant grab for power. Let us be frank about it: the Opposition's boffins have got together through the back doors and said, 'This is the best chance we will have in a long time to take power from this Government.' That is what it is all about, and suddenly they go quiet. Both they and I know that this is the best chance they perceive, and it is no good saying one thing and meaning another. I get around my electorate, and I think I have a reasonable understanding of the political scene and what people are saying.

The newly elected Leader's contribution tonight was appalling. It was a prepared contribution and not a speech that he stood up to deliver. His contribution was unlike that of a previous Leader who was knifed in the back unceremoniously and who felt some hostility on coming here from the Senate. He was knifed and dumped by his own members, but his contributions in this House since he returned have certainly outshone those of the current Leader, and the current Leader well knows that. The fact of the matter, as the Deputy Premier indicated tonight, is that there are many opportunities—

*Mr Becker interjecting:*

**Mr HAMILTON:** The member for Hanson can have his go in a moment. There are many opportunities for members opposite to move a motion of this kind, for example, on the Supply Bill or in the Address in Reply and the budget debate. This motion has been pre-arranged and is a gimmick. Members opposite talk of their concern about the unemployed, youth homelessness and conflicts of interest in relation to pecuniary interests. I remind the

member for Coles, for whom I have developed a lot of respect over the many years I have been here, of ethics. The member for Coles talks about pecuniary interests, but I can vividly remember when we were talking about the pecuniary interests legislation and her response. I do not want to embarrass her too much.

**The Hon. T.H. Hemmings:** Go on.

**Mr HAMILTON:** No. The member for Coles understands clearly what I say about ethics and what has taken place on that question in recent times. Today, the hypocrisy of members opposite was typified when we had the Worthington report tabled in the House. There is nothing worse than those who are holier than thou. There is nothing worse—

*Members interjecting:*

**Mr HAMILTON:** Suddenly they want to scream me down. As for the member for Bright, I do not think I would even tarnish this debate by mentioning his name because I have little respect for the man. The fact of the matter is that this is a political gimmick. As my colleagues have said, it is a device to test the Independents. That is what it is all about. We know that it is a grab for power. We hear the bleating for the unemployed by members of the Party (whose Leader they have not criticised for using the derogatory term 'couch potatoes' in referring to the unemployed). They profess to be concerned about the unemployed, but I believe few of them would go out and meet with the unemployed in their electorates.

How many members opposite go out and talk to different groups in their respective electorates? What we are seeing here tonight is a device to try to bring down the Government because the Opposition and I know that the bottom line is quite clear: this is their best opportunity. They see, and their advisers tell them—

*Members interjecting:*

**Mr HAMILTON:** They can try to shout me down as much as they like, but the reality is, as all members opposite know (including the member for Mount Gambier), that this is the best opportunity they can have because they know the economy will pick up. There are many indicators already. Whilst it may surprise members opposite that I mix among the business community and talk—

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**Mr HAMILTON:** Laugh as you well may. I have not seen members opposite in shopping centres, apart from the member for Coles on two occasions at election time when she came down to my electorate to try to whip something up. She did not do so well. Even the Deputy Leader came down, as he knows that I work my electorate well. I am not boasting because I am a realist. As we all know, the business community is an integral part of society. Despite the huffing and puffing of members opposite, I also recognise that there is a need for those people who invest their money to make a profit. I put that on the record, despite attempts by members opposite to create a different impression.

I am glad to see that you, Mr Speaker, have resumed the Chair, because I wanted to make this comment previously. If the Leader of the Opposition were a boxer he would not last one round; he would be bowled over, particularly after his contribution tonight. It was an

appalling contribution, as he well knows. As I indicated, I would not have expected a person of his so-called calibre to have to read from a prepared speech. He tried to harass the Chair and, despite your many attempts to guide him back to the debate, he continued on in that vein.

I may not be the most brilliant man in the Parliament—I am quite happy to concede that—but at least I recognise what you, Mr Speaker, were trying to say to the Deputy Leader. Because of either his total arrogance or the fact that he has a head the size of a watermelon, he believed that, with his backbenchers behind him, he could go on in his arrogant and self-opinionated way. He was pulled into gear, and quite properly so, by you, Mr Speaker.

*Members interjecting:*

Mr HAMILTON: As someone said, 'As thick as 10 planks', but I think they were being unkind. Members opposite talk about confidence in the community, but I have not seen one attempt by the Opposition in recent times to try to generate some confidence in the community.

*Dr Armitage interjecting:*

Mr HAMILTON: Well, that is a very interesting contribution from the member for Adelaide. One would have thought that there is a responsibility on the part of the member for Adelaide and his colleagues to try to whip up some confidence in the community, even in the most difficult times, but all we hear is their knocking, carping criticisms and preaching of gloom and doom. It is blatant hypocrisy on the part of the member for Adelaide, and well he knows it.

We have heard no policies from members opposite. I have listened to and read with a great deal of interest the comments attributed to you, Sir, for obvious reasons, and the issue is this: if members opposite, in moving a motion of this kind, had put up a whole range of Opposition policies I believe that you would have considered them in conjunction with the reasons why they believe this motion should be passed. However, they have done nothing of the sort. As I indicated, this is clearly a grab for power. That is the reason why the Opposition moved this motion. It has had many other opportunities and devices with which to try to bring this Government down. Like my colleagues, I believe they have tried to strong-arm you, Sir. They are very foolish. They have made repeated attempts to bring pressure to bear on you. I believe that you would be persuaded by logic and good argument, but I do not believe, if I judge you correctly, that you can be persuaded by those bully boys opposite.

Finally, the Opposition then refers to conscience. That is marvellous. I think that the real test of conscience is what transpired here today in the House with the tabling of the Worthington report. I have been known to apologise in this House. When I have made mistakes I have been prepared to go on the record and apologise. Sir, we have not heard today one utterance from members opposite about their so-called conscience in relation to my colleague in the Upper House. This is a hypocritical, pious, pompous suggestion. No-one on this side of the House believes it, and I hasten to add that I do not think most members on the other side of the House believe it, either.

**The Hon. DEAN BROWN (Leader of the Opposition):** In closing the debate on this motion, I wish to draw attention to the two very notable features coming from the Government benches. The first is the absolute silence of the Premier on this issue, yet it was the Premier who issued this challenge, this promise, that he would go to the polls if the first bail-out failed. Not only has the Premier been silent but every single member on the other side of the House has refused to mention that promise. Yet, that is what the substance of the entire debate tonight is about. It was the Premier who issued the challenge, and not one of them—

**The Hon. J.P. Trainer:** When?

**The Hon. DEAN BROWN:** He issued it on 10 February and it was published in the paper on 11 February 1991. It is there in black and white. It is the third or fourth paragraph in the *Advertiser* and I will read it to members just to remind them:

The Premier, Mr Bannon, promised to go to the polls if the package failed.

That first package did fail; so did the second bail-out; and so will the third bail-out, as we are about to find out this week. The first thing is the absolute silence of the Premier to even enter this debate, having made that promise, but equally his henchmen opposite have failed to take up that issue. The second staggering feature of this debate today—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. DEAN BROWN:** The second staggering feature of the debate tonight is the silence of the three Labor Independents who could well decide the fate of this motion. They are the people—

**The SPEAKER:** Order! Will the Leader resume his seat? To clarify the point, it is well known that the Speaker is hampered in responding in any debate. I cannot take offence as Speaker, but I certainly take personal offence at the reflection on my not responding when I am not able to.

**The Hon. DEAN BROWN:** I withdraw any reference to the Independent member for Semaphore and refer to the two other Independents who are free to speak. I draw to the attention of this House the fact that those two Independents have failed to respond tonight in this debate. They are the people who in fact will decide the outcome of this motion. I am delighted that the member for Hartley and the member for Elizabeth are in the House at present, because by supporting this motion they can support small business people and their constituents who in fact want a new start in South Australia as quickly as possible.

The first important issue—the silence of the Premier and the silence of his own members to defend him on that issue—highlights that the integrity and honesty of the Premier are found to be wanting once more here in the House tonight. He is the man who made the promise; he is the man who is not prepared to take up the challenge and make sure that his promise to go to the polls is met. Not one member opposite acknowledged the promise that was made by the Premier on 10 February last year—not one of them mentioned it.

**The Hon. J.P. Trainer:** Because we don't believe it.

**The Hon. DEAN BROWN:** They can't read.

**The Hon. J.P. Trainer:** We don't believe you.

**The Hon. DEAN BROWN:** It is there in black and white in the *Advertiser*. Looking at those who will vote against this motion tonight—and some of them have made it quite clear already—I make a final plea that they put the interests of South Australians ahead of their own personal interests, ahead of any financial or other pecuniary interest that they may have to try to maintain their existence in this House. I know that many members opposite would lose their seat if we went to an election now. The real issue that is stuck in their gullet tonight is the fear that they face having the support of only 27 per cent of the community. They claim to be the alternative Party in this State, yet based on the latest polls they have the support of only 27 per cent of the community. Their Premier has the support of only 24 per cent of the community, and Mr 24 per cent is not even prepared to come into the House.

I issue a challenge to all members who are about to vote against this motion to put the interests of South Australians first, to give the unemployed the chance of getting a long-term job, and to give farmers and others who run small businesses the chance to make a profit and to survive. The Liberal Party is willing to face the people in South Australia. I challenge the Labor Party also to go out and give this State a new start. I urge all members of the House to support the motion.

The House divided on the motion:

Ayes (22)—H. Allison, M.H. Armitage, P.B. Arnold, D.S. Baker, S.J. Baker, H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown, J.L. Cashmore, B.C. Eastick, S.G. Evans, G.M. Gunn, G.A. Ingerson, I.P. Lewis, W.A. Matthew, E.J. Meier, J.W. Olsen, J.K.G. Oswald, R.B. Such, I.H. Venning, D.C. Wotton.

Noes (22)—L.M.F. Arnold, M.J. Atkinson, J.C. Bannon, F.T. Blevins, G.J. Crafter, M.R. De Laine, M.J. Evans, D.M. Ferguson, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hopgood, C.F. Hutchison, J.H.C. Klunder, S.M. Lenahan, C.D.T. McKee, J.A. Quirke, M.D. Rann, J.P. Trainer.

Pair—Aye—D.C. Kotz. No—M.K. Mayes.

**The SPEAKER:** Order! There are 22 Ayes and 22 Noes. I cast my vote for the Noes.

Motion thus negatived.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Amount of tax.'

**Mr S.J. BAKER:** During the debate on this Bill I made a number of references, as did other members, to the inequities of this tax. Every time a debit of over \$1 appears on a cheque account or a joint savings cheque account, the Government will receive a minimum of 30 cents. Those debits can comprise a number of items but at least three of them are taxation items in their own right. I remind the Committee that the financial institutions duty, which collects \$115 million in this State, is classed as a debit and, immediately it appears on a bank statement, it is debited to the account, and then it becomes eligible for the BAD tax. The BAD tax itself is eligible for a BAD tax and that is totally bizarre in this day and age.

If more than three items were processed during the previous month and a debit of \$1 or more appears, that

also incurs a minimum of 30 cents. A cheque book can be a variety of sizes, shapes and forms, but it is subject to stamp duty. When that stamp duty is debited to the cheque account, that also is subject to a BAD tax or debits tax. There are three taxes that are taxed again through the BAD tax mechanism. I find it quite unpalatable, as do all my colleagues, that no action has been taken to redress this situation.

I also remind members that a number of other small amounts are debited to cheque accounts. They can include service fees, which may not be a very large sum, although it is for a business account. My service fee is not large, but that sum also incurs a minimum tax of 30c. Excess transactions debits are imposed on customers who have exceeded so many cheques within a period. In many cases that is a month. When people exceed that number, they also incur a debit on their account and that is subject to a minimum fee of 30 cents.

So, we have these three taxes. We also have the servicing charges that are commonly imposed by banks. It is inequitable and totally inappropriate that they should be subject to this additional taxation. What initiatives has the Minister taken and what representations has he made to change the Federal law, because this is where it has to be changed to bring this tax back to a purer form, a form that does not impose a tax upon a tax?

**The Hon. FRANK BLEVINS:** The problem outlined by the member for Mitcham is one that has been there since the BAD tax was introduced. It is not new. One could argue that it has been compounded by doing what this Bill does, which is not alter any of the fundamental principles at all. It merely doubles the amounts. So, the problems have been there, but the member for Mitcham will be pleased to know that the problems are recognised and that all States are looking at how they can be dealt with. In all fairness to the financial institutions that have to deal with this tax, officers throughout Australia are trying to determine whether some of these anomalies can be removed on a uniform basis. They are not new; they have been recognised. Work is going on in all States of Australia to see whether a form can be arrived at that will eliminate one of the less desirable features of this tax.

**Mr S.J. BAKER:** Has the Minister any indication of the time-frame on which the States are operating? Presumably, since there will be uniform representation to the Federal Government to have the Federal laws changed, that is the way it needs to happen. Will it be sooner rather than later, or is the Minister quite content to see the law operate in the way in which it has over the past 10 years? Further, since I have received representations from non-profit organisations and from pensioners, has there been any effort to look at the various types of accounts that operate?

As members would recognise, the FID tax itself has a wider range of exemptions than the BAD tax, and the BAD tax does not recognise most of the non-profit organisations, leaving aside the churches and the religious organisations, those organisations providing a service to the community but not necessarily providing an immediate benefit for a target area of need, but providing general succour and service to their local communities and to the wider South Australian community.

**The Hon. FRANK BLEVINS:** There are some exemptions to the BAD tax, although not as wide as the FID. I understand that benevolent organisations of a public nature, such as St Vincent de Paul, are exempt from the BAD tax, so there is an existing exemption. Again, the problem would have to be dealt with at a national level. I do not think it has changed over the past 10 years. I am very happy to recommend to the Treasurer that this be raised at a Premiers Conference when all Treasurers are around the table, or even by correspondence, to see whether any other State has given or is willing to give any consideration to the point made by the member for Mitcham. I am not necessarily opposed to broadening the exemption in certain circumstances, but I think the critical thing in this is that it be uniform throughout Australia.

**Mr LEWIS:** Unfortunately, I have problems with my hearing and I could not hear what the Minister of Finance was saying in answering that question. I know he was addressing the question I wish to put to him which is, quite simply, does he think that it is legitimate for the Government to tax the tax as it is doing and, if he does not, how much longer will it be before we get rid of this iniquitous approach?

**The Hon. FRANK BLEVINS:** The problem has been recognised, and I cannot give the honourable member a timetable on it. I cannot speak for the New South Wales Liberal Government, the Tasmanian Liberal Government or the Government of the Northern Territory. The member for Murray-Mallee probably could speak on their behalf with greater authority than I but, suffice to say, at officer level throughout Australia a debate is going on as to whether it is possible to tax all withdrawals on a uniform basis, irrespective of what they are for, whether they are other taxes or whatever. That work is going on; I can give no guarantee that it will be successful. Obviously, I cannot speak for all the other States and Territories.

**Mr BECKER:** In his speech the Minister mentioned that the extra revenue from this measure is expected to be about \$12 million in 1992-93, and \$29 million in a full year. For the financial year 1990-91 the State collected \$11.4 million in debits tax, and in the 1991-92 budget it was estimated that the State would receive \$28.6 million. At the end of April 1992, \$23.5 million had been received, leaving about \$4.7 million to come in the remaining two months of the financial year. Could the Minister please advise the Committee how much was received for the year ended 30 June 1992 and whether the budget estimate of \$28.6 million was correct?

**The Hon. FRANK BLEVINS:** With a little patience, in about two days the member for Hanson will have that answered in the budget papers.

**Mr BECKER:** That is not good enough. The Minister is here to assist the Committee, to give us the advice we seek in considering this legislation. I fail to see what is the big deal in advising the Committee now of what the income was. After all, accountability of Government is what it is all about. Surely, the Minister can tell me whether it was on budget and the projections were correct because, if \$28 million was received, it means that in 1992-93 Treasury will receive about \$40 million and in 1993-94 about \$57 million. It gives us some idea of the growth of this tax when you put it with the FID, as the

member for Mitcham has done, and it means that the moneys that Governments are taking from people's bank accounts is starting to become a considerable drain on the people. We are looking at about \$160 million or \$170 million, but by 1994 we could be looking at about \$200 million.

**The Hon. FRANK BLEVINS:** The first year was only five months; it was not a full year since the introduction. I was not trying to hide anything; I was only trying to short-circuit the debate but, if the member insists, as he obviously does, that is fine. For the financial year ending 30 June 1992 the total was \$28 190 827—very close to budget—and, for the estimates for next year, the honourable member really will have to wait until Thursday.

**The Hon. JENNIFER CASHMORE:** When I had completed speaking on the second reading of the Bill, I sat down and recollected that in the week just gone by I had signed 10 cheques. Five of those cheques were under \$100; they were subscriptions, donations and things of that nature. Five of them were over \$100, so had this 100 per cent increased BAD tax been applicable last week \$5 in addition to what I had written in cheques would have gone to the Government—a pretty steep impost, as I think every member in this House will agree. That would not have been an unusual week for me. It is clear that over a year that would amount to \$250 for an ordinary citizen who is not engaged in any business transactions whatsoever and who is simply going about the course of her daily business. I think all members will agree that that is a very hefty burden to impose—that is, \$250, and in some circumstances it could be considerably more.

In my second reading speech I mentioned that at least some of my constituents were so outraged at the prospect of what the Government intended to do when it announced this tax they decided they would like to move their cheque accounts to Queensland. I ask the Minister: in estimating the \$29 million revenue in a full year, did the Government take into account the possibility of closures of cheque accounts or did the Government assume that the current rate of imposition would be maintained and the revenue would simply be doubled? I believe that because of the extraordinarily high burden that this tax will impose on ordinary citizens—not to mention businesses—people will now start to take responsive action in order to avoid the tax.

I regard \$250 as a mighty steep chunk out of my annual budget. Businesses that suffer a great deal more will be likely to take some kind of defensive action. I suspect that the figure that has been estimated as the revenue could be an over-estimate simply because people will now start dealing in cash. They will withdraw one large cheque. They will be dealing in cash and, indeed, the absolute legitimacy of the goods and services tax will be well and truly confirmed as the cash economy simply gallops as a result of imposts of this nature. Will the Minister respond to my question about taking into account the likely closure or removal of numerous cheque accounts in South Australia?

**The Hon. FRANK BLEVINS:** I assume that, in making the calculation for the coming financial year, some allowance would have been made, but I am not sure. I will ask Treasury officials about that. It would probably be more convenient to deal with this in the



budget Estimates Committees, so I will warn everyone of that.

Mr Lewis: So you don't know and you don't care.

The Hon. FRANK BLEVINS: That I do not know, I have stated. That I do not care is the usual gratuitous nonsense that we have come to expect from the member for Murray-Mallee.

Mr S.J. BAKER: My last question relates to stamp duty on cheques. When this arrangement was introduced into the Parliament in November 1990 there was an undertaking and an indication given that we would no longer be paying stamp duty on cheques. It was quite clear that an effort would be made to stop these small amounts being collected because the BAD tax was going to be operating on cheque accounts. There was some belief, I thought by the Government, that the cost of collecting the stamp duty was not worth the effort and it was unnatural to have two elements of taxes on cheque accounts. That was the undertaking that was given. I understand that there were supposed to be changes in the cheque accounts last November. We have seen no action to reduce or take the stamp duty off cheques. Can the Minister say how much progress has been made?

The Hon. FRANK BLEVINS: Some States continue with stamp duty on cheques; others do not. It is a bit of a mixture. At this stage this State intends to keep it.

Mr S.J. Baker: There was an undertaking to take it off.

The Hon. FRANK BLEVINS: There was not an undertaking. Obviously it can and will be considered, but at this stage the Government does not feel it is appropriate, and some other Governments in Australia agree with us.

Clause passed.

Clause 4 and title passed.

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

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

The House divided on the third reading:

Ayes (22)—L.M.F. Arnold, M.J. Atkinson, J.C. Bannon, F.T. Blevins, G.J. Crafter, M.R. De Laine, M.J. Evans, D.M. Ferguson, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hopgood, C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, J.A. Quirke, M.D. Rann, J.P. Trainer.

Noes (22)—H. Allison, M.H. Armitage, P.B. Arnold, D.S. Baker, S.J. Baker, H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown, J.L. Cashmore, B.C. Eastick, S.G. Evans, G.M. Gunn, G.A. Ingerson, I.P. Lewis, W.A. Matthew, E.J. Meier, J.W. Olsen, J.K.G. Oswald, R.B. Such, I.H. Venning, D.C. Wotton.

Pair—Aye—M.K. Mayes. No—D.C. Kotz.

The SPEAKER: There being 22 Ayes and 22 Noes, I cast my vote for the Ayes.

Third reading thus carried.

## SITTINGS AND BUSINESS

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

That for the remainder of the session:

Standing Orders be so far suspended in relation to private members' business as to provide that:

- a. Unless otherwise ordered, the House meets on each Thursday at 10.30 a.m.
- b. On Wednesdays private members' business takes precedence after grievances in the following manner:
  - (i) Bills—1 hour;
  - (ii) Motions for disallowance of regulations and motions with respect to committees—1 hour;
  - (iii) Other Motions—1½ hours,
 provided that—
  - (A) Notices of Motion will take priority over Orders of the Day in (i) and (ii) and for the first 45 minutes in (iii);
  - (B) if all business in (i) or (ii) is completed before the allotted time the House proceeds to (ii) or (iii), respectively and the balance of the allotted time may be utilised;
  - (C) if the motion for the adjournment of the House is moved on Wednesday before the business in b. (iii) has been disposed of, the remaining business (subject to SO 185 and 197) is set down for the following day and takes precedence until the allotted time is completed.
- c. The following time limits will apply—
 

Mover, fifteen minutes; One member opposing the question, as deputed by the Speaker, fifteen minutes; Other members, 10 minutes; Mover in reply, 5 minutes;

 provided that—
  - (i) an extension of fifteen minutes may be granted, by leave, to a member moving the second reading of a Bill;
  - (ii) leave to continue remarks may not be sought by any member, but a member speaking when the allotted time for that category of business is completed has the right to be heard first when the debate is next called on.
- d. SO 197 is to be read as applying at the adjournment of the House on that day.
- e. All adjourned business presently on the Notice Paper shall be set down for a Wednesday in the order they now appear on the Notice Paper provided that the business in paragraphs b. (i) to (iii) shall be separated.
- f. An amendment which is, in the Speaker's opinion, a direct negative of the question, may not be proposed.
- g. Notices of Questions ordinarily handed in by 9 a.m. on Thursday must be handed to the Deputy Clerk by the adjournment of the House on the preceding Wednesday.

The changes set out in the motion have been to the Standing Orders Committee, and I commend them to the House.

Motion carried.

## STAMP DUTIES (RATES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 August. Page 40.)

Mr S.J. BAKER (Mitcham): As I said in the debate on the previous Bill on the BAD tax, it is the opinion of the Liberal Opposition, the alternative Government, that all taxation measures put before this House prior to the budget should be opposed. They will be opposed on principle, because we believe that the Government has forfeited the right to operate as the Government of this State. I have made the point that it has no right to continue to tax the people; it has no right to continue to expend money on behalf of the people of South Australia; and it has no right to make decisions on behalf of the citizens of this State.

This Bill is a measure which is not as damaging as others we have seen before us in the taxation area, but nevertheless on principle we would say it is another Bill



in relation to which the people of South Australia are unaware of how the taxation will be used. They are uncertain as to whether it will be used properly and for their benefit. Certainly on the record of the Government, they have grave reservations about the Government's increasing their taxes in order to pay for its past mistakes and its lack of administrative zeal in keeping its expenditures under control. Having said that, I point out that there are some changes that should be noted. The first relates to first home buyers.

Persons purchasing a house for the first time have consistently enjoyed an exemption of land tax up to and beyond the value of \$80 000. Under this proposition, the Government intends to limit the exemption to houses of up to \$80 000 in value and then phase out the exemption between the values of \$80 000 and \$130 000, at which point the exemption becomes \$30. It is important to understand that buyers of an \$80 000 home receive an exemption of \$2 130 to assist them in that purchase. Those people who buy a house above the cost of \$80 000 will now not get such a large benefit and, when the house purchase price reaches \$130 000, there will be no benefit whatsoever.

The second proposition is that stamp duties on conveyancing, powers of attorney, deeds and miscellaneous conveyances remain unchanged at \$4 and on agreements at 20c, and those duties have applied since 1971. All but the duties on power of attorney instruments, which are to become nil, will increase to \$10. We congratulate the Government on at least one aspect of the Bill before us, that is, that the power of attorney instruments will not be subject to stamp duty.

Thirdly, the duty on sales and purchases of stock and marketable securities worth less than \$100 has been applied at a rate less than the rate for transactions above \$100. The Bill changes the rate to be applied to a uniform rate, that is, 60c, no matter what the face value of that instrument is, and it will be applied at 60c per \$100 or part thereof.

The second reading explanation states that South Australians have consistently been among the highest beneficiaries of stamp duty concessions for first home buyers in Australia. It would be fair to say that the initiative of the Tonkin Government was originally well received by the South Australian population, and many people have benefited from the stamp duty concessions that have been applied by successive Governments over a period of time.

The Government estimates—and I question the estimates—that the change in stamp duty concessions, whereby there is a slow cut-out after the \$80 000 level, will mean that 60 per cent of new home buyers will still qualify for the full concession, 34 per cent will still receive partial concession and only 6 per cent will receive no concession. The Minister makes the point that it is somewhat bizarre that people buying houses for \$300 000 should receive a stamp duty concession.

As I said, the reduction of duty on power of attorney instruments from \$4 to nil is a boon to my electorate. Every week I deal with powers of attorney, either in a minor temporary form or in an enduring form. If a person wishes to ensure that his or her wishes are adhered to, that power of attorney has to be stamped at the Stamp Duty Office and has borne a duty of \$4. The duty on

mortgage discharges is increased from \$4 to \$10. The last time it was changed was in 1974. The duty on deeds and miscellaneous instruments also increases from \$4 to \$10 and has not been changed since 1971. The duty on caveats was set at \$4 in 1988 and has increased to \$10.

Agreements and minor instruments of this nature have incurred a stamping cost of 20c, and the new duty will be \$10. There has been no change since 1971. The Government expects to collect \$3 million in 1991-92 and \$4 million in the full year as a result of the phasing out of stamp concessions for first home buyers. From the increased use of conveyancing the figures are \$2.5 million and \$3.3 million respectively with the commencement date for all these measures being 1 September 1992.

I point out to the House that this legislation assumes that the measure will come into force before the legislation comes into force, and we have referred to that in previous debates. It should be within the province of the Government to get its dates correct. It should understand the legislative process under which it operates, and it should ensure that the legislation is passed by both Houses of Parliament and assented to prior to the introduction date, particularly as these measures are non-contentious to the extent that the level of activity cannot be manipulated according to the vote.

We will not have a rush of conveyancing just to avoid the increase in costs contained in the Bill, nor do I believe that we will have a rush from people buying expensive houses, particularly those valued at more than \$130 000. I would appreciate it if in future when we have similar conditions with Bills they contain a date that is more appropriate. In this case the date would be 1 October rather than 1 September.

I said at the outset that the Liberal Opposition has targeted the Government and placed on the record its dissatisfaction with the way it has operated the Treasury and failed to keep its expenditure under control. It is appropriate to look at stamp duty contributions to State Treasury. In 1981-82, for example, about \$109 million was collected, and about \$120 million was collected in 1982-83, during the final days of the Tonkin Government. Now, if we look at the record, we see that the estimated collection of stamp duty for 1991-92 is about \$330.7 million, a three-fold increase on the amount collected in 1982-83.

Given my previous remarks when we were debating the bank account debits tax, it is appropriate to reflect upon the extent to which this Government has placed increasing burdens on the population of South Australia. This reminds us—and it is a very stark reminder—of the extent to which stamp duties have played an increasing role in the financing of the State's debt. So, the Opposition has reservations about the Bill, and they relate to the general principle of taxation and the way in which taxation revenue has been managed.

I hoped that the Government would delay this measure and encompass within it appropriate mechanisms to cut out rorts. Members would be reminded that on at least one transaction, namely that involving No. 1 Anzac Highway, stamp duty of some \$70 000 was avoided. Whilst there was a Crown opinion that the avoidance, although regrettable, was legal, we have not heard from the Government since. However, we have had some

undertakings that something would be done. I remind members of the following statement by the Premier in this House on 6 August 1992:

The Stamp Duties Act contains specific provisions imposing duty on mortgages at particular rates, such as .25 per cent on the first \$10 000 and .35 per cent thereafter but, of course, as is well known, there are many ways of structuring transactions in order to minimise, within the law, the level of taxation that is paid. That is why it is people like those in business with large accounts and access to the best accounting advice and best legal advice who do it.

He went on to say:

Frequent amendments are brought in to our stamp duty legislation in order to try to ensure that loopholes are closed and that any of those unforeseen effects or structures that are introduced, if they are there in a way that is detrimental to the public interest, can be closed up. I hope that we will have the support of members opposite when we do that. Indeed, I announced some time ago a crackdown on tax avoidance and evasion. The Government is looking again at specific legislation to cover some of these cases.

As the Minister quipped, we put out a press release, and I have a feeling that that is where it will end for some time.

I reflect on the attitude of the Government and its desire to cut out the rorts. It seems to be more interested in collecting more tax than it does in making sure that the law as it stands today is enforced properly. Without encouraging the Minister to indulge in increased taxation, I remind him that he said that this measure was intended to bring all these nagging instruments, which involved a lot of time and not a lot of money, up to a standard fee of \$10, and that these were all being fixed up. However, there are three situations where the current \$4 duty is not being increased. As I said I do not wish to—

**The Hon. Frank Blevins:** There's an amendment on file.

**Mr S.J. BAKER:** I see. I have not seen the amendment. Perhaps the Minister would show it to me.

**The Hon. Frank Blevins:** It's on file.

**Mr S.J. BAKER:** Well, there are three occasions—section 71 (14), section 81b (b) and the head of charge—

*The Hon. Frank Blevins interjecting:*

**Mr S.J. BAKER:** I see. It is good to see that my scrutiny of the legislation has been very thorough and that, with some help I might add, I have managed to pick up on some areas that have not previously been canvassed. The Minister's second reading explanation does not do the ultimate kindness to Queensland. In Queensland there is not only a first home buyer's exemption but also, under section 55a of their legislation, a concessional rate of duty at a flat 1 per cent applying to cut conveyances on principal residences.

Queensland has been mentioned a number of times in debates in this House because it happens to be the State that attracts the largest amount of migration, mainly because its finances are, because of the actions of its former Premier, Mr Bjelke-Petersen, in far better order than are our State's finances. That points to the fact that, for a whole range of reasons, there is some incentive to go to Queensland, and we as an Opposition would wish to have the same incentive in South Australia to attract people to this State, which I happen to think is the best in the country. All it needs is a change of leadership.

With those few words, I note the changes that are taking place. Some people would justify them on the basis that they are appropriate, that the cost of stamping

has increased over a period of time and that many of the duties have not increased since 1971. Others would argue that we should not be providing assistance to home buyers when they are buying expensive houses. Some members may wish to view the legislation before us as in some ways being positive. As I said, the most positive aspect relates to the power of attorney. In principle, for the reasons that I have just mentioned to the House, the Opposition is opposed to the total measure.

**Mr BLACKER (Flinders):** I wish to comment specifically on clause 5 (a) which provides that the duty be increased from 20 cents to \$10 which, as has been pointed out, is an increase of about 5 000 per cent. I understand that the history behind this increase is that the original fee, introduced in 1965, was one shilling which was converted to 10 cents in decimal currency and, in 1971, increased to 20c.

The main types of documents affected by this duty are: contracts for sale and purchase of land, which require a transfer to give effect to the contract and on which an *ad valorem* rate of stamp duty is payable; and loan agreements, which are executed by every person who obtains a loan, either secured or unsecured, from a lending authority. In these troubled times in some of the rural areas, that is occurring frequently, where people are required to increase and adjust their financial arrangements. It has been common practice for landbrokers and solicitors to absorb the cost of the duty stamp, which is affixed to the contract, although it has been charged to the purchaser who, pursuant to the terms of the contract, is the party liable for the payment of the stamp duty on the transfer. This is also acknowledged by the Government in that it allows for rebate of stamp duty payable by a purchaser on the first purchase of a home.

However, the Stamp Duties Office has now issued a circular which advises that it will collect duty from any party who executes a document. Much comment has been made of late as to the rate of stamp duty payable on the transfer of land. As the value of land sales escalates, so does the amount of stamp duty. The Government is fully aware of what the recession has done to land sales and the effect of this collection of stamp duty. Comment has been made that, if stamp duty on land transfers were reduced, more people would be encouraged to either buy their first property or upgrade their home by selling their first property and buying a second. The Government would then gain as a result of these additional sales.

However, the Government seems to discourage this changeover of properties, as it keeps increasing the charges incurred in this area. For example, in the last financial year the cost of obtaining a search of a certificate of title was \$5. This has now been increased to \$12. The cost of registering the transfer of an average priced property of, say, \$100 000 has increased from \$292 to \$303. That is not much really but, when one considers that for many years the registration fees were a flat rate of about \$35 regardless of consideration, the costs payable by purchasers have increased at a greater rate than the value of properties has increased.

Now, the Government proposes that the stamp duty payable on the contract shall be increased from 20c to \$10. How much more can the public of South Australia

stand? Who is going to pay this additional charge—the vendor or the purchaser? And we could well ask ‘Is it double dipping?’ What about the costs that this will put on the conveyancing profession? It has not been uncommon for landbrokers and solicitors to purchase 100 duty stamps at a time. They carry these in their satchels so they can affix them on contracts. How many can they afford to buy at \$10 each with the fear that some may be lost along the way? This is a burden which the industry cannot afford to carry.

In respect of the financing aspect, a small finance company would write up 5 000 loan agreements a year. The Government has collected \$1 000 in stamp duty on these transactions that the finance companies have absorbed in their costs, but will they absorb the \$50 000 cost which the Government proposes? No, they will pass this on to be paid by the borrower and this will add a further burden to the people who are caught in the borrowing bind.

I make those comments after seeking advice from a local broker as to what he thought of the legislation and how it would operate. I want to reiterate the comments I made in an earlier debate today: it is just another cost and another fee in respect of the operation of businesses and the arrangement of their finances. To that extent, I am somewhat concerned that, although the net effect might be an increase in revenue to the Government, the actual effect will be a further disadvantage for many businesses within the community.

**The Hon. FRANK BLEVINS (Minister of Finance):** I thank members who have contributed to this debate and I note their comments, particularly the extensive comments that were made by the member for Mitcham and I thank him for giving the Bill the attention that he has. I assure him that I have noted his comments. The member for Flinders made a general point and it may or may not have some validity. However, I do not believe that the increases in this Bill will in any way inhibit anyone from going ahead with a transaction. They are very minor amounts. I know that every amount, however minor, is another impost but I am sure that business would agree that, if it were to have imposts at all, imposts of this minor nature are all for which it would wish. I commend the second reading to the House.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

New clause 2a—‘Instruments chargeable as conveyances operating as voluntary dispositions *inter vivos*.’

**The Hon. FRANK BLEVINS:** I move:

Insert new clause as follows:

2a. Section 71 of the principal Act is amended by striking out from subsection (14) four dollars and substituting ten dollars

As was mentioned in the second reading contribution of the member for Mitcham, it appears that, in drafting this Bill, one increase in fees has been overlooked. I foreshadowed that that was not the case. We found that inconsistency belatedly. It is essentially a consequential amendment to ensure that there is some uniformity of principle in the Bill. Without this consequential

amendment, only \$4 instead of \$10 would be retained in the area of refunds payable on certain conveyances. I commend the new clause to the Committee, pointing out that the revenue effect of it is of the order of \$100 in a full year.

New clause inserted.

Clauses 3 and 4 passed.

Clause 5—‘Amendment of second schedule.’

**Mr S.J. BAKER:** I refer to paragraph (f). The Minister would note that the terminology has changed. Under paragraph (f) the Bill strikes out ‘DEED (except as otherwise provided in this schedule)’ and substitutes the following item, which has changed, because the Bill states, ‘DEED or transfer of any kind not otherwise specified in this schedule’.

The only definition of ‘transfer’ appears to be in section 71 (15), but that definition feeds the definition of ‘conveyance’ operating as a voluntary disposition *inter vivos* in section 71 (3) (a). There has been no explanation or indication as to why this new item has been introduced in what appeared to be an otherwise non-contentious head of charge. I can contemplate a situation in which a transfer, in the widest sense, would not be included in the conveyance head of charge. There is already a head of charge for a ‘conveyance of any other kind not before charged’. That is one of the headings under which the stamp duty is imposed.

The introduction of the word ‘transfer’ and the manner of drafting the new head of charge ‘deed’ would also appear to suggest that the previous qualification ‘except as otherwise provided in this schedule’ as modified in the proposed new head of charge only qualifies the word ‘transfer’ and not either ‘deed or transfer’. It is fairly technical and, now that the section has been changed, what is meant by ‘transfer’ under the conditions?

**The Hon. FRANK BLEVINS:** The wording in the second schedule is ‘for every deed or transfer of any kind not otherwise specified in the schedule or . . .’ All that has happened is that that wording has been simplified to read, as was pointed out by the member for Mitcham, ‘deed or transfer of any kind not otherwise specified in the schedule’. It has made absolutely no difference to the principle we are discussing. I am advised that the member for Mitcham is simply incorrect in reading any more into that than a simplification of the language.

**Mr S.J. BAKER:** On that issue I would ask the Minister to take further advice. I am quite happy if he has taken a particular interpretation that is somewhat different from the one before me, and I would be quite content if the Minister said that he would look to see whether there needed to be a further tidying up of the Bill.

**The Hon. FRANK BLEVINS:** I will obtain a considered response from the people who assist me so that the people who assist the member for Mitcham can, through us, argue it out.

**Mr S.J. BAKER:** A question has been raised with me as to the extent to which stamp duty on motor vehicles can be waived in circumstances where cars are stolen and the registration disc must be destroyed. Some stamp duty is also involved there. Has the Government looked into waiving fees of this nature when a car has been stolen, will never be returned, and the registration disc must be destroyed?

**The Hon. FRANK BLEVINS:** The issue is under consideration by the Government but has not been considered in sufficient depth for me to make any statement to the Committee. Again, I will prepare a more considered reply for the member for Mitcham.

Clause passed.

Clause 6 and title passed.

Bill read a third time and passed.

#### TOBACCO PRODUCTS (LICENSING) (FEES) AMENDMENT BILL

Adjourned debate on second reading.  
(Continued from 11 August. Page 39.)

**Mr S.J. BAKER (Mitcham) :** For the reasons I have explained on the previous two Bills (the Debits Tax and the Stamp Duties Amendment Bills) the Opposition opposes this taxing proposition. I will not go through all the reasons; if anybody is reading the *Hansard* record I suggest they look at the previous two contributions. A number of important points must be made about this legislation. I know, for example, that there is a groundswell of opinion from certain groups in the community who would suggest that whatever excise or tax is placed on cigarettes it can only be to the good. However, I find it a little bizarre (if I can use that terminology) if the Government puts that stated aim as its reason for the increased tax on cigarettes. That happens to be the opening paragraph of the second reading explanation from the Minister.

We know what it is all about; it is about increasing the revenue. Perhaps there is some positive benefit, as indicated in the Minister's explanation to the Bill, but never let it be said that the Government is being altruistic in imposing new taxes. It needs the money and it intends to get it. I would remind the members of the House that again we have another milch cow over which the Government has certainly extended itself and from which it has collected increasing amounts of money at the expense of those who would wish to smoke.

In 1981-82 the tobacco franchise collected \$14.6 million, the estimate for 1982-83 was \$15.5 million and the estimate for 1991-92 is \$101 million. We have had an extraordinary increase in that tax; it is nearly a seven-fold increase in the amount of tax that has come out of tobacco and it should be remembered that it is another area of taxation where even those who smoke cigarettes would wish to see the taxes they are paying put to purposes better than they have been over the past 10 years but particularly in the past 18 months.

The Government has said that it is introducing this measure to aid the health of the community and it also notes that South Australia is equalling the effort in New South Wales and Victoria. After a Premiers' Conference both States announced that they would increase their tax on tobacco products from 50 per cent to 75 per cent. The Minister also believes that there should be more money going to Foundation South Australia and effectively the change in the rate in the Bill increases the share of tobacco tax to the foundation from 3 per cent to 5 per cent. Also, to reduce the tax evasion by those people who buy directly from the suppliers, the consumption licenses,

which involve purchases from unlicensed tobacco product distributors, have been increased in the Bill by over 150 per cent. The Government is expecting a very large windfall, as members would appreciate: \$34.4 million in 1992-93 and \$37.5 million in a full year.

Foundation South Australia will receive an extra \$2.6 million this financial year, and \$3.1 million in a full year. Issues need to be discussed. Obviously, the impost of taxation on the less well off in the community must be borne in mind. We know that the studies of consumption behaviour show that there is an extraordinary skew in the consumption habits of people, and it is inversely related to the level of income. In other words, those people who have higher incomes manage to quit; those people on lower incomes still manage to afford it, no matter what the price of cigarettes may be. That bears reflection, given the amount of poverty we have in this State, on the increased pressure that is placed on families where people cannot give up. I do not intend to dwell on that subject at length, except to mention that the taxation does hit various sectors of our population in a way which in some ways is quite regrettable, because those people who have less money smoke more, can less afford it and reduce their other discretionary income. But, as they say in the classics, 'That's life.'

I wish to take up in serious fashion the statement that was made by the Premier when he announced increases on 23 June 1992. He said:

The Government has rejected any retrospectivity attaching to the move, with the charges to operate from the introduction of legislation to be introduced in the budget session of the Parliament.

I would say that it came as quite a shock to the industry and everybody concerned when 6 July came around and rumours were circulating that the Bill would have a commencement date of 1 September 1992 which, under the collection procedures that now operate, meant that the tobacconists should have been paying the tax from 1 July 1992, not sometime thereafter.

It is important that the Government, no matter how it changes the law, does not involve itself in placing businesses in a difficult situation. The tobacco industry has contacted me and said that there is \$1.3 million of uncollected tax, tax that was not imposed on each of those packets of cigarettes, cigars, 'roll-your-owns' and on pipe tobacco. So, what has happened is that the Government did not communicate to the industry that it had a start up date of 1 September, and by definition that the industry would need to start collecting the tax at day one on 1 July 1992, and that is totally unfair.

The Government has estimated the increased cost of a 20 pack of cigarettes will be 56c, a 25 pack will be 60c, a 30 pack will be 64c and a 50 pack will be 75c. As I have said the Opposition is opposed to the Bill in principle, because it is another taxation measure, and it joins those others that we have discussed and will be discussing this week. The Government has a responsibility to all businesses to ensure that they are well aware of the rules under which they operate. It should give them due warning of when the tax will be imposed and not place them in a difficult situation. I have put an amendment on file to that effect.

**Mr BECKER (Hanson):** I want to protest on behalf of the tobacco companies at the way in which the Government has handled this whole issue. The manufacturers were treated in an appalling way, and it shows a lack of respect by Treasury officers in regard to this industry. When I first came into the Parliament there were three areas that no Government was ever going to tax. Every time the previous Liberal Governments taxed those areas there was a tremendous scream from the Labor Party. One would never tax liquor, petrol or tobacco, but today it seems fashionable for the very Party that claims to represent the workers and the working class to tax the hell out of the poor bugger and give him no chance whatsoever to enjoy anything in life.

The tobacco tax for the financial year 1990-91 yielded to the Treasury \$85.3 million; in the 1991-92 budget the Government expected to receive \$101 million, and I believe it went very close to that; for 1992-93 it hopes to receive about \$135 million; and for 1993-94 the Government will receive about \$138.5 million. Foundation South Australia will get what it wanted. In my opinion, it has handled the distribution of the tax moneys that it has received from tobacco products in a very poor way. The distribution of moneys to various sporting organisations, cultural organisations and the arts, in particular, has not been in the best interests of all. It replaced tobacco sponsorship but there is no guarantee to the organisations that that replacement will continue.

What galls me particularly is that it costs about \$800 000 a year to administer Foundation South Australia. That \$800 000 could do a lot for small sporting clubs. At present, the bulk of Foundation South Australia money goes to the associations, not the individual clubs. The strings that are attached to that money and the involvement and interference by Foundation South Australia leave a lot to be desired. I hope that in the near future the Economic and Finance Committee will investigate the operations of Foundation South Australia and assure me and the people of South Australia that we are getting value for these taxes. I do not think that we are. I would rather see tobacco sponsorship resumed because I know it would be beneficial to all.

The Formula One Grand Prix racing event for Adelaide must continue to receive tobacco sponsorship. If Marlboro, Rothmans and the other companies pull out, we will have great difficulty in conducting that event in this country. Many countries in Asia and in Africa will give anything to have a round of the Formula One Grand Prix car race. I think it is high time that we backed off a little in this grand crusade of taxing the life out of tobacco products and taking away from the average citizen some little pleasure. Whether it is a health risk or not, surely the individual is entitled to make up his own mind.

As I said, the Government's record in handling this issue has been very poor. The Philip Morris company has had to write several letters to the Premier. One was answered by the Minister, promising a reply. The handling of this by the State Taxation Commission left a lot to be desired and made it unclear as to when the commencement date for increased taxes should apply. The State Treasury or Taxation Department can adopt the same approach as that adopted in the Northern Territory. When this matter was announced and the tobacco

companies were advised, we could say that from 8 July—that seems to be about the date—the tobacco companies had an opportunity to protect their revenues by increasing the taxes.

It is a 50 per cent increase in the tax for retailers. In other words, the Government can adjust the formula, and I was wondering whether the Minister intended to amend the proposal that he has before the House. For the first few days of July, the Government should accept that it will receive a 50 per cent fee and then for the remainder it will receive the new fee. That means there will be a slight adjustment on 1 September.

It is interesting to note that if the arrangements as announced by the Government proceed, one company alone will stand to lose \$1.3 million. That is awfully unfair. This company has advised me in the following terms:

Based on the average wholesale price of cigarettes in South Australia of \$80 per one thousand and a volume of 13.5 million cigarettes per day, we were unable to collect at the higher rate for five trading days and, on an industry-wide basis, this equates to a short collection of \$1.3 million.

It is staggering to think that 13.5 million cigarettes are being sold per day. Therefore, I plead with the Minister: it is unfair to do this to an industry that has been belted around the ears, as has the tobacco industry with the loss of job opportunities that has occurred in the past year or two, and the threat of another 200 jobs interstate for one company. We have to look at protecting every job that we have at the moment in this country. To ask a company to absorb a loss of \$1.3 million is extremely unfair, and it could cost more jobs. I hope that the Government will accept the pleas of the tobacco companies and take a partial tax for July based on the formula of 50 per cent and 75 per cent, and then at least we could say we are doing something to help small businesses as well as the manufacturers in Australia.

**The Hon. FRANK BLEVINS (Minister of Finance):** I thank members who have contributed to this second reading debate. I note the comments of the member for Mitcham and the member for Hanson with regard to the claim by the tobacco wholesalers that, in some way, they have been disadvantaged by the Government's action. At this stage I do not accept that that is the case. Therefore, I make the comment in passing that I will be rejecting the amendment that is on file. However, I do inform the House that, through my officers, I have already contacted the wholesalers and told them that I want to hear some more argument on their claim. I can assure the House that the Government has no interest in taking money from the wholesalers to which it is not entitled. Likewise, I do not believe that the wholesalers should take money from the consumer to which morally they would not be entitled.

I will report to individual members who are interested, or to the House as a whole, if the House is interested, the results of those deliberations. Some meetings are already organised for Friday, and I can assure members that, if the industry can convince us and demonstrate conclusively where it has been disadvantaged, the Government will make good any money it has taken to which it is not entitled. I understand also that the Economic and Finance Committee is looking at this issue, so there is absolutely no question that the tobacco

merchants will have at least two forums where their views can be aired in a way that, whilst I am not suggesting it will be sympathetic, it will be totally fair. Neither I nor the Government believe that we should take money from anyone to which we are not entitled. I urge the House to support the second reading.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Licence fees.'

Mr S.J. BAKER: I move:

Page 1, after line 28—Insert new paragraph as follows:

(da) by inserting after subsection (1) the following subsection:

(1a) Notwithstanding subsection (1), a tobacco merchant who satisfies the Commissioner that he or she sold tobacco products at any time during the period 1 July 1992 to 14 July 1992 (inclusive) (in this subsection called 'the prescribed period') is, in respect of the fee for a tobacco merchant's licence (not being a restricted licence) granted to the tobacco merchant for September 1992, entitled to a partial remission of fee, calculated as follows:

(a) if the tobacco merchant is not a member of a group, a remission equal to—

(i) 33.33 per cent of the aggregate value of tobacco products (not being tobacco products purchased from a licensed tobacco merchant) sold by the merchant to licensed tobacco merchants during the prescribed period;

and

(ii) 43.75 per cent of the aggregate value of tobacco products (not being tobacco products purchased from a licensed tobacco merchant) sold by the merchant otherwise than to licensed tobacco merchants during the prescribed period;

(b) if the tobacco merchant is a member of a group, a remission equal to—

(i) 33.33 per cent of the aggregate value of tobacco products (not being tobacco products purchased from a licensed tobacco merchant) sold by the members of the group to licensed tobacco merchants during the prescribed period;

and

(ii) 43.75 per cent of the aggregate value of tobacco products (not being tobacco products purchased from a licensed tobacco merchant) sold by the members of the group otherwise than to licensed tobacco merchants during the prescribed period.

(and, for the purposes of this subsection, the value of tobacco products sold for delivery and consumption outside the State will be disregarded).

The amendment provides that, if the tobacco merchants could not collect the tax during the period when they were not informed of the taxation changes and were under the misunderstanding that the measures would not commence until the Bills were in the House, they get adequate protection. The Minister has made the point that he intends to be perfectly fair and will listen to the

argument from those people involved in the tobacco industry and take account of their inability to collect tax because of the lack of knowledge of the Government's intention. However, the law is the law. The Act does stand in its own right. If it is ever contested, those merchants have no right of redress whatsoever. The Bill, quite classically, ensures that the imposition is retrospective. Despite the promises of the Premier, despite the undertakings of the Minister of Finance, the law is the law.

We have had a number of interpretations of that law in the courts and sometimes they have not been to the liking of members of Parliament and we have had to amend the law, but what we have found is that the Judiciary, if the matter is contested, has read the letter of the law and has ruled on the letter of the law. They would rule on the fact that the start-up date is 1 September 1992. They would rule on the fact that, as a result of the collection methods employed and the regulations that govern the industry, they would have been required to collect the tax from the merchants (this is the distributors from the merchants) as from 1 July. Whilst I take in good faith what has been said by the Minister, he does suggest that there is somewhat of a caveat, namely: 'You have to convince me, I do not have to convince you.' In the circumstances I believe that the Bill should be very convincing and reflect the wishes of the Parliament, which should clearly be that taxation measures should not be retrospective and should not be imposed if no-one has had the opportunity to collect the taxes ordained by this Parliament.

My amendment makes it fair and allows the Minister to reduce the impost. It allows the Minister to reflect on the lack of capacity of the industry to collect the taxes because it did not have knowledge at the time. It allows the Minister to research the extent to which the credit facilities within the industry also inhibit its capacity to pay its just dues. If this is the will of the Parliament and if this provision succeeds, it allows the Minister to reflect on the credit facilities and the extent to which they also have inhibited the collection capacity of the distributors. So, I insist on the amendment.

**The Hon. FRANK BLEVINS:** As I have stated, very briefly and incidentally in the second reading debate, I oppose the amendment. There will be no difficulty in the Government's making recompense by way of *ex gratia* payment if it is proved that the industry has been disadvantaged. The Government and I will not be a party to disadvantaging people, even if technically we are able to do that. *Ex gratia* payments will be made if they are justified.

**Mr BECKER:** I support the amendment. I think we should place on the record what is going on and what has happened. On 30 June Philip Morris wrote to the Premier expressing concern about the announcement on 23 June of an increase in State licence fees on tobacco products. I understand the Minister at the table responded to Philip Morris on 14 July. That is what it looks like. He stated:

The Premier has referred to me your letter, dated 30 June 1992, seeking information on the date of operation of the recently announced increase in the tobacco licence fee.

I am enclosing a copy of a notice which the Commissioner of Stamps has since circulated to all tobacco merchants, which addresses the issue raised in your letter to the Premier.



Part of the letter, signed by Mr Walker, Commissioner of Stamps, states:

The Government proposes to introduce the legislation early in August and subject to normal parliamentary processes to have the higher rate come into effect for the September licence fee which is payable by the end of August.

Here we are on 25 August debating the issue and it still has to go to another House. Whilst the letter of 6 July from the State Taxation Office, from the Commissioner of Stamps, may have had good intentions, the timing of the whole thing was not really all that efficient. The Commissioner of Stamps continues:

Provided the proposed legislation is passed by Parliament holders of unrestricted tobacco merchants' licences will be required to pay the higher rate for the first time at the end of August. The monthly fee then payable will be based on the value of sales to tobacco merchants in the month of July. The decision about whether to raise prices and if so when, is a matter for the commercial judgment of each holder of an unrestricted licence.

What a cop out. Here is the Commissioner of Stamps, acting on behalf of the Government, turning around and saying to the tobacco merchants that it is a matter for the commercial judgment of each holder of an unrestricted licence to decide if and when they are going to increase the product. The Government is slapping on a 50 per cent increase in the fee but it is ducking the issue by not advising or assisting the industry as to when it should commence charging the new fee. In other words, the Government must have been in total disarray or highly misguided if it thought the industry would absorb this type of price increase, because that is just not on. It could not do that; no industry could cop a 50 per cent increase like that.

I understand that Philip Morris wrote back to Mr Walker, the Commissioner of Stamps, on 8 July explaining exactly what happens. I want this on the record. The letter states:

Thank you for your letter of 7 July 1992 informing Philip Morris that the increase in the State licence fee on tobacco products announced by the Government on 23 June, will come into effect for the September licence fee payable by the end of August.

As a result of your letter, Philip Morris has proceeded to charge its customers state licence fees at the increased rate effective today. This is in line with practices generally accepted by both the South Australian State Taxation Office and the industry, namely:

- that the licensed tobacco wholesaler charges (on invoice) the licence fee on sales made to its customers during a particular month,
- that the licensed tobacco wholesaler collects that licence fee from its customers based on those sales, and
- that the licensed tobacco wholesaler remits the licence fee collected from its customers to the South Australian State Taxation Office.

As a result of the timing of the Government's announcement of the effective date of the licence fee increase, there will be a shortfall of 25 per cent on the amount of licence fees Philip Morris collects from its customers on sales made from 1 July to 7 July inclusive.

A fair and equitable implementation of the State licence fee increase can only be achieved in these circumstances by enabling Philip Morris to remit to the South Australian State Taxation Office as the fee payable for its September licence, the fees charged by it to its customers, namely, 50 per cent on sales made from 1 July to 7 July inclusive, and 75 per cent on sales made from 8 July onwards. (This was the approach taken by the New South Wales Office of State Revenue as a result of the New South Wales Government's sudden decision to increase its licence fee to 75 per cent of sales).

I understand that the Northern Territory does the same thing. It continues:

- To do otherwise would penalise Philip Morris for a situation—
  - it did not create,
  - which it tried to avoid, but
  - over which it had no control.

In this regard, I point out that from 23 June to 7 July Philip Morris tried in vain—

and I can prove this as I have several letters—

to find out the effective date of the licence fee increase.

So did others involved in the industry. It continues:

It made calls to several officers of the Government and of the State Taxation Office, including the Deputy Under Treasurer, Mr John Hill, and yourself, and wrote to the Premier and Treasurer on 30 June, 3 July and 6 July.

In light of the above, Philip Morris hereby requests that it be permitted to calculate the fee payable for its September licence at the rate at which the fee was charged to its customers, namely, at 50 per cent from 1 July to 7 July inclusive, and at 75 per cent from 8 July onwards.

Yours faithfully

Phil Francis.

It is not only Philip Morris that is being affected in this, but other tobacco merchants. It is a fair and reasonable request for State Treasury to accept what Philip Morris has put forward. I understand that in Adelaide on Friday 28 August there will be a meeting with the Under Treasurer to discuss a request for a payment of 57 per cent for the first seven days of July. I want to know whether the Minister is aware of that and whether that is the meeting he is referring to. I want to be assured that the merchants will be given a fair go on this one. I am absolutely loath to touch this legislation because I think it is in an unsatisfactory state; it is not good enough. The whole concept of rushing this licence fee through and the extra taxes indicate to people, whether in this State, or interstate, to those in small business, to manufacturers or to whoever, that this State is not being run very well at all. We have to get our act together; we have to learn to do that.

**The Hon. FRANK BLEVINS:** Mr Chairman, I draw your attention to the state of the Committee.

*A quorum having been formed:*

**The Hon. FRANK BLEVINS:** I move:

That Standing Orders be so far suspended as to enable the House to sit beyond midnight.

Motion carried.

*[Midnight]*

**Mr BECKER:** I say again to the Minister that, unfortunately, we are not talking about a small amount of money. We have been advised by a large Australian manufacturer that, based on an average wholesale price of cigarettes in South Australia of \$80 per 1 000 and a volume of 13.5 million cigarettes a day, the higher rate on an industry-wide basis equates to a collection of \$1.3 million for the five trading days between 1 July and 7 July 1992. I appeal to the Minister, the Government, the Treasury and State taxation officials to, for goodness sake, get their act together in future. They cannot impose increases such as this without consulting the industry. They cannot expect any industry or any business to absorb this amount of money. Someone has made a mistake, but the industry will not cop this \$1.3 million. Someone has made a mistake in the department and it has cost the Treasury \$1.3 million.



A meeting will be held on Friday, so there will be a chance to sort this matter out. What is happening to some of the small luxuries and pleasures that the working man has left in this world today, whether or not they be a risk to health, is a shame. It is legal in Australia to manufacture cigarettes, and it is legal to sell them. If the Government is going to continuously pick on an industry, it should do so fairly and not in the high-handed manner it has been adopting.

**Mr S.J. BAKER:** I wish to endorse the remarks of the member for Hanson. I have received considerable correspondence on this matter. It was my intention to read that correspondence into the record, but the member for Hanson has managed to do that more than adequately. He is a fine example of a person protecting the rights of individuals—

*An honourable member interjecting:*

**The CHAIRMAN:** The honourable member is out of order.

**Mr S.J. BAKER:** —without fear or favour. I think all industries appreciate the fact that the member for Hanson will take up their cause. As I said earlier, I insist on the amendment. It allows the collections that take place between 1 July and 14 July 1992 inclusive to be subject to rebate, and this is a far better deal for the tobacco industry and the wholesale merchants, as the member for Hanson has rightly pointed out.

Amendment negatived.

**Mr S.J. BAKER:** I move:

Page 2, lines 1 to 6—Leave out paragraphs (e) and (f).

We have this rather interesting attempt by the Government to place in legislation that terrible word 'retrospective'. The Minister should know better than that, because he knows that by the time this Bill gets to another place that will be like a red rag to a bull. I am not sure why we need to change the wording of the Act because the Act has stood the test of time. Paragraph (e) provides that the Act is amended as follows:

By striking out from subsection (7) 'Where a re-assessment is made under subsection (6)' and substituting 'A re-assessment under subsection (6) has retrospective effect and accordingly if such a re-assessment is made';

I assume that it is with an abundance of caution that this amendment has been included to ensure that the taxes that have been collected from 1 July can be collected from 1 July. The Liberal Opposition has always opposed retrospectivity in legislation. When it is written in bold terms in legislation, it raises the ire of Liberal members and, for that reason, we oppose paragraphs (e) and (f).

**The Hon. FRANK BLEVINS:** The intention is to collect the tax from the date of the announcement. I do not believe that that is retrospective in the broader sense of the word. While the word may be used, I would say that, more properly, retrospectivity means to get something before an announcement has been made. It is very common throughout all Parliaments in Australia and possibly elsewhere, although I am no authority on them, to have taxation changes apply from the date of announcement. There is nothing unusual about it.

Amendment negatived; clause passed.

Clause 5—'Application of money collected under the Act.'

**Mr S.J. BAKER:** It is useful for the Committee to reflect upon the performance of Foundation SA. It has already been alluded to in this debate that certain

members on this side do not believe that Foundation SA's performance has been satisfactory. Reference was made to the high cost of Foundation SA's administration, \$800 000 out of some \$5 million. The cost of administration, the cost of the parties and some of the expenditure that took place in the year previous to last year—I understand that we will have a report for the last financial year—were subject to criticism. Quite rightly, we believe that Foundation SA was not operating in the spirit for which it was designed.

We know that there are always conflicts between the people who receive grants from Foundation SA and those who miss out. There are always conflicts between those who believe they should get more from Foundation SA and those who believe they should get less. It is never an easy job doling out the money, and we have made mention of that in the past. It would be appreciated if, during the passage of this legislation to another place, the Minister could provide a preliminary report on the achievements of Foundation SA because it is a very important item in this Bill.

The effect of the change from 6 to 6.67 per cent as proposed under this clause means a considerable increase in income, taken in conjunction with the 50 per cent increase in taxation. So that this Bill can be debated adequately in another place, the Opposition would appreciate a presentation of the performance of Foundation SA for members in that place to view. It is particularly important. I believe that Parliament has to feel comfortable that the moneys being collected in this fashion are used appropriately.

It should feel that less money is being spent on the members of Foundation SA, (and that includes the executive) and more going to the areas for which it was originally designed. I would ask the Minister to provide a preliminary report. We do not wish to wait until the annual report is produced, as that may still be one or two months away. With this extra income being provided to Foundation SA, it is appropriate that Parliament have some details on its performance in the past financial year.

**The Hon. FRANK BLEVINS:** As the member for Mitcham indicates, the annual report is due very soon. Obviously, it will be very comprehensive, and it seems to me that any report that we could give the other place overnight would hardly do justice to the quite legitimate question. However, I will see what interim report can be given, although I stress that it will be a report for what it is worth, since the annual report will be a very comprehensive document. We will do our best.

**Mr BECKER:** That is not good enough. I want an absolute assurance from the Minister that he will do that and that the report will be presented to the other place. Foundation SA has not yet replaced all the tobacco sponsorship that was in operation before it came into being. Some of the staff of Foundation SA have made it very difficult for working men's organisations to apply for and be granted sponsorship. To me, that organisation has not gone out of its way to help the smaller sporting clubs or organisations, and it leaves much to be desired in relation to the promises that were made by Minister John Cornwall, if I remember rightly, and the debates which we had initially when that organisation was formed.

I have had sessions with its management, as did the previous Leader of the Opposition. We were called up and no sooner had we walked out of the office than a press release was issued about all the things that we were told were confidential. I do not have too much faith in the current management of Foundation SA, as I think that they live in a fashion that is not befitting the type of organisation that we expect. I cannot justify any organisation spending the level of money that it spends on administration and on the rental of the premises it occupies.

I do not think Foundation SA needs the standard of premises it has, anyway. It is time that we faced reality on this issue. Sporting clubs in South Australia are struggling. Sporting associations, sports development, recreational development and the arts should be doing much better than they are and should be given a much better go than they are receiving. I still believe in the tobacco companies doing it themselves and, if that were permitted, the sporting organisations and the arts would be much better off.

When we look at the success of the Health Foundation in Victoria, what it has achieved, and then look at Foundation SA, we see that there is just no comparison. No real reason has been given to us as to why the extra funds are being given to Foundation SA, but we know that it went into sponsorship in certain events on a long-term program, and at one stage there appeared to be a dip in its funding. I wish that it would answer the questions that I have had on the Notice Paper for the past six or nine months relating to the interest it has earned on the money it has received.

When one considers that interest from other incomes has dropped about 50 per cent, it makes one wonder when it is receiving its payment from the Treasury and what interest rates its moneys are earning. So, the Parliament is entitled to an interim report. The sporting organisations are entitled to know exactly what is going on, and we want to know whether there will be the opportunity for the small tennis club to obtain from this organisation the funds for a replacement net or some

other minor improvement or whether all the money will still be pumped into the grandiose promotional schemes, which is unfair to the smaller and developing sports.

We want to know whether the smaller voluntary organisations in the health and welfare field are getting the sizeable grants instead of the very popular and attractive charitable organisations. We also want to know whether the small amateur theatres are getting their share of the grant moneys, instead of the large professional organisations. It is a big task, a big responsibility, when one is doling out moneys such as this, but I am not satisfied and I think there are a lot of other members who are not satisfied, because they have been approached by the constituents' organisations.

The organisations themselves are not game to speak up. If we ask any sporting organisation how it is going at the present time and about its financial situation, it will tell us in whispered tones but it will say that it will never be quoted. That is the tragedy, because some of them operate under fear that they may lose their sponsorship. Foundation SA has made it very clear that, even if those organisations have been receiving tobacco sponsorship previously, there is no guarantee that the sponsorship from Foundation SA will continue. No club, and no sporting or cultural organisation should have to live under that threat. That is what is happening.

Mr Ferguson: When they get the poker machines they'll be all right.

Mr BECKER: I don't think they will get the poker machines. Foundation SA was set up to replace tobacco sponsorship and do a little more. It has not done that.

Clause passed.

Clause 6 and title passed.

Bill read a third time and passed.

#### ADJOURNMENT

At 12.18 a.m. the House adjourned until Wednesday 26 August at 2 p.m.