

HOUSE OF ASSEMBLY

Thursday 27 August 1992

The SPEAKER (Hon. N.T. Peterson) took the Chair at 10.30 a.m. and read prayers.

POLICE SUPERANNUATION (MISCELLANEOUS)
AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 13 August. Page 157.)

Mr S.J. BAKER (Mitcham): The Opposition supports the Bill before the House. In many ways it is a tidying up Bill. The last time we looked at a substantial change to the Police Superannuation Scheme was in 1990 when the superannuation arrangements for the police were updated and upgraded to bring them into line with accepted standards throughout the public sector. Substantial changes were made at that time. Some of those changes have led to several discrepancies that must be fixed up by this Bill. Basically it is a tidying up Bill and the Opposition does not have extreme reservations about most of its provisions.

If members look at the second reading explanation, they will find that the changes relate to ascertaining the maximum salary upon which superannuation will be based, revolving around the employee's salary as at 31 March 1990 and the term of the highest qualifying salary. We have changes that provide for a lump sum benefit payable to a spouse where the contributor retires before the commencement of the Act. Another set of amendments deals with the determination of dismissed officers who will be deemed to have retired, and I will canvass that matter more widely in a moment. The fourth change relates to a reduction in benefits for a retrenched or invalidated employee who returns to work. The Bill also allows demoted officers to receive benefits applicable to the salary being received prior to demotion on a *pro rata* basis. Most of the amendments are non-contentious, are sensible and are not cause for great concern.

For example, I am pleased to see the cutting out of benefits for a previously invalidated police officer who returns to the force full time. We have had many occasions when police officers in the line of duty have been seriously injured, and at the time of assessment and perhaps for up to 12 months after that event there has been a doubt as to whether that person will ever return to an active working life. That is an unfortunate hazard of the occupation. On those occasions, when a person has been deemed to be totally unable to continue with the duties that were performed previously or those duties in a modified form, the officer has been invalidated out of the force and has received the benefits that apply under the Act.

The Opposition does not wish to restrict their re-entry to able-bodied employment by giving them a double benefit. As the Act stands, it does retard the ability of such police personnel to return to active duty because it involves a double payment—first the superannuation benefit and then the officer's basic salary. The amendment is fair and reasonable, and it will enhance the

possibility of police officers who have been seriously injured or who have had to leave the force because of stress or other problems coming back into the force, and it may result in us not losing some of our highly qualified and highly experienced personnel. I think that that particular amendment is quite gratifying. In the same way, the lump sum benefit for spouses has been brought into line with the conditions that apply in the general public sector scheme.

It is sensible for demoted officers not to lose all benefits at the higher salary on demotion but, by the same token, they should not have them fully restored. In 99 per cent of cases, demotion is the result of some misdemeanour or problem that that officer experienced whilst employed by the Police Force. The amendments we have before us are fair. They amend the Act to allow for a pro-rata recognition of a police officer's former highest level of salary and contribution, but the person, on retirement, does not get the full benefit of the highest qualifying salary, and that is appropriate.

There are a number of important amendments. They are important to the Police Force and the Opposition fully endorses those changes. However, the Opposition does have some difficulty in the case of a police officer who has been dismissed. I know that the Police Association has strongly supported this provision, and that this is why the amendment is before us today. However, I, as an individual, and I believe the population of South Australia generally, must express some reservation about it. I am willing to leave the clause untouched and hear the argument and, on the basis of the merit of that argument and perhaps any further submissions from the Police Association, it is my intention, if I am not convinced and the Liberal Opposition is not convinced, to oppose the amendment in another place.

Dismissal from the Police Force is a very serious matter, and members should countenance what has happened over a period with officers who have transgressed. There are a number of ways of penalising those officers. Members will remember a very famous case of officers who are deemed to have done some considerable wrong and who were not dismissed from the Police Force but were allowed to retire. Normally, within the police ranks, if an officer is suspected of having done wrong and there is considerable evidence to that effect, it has been gently suggested that he or she should retire rather than go through the process of tribunals and possible dismissal.

The tribunals and the Commissioner have several mechanisms at their disposal, depending on the severity of the complaints and wrongdoing. There is discretion as to what should be done when an officer transgresses and commits an offence. If it is of a relatively minor nature, the Commissioner may issue a reprimand; if it is of a more serious but not culpable nature, the police officer may be fined. If it gets more serious, we suggest that the officer should be demoted. The provisions in the Bill allow for that contingency. A number of officers have been demoted for failing to carry out their duties in the way that the South Australian public would expect. It is only a very small percentage, but in every occupation there are those who would do wrong and not carry out their duties with due diligence, and there are mechanisms

available to the Commissioner to ensure that such persons are seen to suffer a penalty.

At the end of the line we have dismissal. Dismissal is viewed as being a very harsh penalty because it is consistent with a serious offence. Police officers are not dismissed for negligence unless it results in harm being done to other people not for minor breaches of regulations: police officers are normally dismissed for serious offences. In those circumstances, I cannot countenance why a person who may also be subject to the criminal law should have the benefits which are paid for by the taxpayer. Superannuation schemes provided by this State are heavily subsidised. The old pension schemes are subsidised by the State Government by as much as 80 or 82 per cent and the more recent schemes are subsidised by the taxpayer at about 75 per cent. It is wrong in principle that a person who has transgressed to the point of being dismissed from the Police Force should benefit and continue to benefit by superannuation from the State Government.

The argument cannot be mounted that this scheme can be regarded in any parallel sense with lump sum schemes in which officers might have placed a certain amount of money with a matching contribution by the State Government. Such schemes cannot be regarded as being the same as the 3 per cent provision, which will become 4 per cent, in terms of the national wage case determination. So, we are looking at a situation in which the taxpayer will continue to pay the superannuation of a dismissed police officer. I have extreme reservations about that and await the Minister's explanation as to why this Parliament should not oppose this clause.

The Hon. FRANK BLEVINS (Minister of Finance): I thank the honourable member for his contribution and for his general support for the Bill. As the honourable member stated, the amendment is mainly of a technical nature, the one matter of substance that appears to have become contentious being the question of some retrospective reduction in the accrued benefit of a demoted or dismissed police officer. The case is unanswerable. If a person has a contract for a superannuation scheme, I cannot conceive of any circumstances whatsoever where what that person has paid for superannuation to a given date should not be preserved. To take away retrospectively a benefit that has been purchased is abhorrent to me. The penalty of dismissal from the Police Force is a very serious one, but to say on top of that that we will go back 20 years and also take some money from what people have purchased over the years in superannuation should not be part of any superannuation scheme.

I understand that that does not apply in the parliamentary superannuation scheme. If any members were no longer eligible to sit as members of Parliament because they committed some atrocity that brought them into conflict with the Constitution Act, or whatever, that would be a very severe penalty; but if on top of that they also lost their superannuation, they would be up in arms. But it does not happen to members of Parliament. Members can feel comfortable about this, because if they are sacked there is no retrospective penalty as regards superannuation. I see no reason why the police should not be in exactly the same position on this principle as

members of Parliament, and I urge the House to carry the second reading.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3--'Interpretation.'

The Hon. FRANK BLEVINS: I move:

Page 1—Lines 25 to 31—

Page 2—Lines 1 to 7—Leave out paragraphs (a) and (b) and insert the following paragraphs:

(a) for the purpose of calculating benefits—

(i) the contributor's actual salary will be used if, at that date, it is at that level (or would be at that level except for a reduction for disciplinary reasons) and the contributor is in full time employment in that grade;

or

(ii) if, at that date, the contributor's salary is at a lower level (except for a reduction for disciplinary reasons) or the contributor is employed in a lower grade or on a part time basis, the salary that the contributor would have been receiving at that date if he or she had been employed on a full time basis in the highest grade achieved by the contributor and had been receiving salary at that level will be attributed to the contributor;

(b) for the purpose of calculating contributions—

(i) the contributor's actual salary will be used if, at that date, it is at that level (or would be at that level except for a reduction for disciplinary reasons) and the contributor is employed in that grade (whether on a full time or a part time basis);

or

(ii) if, at that date, the contributor's salary is at a lower level (except for a reduction for disciplinary reasons) or the contributor is employed in a lower grade, the salary that the contributor would have been receiving (for his or her hours of employment on that date) if he or she had been employed in the highest grade achieved by the contributor and had been receiving salary at that level will be attributed to the contributor.

This amendment is of a technical nature. I am advised that it replaces paragraphs (a) and (b) of new subsection (3) of section 4 inserted by the Bill. The purpose of the amendments is to improve the drafting of these paragraphs and to break them into subparagraphs to make them more easily understood. The policy in this part of the principal Act is complex. Benefits and contributions are based on the highest level of salary in the highest grade achieved by the contributor. In some cases, this might have occurred years before the benefits or the contributions are to be calculated. In these cases, a salary is attributed to the contributor instead of basing the calculation on his or her actual salary. However, salary is not to be attributed to make up a decrease resulting from disciplinary action against the contributor. Unfortunately, the drafting of complex policy inevitably results in a complex provision.

In an attempt to simplify the drafting as much as possible, the reference to the highest level of salary in subclause (3) as it appears in the Bill is used in two different senses: first, in conjunction with the highest grade achieved by the contributor; and later, referring to the greatest amount received by way of salary, which presupposes that the contributor is employed at the highest grade. On reflection, it is considered that

paragraphs (a) and (b) should specifically refer to the possibility of a contributor being on a lower salary by virtue of being employed at a lower grade, rather than relying on an implied reference. Despite subclause (4), it was felt that paragraphs (a) and (b) should specifically exclude reductions in salary for disciplinary reasons. The new paragraphs include this reference.

Mr S.J. BAKER: I thank the Minister. I wish he had provided this amendment a little earlier so I could have looked through it and understood it. On first reading it seems to be consistent with the original provision and, as the Minister points out, it is by way of further clarification. I will accept it on that basis and I will allow further scrutiny of this in the passage between the two Houses. At this stage I will accept the explanation provided by the Minister, even though I might be unsure as to whether the actual wording is consistent with what he said.

Mr BRINDAL: In connection with this clause, I would like to ask whether the Government has any plans to look at the disciplinary provisions found elsewhere and given to the Commissioner of Police. I ask that in this context because I understand that an unusually large number of non-commissioned officers are currently being charged under provisions of the Police Act for disciplinary and a whole range of other reasons. This obviously can affect the superannuation payout of a constable or even a commissioned officer if subsequently they leave the force, and it is unusual, because it does not apply in much of the rest of the Public Service. While this provision is quite good, is the Government prepared to look at the disciplinary provisions accorded to the Police Commissioner or at least the current level of charges being levelled against constables to determine what is going on and, in the light of the superannuation, what it would do to it?

The Hon. FRANK BLEVINS: I have no knowledge of any disciplinary procedures that are taking place, nor could I be expected to have. Those questions would have to be directed to the Minister of Emergency Services. I would not have any idea how many policemen, if any, are facing disciplinary charges.

Amendment carried; clause as amended passed.

Clauses 4 and 5 passed.

Clause 6—'Resignation and preservation of benefits.'

Mr S.J. BAKER: I was disappointed in the Minister's second reading response when he said that police officers contracted for this benefit so they should receive that benefit, irrespective of the severity of the offence that may have been committed. I reject this totally. When people are appointed to the Public Service and they enter into a contributory scheme, they do so on the basis that they shall comply with the rules, and the rules provide that there are certain minimum times that must be spent within the Public Service and there are certain minimum ages upon which a person may retire before they receive the benefits which are set down in the Act. In my situation and in that of others, we voluntarily retired from the Public Service and received back our contributions plus 4 per cent. I did not get a long-term superannuation benefit. I did not get any real benefit from having that money in that scheme.

The Hon. Frank Blevins: That's in the old scheme.

Mr S.J. BAKER: As the Minister interjects, we now have a different scheme of arrangement. We still only have interest being paid on the contributions.

The Hon. Frank Blevins interjecting:

Mr S.J. BAKER: Well, the Minister is incorrect. Perhaps he can clarify the matter when it is his turn to contribute to this debate. The key to whether or not someone should receive benefits relates to whether that person has lived within the rules, and there are a number of rules, including length of service, a minimum retiring age or satisfactory service over a period of time. Under the circumstances, if the person has failed to complete the minimum length of service, has not reached the minimum retirement age or has not completed satisfactory service within the public sector, then that person should not receive the long-term benefits that are paid for by the taxpayers of this State.

I have said previously that the schemes are subsidised by the taxpayer. If we set a precedent in this House that a person, who has committed an offence of such a serious nature, remembering all the other disciplinary actions that can be taken by the Commissioner and the tribunal, is rewarded for the rest of his or her lifetime by being subsidised by the taxpayer, I am not convinced that that person should receive that benefit. The Minister has not explained to the Committee why a dismissed officer, who previously did not receive this benefit, should suddenly qualify for it. Can the Minister please explain to the Committee why the Government has now determined that that person should benefit?

The Hon. FRANK BLEVINS: I can only repeat my previous contribution to the Committee. If the member for Mitcham disagrees, that is fine. I cannot see any point in both of us continuing to stand up here for the rest of the day repeating our respective arguments. We will have to agree to differ.

Mr S.J. BAKER: Given the unsatisfactory explanation by the Minister, I will oppose this clause, but not divide on it, to allow representations to be made to my colleagues in another place. I believe that we are setting a precedent by providing taxpayer-subsidised benefits to people who have committed, one would believe, very serious offences, and I do not consider that the taxpayers of South Australia can countenance such provisions as we see here.

The Hon. FRANK BLEVINS: Just in case anyone who stumbled across *Hansard* thought that the member for Mitcham had said something profound, the fact that he is opposing this clause and not dividing to enable further representations to be made is just ridiculous. Representations can be made in the other place, whether or not the member for Mitcham supports this clause. It makes absolutely no difference. I would have thought that the member for Mitcham is wasting his breath with a fatuous remark like that.

The Hon. B.C. EASTICK: I certainly support the view expressed by my colleague the member for Mitcham. It is a case of having your cake and eating it, too. It is a circumstance that I do not believe the general public would tolerate or accept as being reasonable, to find that a person who transgresses is openly invited to take a benefit from that transgression. I also oppose the clause.

Clause passed.

Clause 7—'Effect on pension of pensioner's re-employment.'

Mr S.J. BAKER: I have two questions on this clause. Paragraph (b) relates to a pensioner employed permanently in the Public Service, and this deals with the reduction in benefits or in fact stopping of the pension benefits while that person is so employed. I have not checked the report of our other superannuation scheme, but can the Minister say whether a similar provision exists for this?

The Hon. FRANK BLEVINS: Yes.

Mr S.J. BAKER: My second question relates to the person who comes back into the force and is not required to contribute. Paragraph (c)(ii) provides:

in the case of a pensioner employed on a temporary basis in the Police Force, the pensioner is not liable to contribute to the scheme during the period of temporary employment.

Have the benefits been altered in any way by that service?

The Hon. FRANK BLEVINS: There is no alteration to the benefits at all: they are suspended.

Clause passed.

Remaining clauses (8 to 10) and title passed.

Bill read a third time and passed.

LIQUOR LICENSING (FEES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 August. Page 40.)

Mr S.J. BAKER (Mitcham): The Opposition opposes the proposition before us. I have said previously on the taxing Bills that have been brought before this House, announced by the Premier on 23 June 1992, that we will oppose the measures. We oppose the proposition because we do not believe that this Government has the right to tax the people of this State to spend the money on behalf of the people of this State and make decisions on their behalf. The Government has forfeited its right due to its failure to act in the best interests of the people of South Australia.

This Bill is an important Bill, as are all taxing measures. It is important for the future of the industry that the Bill does not pass in its present form. I would remind members that this Bill increases the tax charge imposed by the State of South Australia on consumers through the hoteliers, through the liquor distribution outlets and through clubs by 18 per cent - the tax is increased by 18 per cent. This is because the licensing fee fixed by this Bill is being increased from 11 per cent to 13 per cent.

It is important to reflect on the state of the industry today. As we are aware, all areas of industry, commerce and business are suffering from the recession and, in South Australia's case, it could be more appropriately deemed a depression. In particular, liquor licensing areas are very sensitive to the fact that many hoteliers and clubs out there are struggling to survive.

I would remind members of the House of just how important the liquor industry is to the health and well-being of South Australia. It has often been said that the hospitality industry is the fastest growing area of employment in the State economy, and in the national

economy, and this is true. The contribution made by this industry should never be understated, and we have seen in the service industry an increase in job creation. I hate the words 'job creation', because it implies that there is some hand up there creating jobs—I prefer to say that there has been an increase in jobs. In this industry that has occurred through the enterprise of people and businesses involved in it. We have seen the hospitality industry and the service industry increase its share of GDP quite considerably over the past 10 years.

In respect of employment in South Australia it is important to recognise that the hotel sector of the industry employs about 13 000 people. In the clubs and the other distribution outlets and in the restaurants we have approximately another 7 500 people. So we have over 20 000 people who depend on this industry for their livelihood. As I said previously, effectively, the Bill increases by some 18.2 per cent the charge collected by the State Government. I wish to read into the record a submission that I received from the Hotel and Hospitality Industry Association. The industry representatives say that such an increase is outrageous. They do accept that there is always change, and alcohol has always taken the brunt of taxation effort, whether it be at the Federal level or at State level. However, the association believes that, at this time in the cycle, with the particular problems faced by hoteliers, liquor distributors, clubs and restaurants, some account should have been taken of the economic circumstances and fees, with the licence fees left where they were at 11 per cent. The submission from the Executive Director states:

In our case, the \$3.5 million the Government expects to recover to 30 June 1993 (which is more likely to be in the vicinity of \$2.5 million), could be forgone by only collecting 13 per cent from the 1 July date. The reality is that many operators have great trouble paying on time now; 13 per cent only increases defaulters.

Longer term the industry would prefer the licence fee on invoice approach. In other words, pay as you purchase. This overcomes the problem of fluctuating sales from year to year, reduces Government expenditure in collecting the tax from some 2 000 plus outlets and allows operators to better plan and control their cashflow.

Hear, hear! The industry has a very strong point in that if one looks at the contribution of the liquor licensing fees over the past 10 years one sees that the taxes collected from this industry have far exceeded inflation. Of course, it is the consumers who bear the burden.

In 1981-82, for example, publicans and other licensees paid \$16 million in fees. In 1982-83, that figure was \$19 million. The estimate for 1991-92 is some \$44.2 million. We can see that that is well over a 100 per cent increase in the tax collected from this particular industry; it is in excess of the inflation rate and it has had an impact on the industry already. If this taxation measure succeeds then we would expect to collect over \$50 million in licence fees from the industry. The industry has provided me with some information, which I think it is important to have on the record. With your indulgence, Madam Acting Speaker, and with the leave of the House I wish to have inserted in *Hansard* a statistical table.

The ACTING SPEAKER (Mrs Hutchison): Is it of a purely statistical nature?

Mr S.J. BAKER: Yes, it is.

Leave granted.

LIQUOR LICENSING FEES
Licence Fee Based on 11 per cent of Purchases

Annual Licence Fees	Increase %	Based on Financial Year
1986 \$30 676 181		84-85
1987 \$34 264 821	+11.6	85-86
1988 \$36 689 114	+7.0	86-87
1989 \$41 546 383	+13.2	87-88
1990 \$41 256 747	-0.7	88-89
1991 \$43 482 440	+5.4	89-90
1992 \$42 895 859	-1.4	90-91

Impact of 13%=equivalent to an 18.2% increase.

1982 figures= \$42 895 859 at 11%

at 13%\$50 695 105 at 13%

Increase of \$7 799 246 (this assuming purchases for 91-92 remain the same as 90-91.

Industry Share of Licence Fee in 1992

	%	No.
Hotels	58.2	622
Bottleshops	25.2	161
Unrestricted Clubs	3.1	333
Restaurants	3.7	661
General Facility	5.6	199

Industry Sector increase as a result of 13% licence which represents an increase of 1992 figures.

Hotels at 58.2%=\$4 539 161—shared amongst 622 outlets=average increase of \$7 297 per hotel licence.

Bottleshops at 25.2%=\$1 965 410—shared amongst 161 outlets=average increase of \$12 207.

Unrestricted Clubs at 3.1%=\$241 776—shared amongst 333 outlets=average increase of \$726.

Restaurants at 3.7%=\$288 572—shared amongst 661 outlets=average increase of \$437.

General Facility at 5.6%=\$436 757—shared amongst 199 outlets=average increase of \$2 195.

Mr S.J. BAKER: This table shows the extent to which the licence fees have changed over a period of time and the impact that they have had. I will start with the impact of the recession and the changes in drinking circumstances. At least the Premier has not imposed a tax on low alcohol beer, and I commend him for that under the circumstances. So it is not all negative.

If we look at the annual licence fees for 1991, we see that they were \$43.48 million, which is a 5.4 per cent increase on the previous year. In the 1991-92 year there was a decrease of 1.4 per cent to \$42.9 million. That occurred because of a number of factors. However, there are two important factors that come to mind. The first is the fact that the discretionary dollar has decreased as a result of the increasing level of unemployment. The other factor is that people are making very wise choices about their drinking habits. The general consumption of alcohol is decreasing and there is a move to low alcohol beverage consumption. That is only to the good of the health and wellbeing of this population, not to mention that of the road users who are occasionally subject to the problems created by drink drivers.

The industry has calculated the impact of the 13 per cent impost based on the 1992 figures. Of course, there has been a \$8 million increase in licence fees. However, circumstances have changed and it is important for all members of the House to understand that the level of consumption in 1991-92 of so-called high alcohol

beverages will decrease dramatically in 1992-93. I will make mention of that fact a little later, because it becomes very important in understanding the lack of capacity of the industry to pay these increases.

The industry association, in indicating the share of contribution from fees, points out that the 622 hotels contributed 58.2 per cent of licence fees; the 161 bottle shops contributed 25.2 per cent; 333 unrestricted clubs, 3.1 per cent; 661 restaurants, 3.7 per cent; and 199 general facility licences, 5.6 per cent. The industry calculated the impact of the 13 per cent, all other things being equal. The increased impost on the 622 hotels amounts to an average increase of \$7 300 per hotel licence or \$4.5 million across all hotels. For bottle shops, it works out at an average of \$12 200; unrestricted clubs, \$730; restaurants, \$440; and general facility licences, \$2 200. These estimates are based on 1991-92 consumption, and assume there is no default in the system, although there will be some default, given the parlous state of the industry.

The industry also suggests that the Premier and Treasurer take account of the fact that the licence fees go on top of—and therefore the State benefits from—the excises imposed by the Commonwealth Government. Over time, due to the automatic application of CPI rises to the Federal excises, the State Government has piggy-backed on them by applying a licence fee on top of the excise, thereby benefiting from those excises.

Queensland remains at 10 per cent as at the last reading, although one would question whether it would remain at 10 per cent much longer, given that in Queensland the tobacco tax, once being the lowest in the country, will now be somewhat similar to the provisions in the tobacco taxation legislation we considered earlier. In Tasmania and Western Australia the 11 per cent still prevails; so we have Victoria, New South Wales and South Australia leading the band in taxation, as I have mentioned previously.

I now refer to the importance of understanding the taxation system, which is a complicated one. I have not gone back into the record, but I presume that the way in which taxation is imposed is directly dictated by the State Government's wish to avoid its being classed as an excise. However, the way it works under this Bill is that the 13 per cent takes effect from 1 January and will apply to 1991-92 consumption. To take a simple example, if 100 000 units of alcohol were consumed during 1991-92 the 13 per cent would have to be paid on that 100 000 units. The legislation provides for those fees to be paid quarterly, so at the beginning of January, April, July and October the licensee can opt to pay one quarter of the annual fee. As far as I am aware, all taxpayers in this industry take up that allowance. So, each quarter, a quarter of that 100 000 units at the rate of 13 per cent is paid.

Under the Bill's provisions, the ability of hoteliers and people in the industry to recoup the 13 per cent will be much diminished, and I will explain why. First, it can be expected that the overall consumption of so-called high alcohol beverages will decrease, as we have already seen, and decrease further due to the recession. Actually, it is on a downward path and I will be interested to see the final figures when we have the results for 1991-92 before

us in a more complete form. It is reasonable to expect that we have had a reasonable reduction in consumption.

Let us look at the way in which the industry applies the tax. The licensees of hotels cannot put up their beer prices until this Act is assented to, and when that occurs they can ask for a prices ruling and be granted, one would assume, some increase in the bar prices. That means that by the time that process begins the industry will have one quarter available to it to commence collecting the tax at the higher rate, remembering that it is based on a higher level of consumption than is actually being experienced at present. So, instead of the 100 000 units that I used in the example, it is likely that they will be operating on 90 000 units and the industry will have no way whatsoever of recouping this additional tax. From that point of view it is totally unfair.

If we combine this fact with a number of other problems in the industry we will see why this Bill should not be allowed to pass. The industry has always been subject to considerable ups and downs and a high rate of licence transfers. I have been informed by the industry association that about 200 hotels a year are changing hands. One does not sell a business if it is doing well, so one can presume that some 200 hoteliers are going broke and are quitting the business; although some would be taking over licences many would not have the capacity to survive. It is important for this House to understand that the way the tax is imposed means that the hoteliers themselves, in the most competitive market that one could find where the margins are so small, unless they are combined with an entertainment-type service—

The Hon. Frank Blevins interjecting:

Mr S.J. BAKER: No, I was not talking about poker machines. The industry is so competitive that there is not enough fat to accommodate any increase in costs. Over a period the hoteliers, just to survive during this recession with lower consumption across the bar, have tended to borrow money; they have tended to use the moneys which should have been set aside for this taxation just to remain in the industry. As I mentioned previously, 200 hotels are changing hands. That is a fair indication of the problems in the industry. To wrap it all up, the industry has no capacity whatsoever to accommodate the increase in licence fees from 11 to 13 per cent. The recession, the impact of the .05 limit, which has had a dramatic effect on the sale of higher alcohol beverages, and the impact of price increases which will be brought about by this measure will tend to lower consumption levels and reduce the industry's capacity to accommodate the increases.

The industry does not have a problem if the levels of consumption remain reasonably static or increase. The statistics on the consumption of higher alcoholic beverages since the turn of the century show continual increases, so there has been no difficulty for the industry to accommodate a retrospective taxation assessment. That situation has turned completely around, and during the 1980s we saw a reduction of consumption in this area. The point made very strongly by the industry is that it needs a breathing space. It believes that the increases should not be allowed to take effect until 1 July 1993. I have an amendment on file which aims to accomplish that end. It is important to understand that we have a vibrant industry, but it cannot be sustained if the

Government continues to rape it; it will not be sustained if the Government does not recognise the industry's special problems; and it will not provide the employment opportunities that it has provided in the past and still does today if it is targeted for this increase in taxation.

The Opposition opposes the Bill on principle but asks the Minister, should we fail to have the Bill knocked out, to recognise that a much fairer system of tax would be to allow hoteliers, licensees and liquor shops to have the capacity to recoup the increased tax contained in this measure and not be subject to bankruptcy which many of them will face if they are required to pay a 13 per cent tax based on 1991-92 consumption levels. This is an important measure. As I said at the outset, we reject the proposition on principle and on practicalities. If we fail to achieve a rejection of the Bill on either of those grounds, we ask the Minister to consider the state of the industry and the point at which the increases will take effect.

Finally, I want to read out a letter from the Licensed Clubs Association of South Australia, which reads as follows:

Dear Mr Baker,

I wish to acknowledge your letter dated 11 August 1992 concerning the proposed increase in liquor licensing fees which was addressed to the President of the Licensed Clubs Association, Mr Max Beck . . . The LCA appreciates the fact that the liquor licensing fees have not been increased since 1984 and that these fees do not apply to low alcohol beer. However, the timing of the proposed increase we believe is ill-conceived. At a time when clubs are suffering financial hardship due to reduced spending by members (caused by the recession) and are forced to retrench staff, what amounts to an 18 per cent increase in liquor licensing fees is inconceivable. It needs to be borne in mind that many clubs are looking at the introduction of gaming machines as a new form of entertainment which will bring more members into the clubs and increase the level of spending and enable the employment of additional staff.

I ask the Minister to note the next sentence, given the events of yesterday. The letter states:

Consequently, it will be necessary for many such clubs to embark upon a refurbishment program and raise capital in order to purchase gaming machines. A further cost burden through an increase in liquor licensing fees may be the 'straw that broke the camel's back'. The Government needs to recognise that its projected revenue from the introduction of gaming machines will more than adequately compensate for any loss of revenue from not increasing the liquor licensing fees.

That is another factor that should be taken into consideration. If some dreams of hoteliers and licensed club operators are met, it may be that the patronage of those clubs and hotels will increase, but we are yet to see that. There will be many fallouts. However, what should be borne in mind is that, when we are talking about poker machines and the provision of special rooms for them, we are talking about high cost investments in the machines and refurbishments.

The capacity of any hotel operation to accomplish that, given the increase in license fees, will be diminished. I have been told that a number of interstate people are now moving into the industry and will be taking over many of the local hotels because they think they can do them up and gain the benefit of the poker machines. They believe that they can upgrade them to the point where they will attract increased custom. That raises the following questions: what happens to the locals; why is the money not staying in South Australia; and what are the Minister and the Government doing to preserve and enhance the

future health and well-being of the hospitality industry? I oppose the motion on behalf of the Opposition.

Mr LEWIS (Murray-Mallee): This measure has serious implications for the operators of licensed premises in general, but particularly for the operators of licensed premises in towns and provincial cities, especially the smaller towns in rural South Australia, and it is for that reason that I join the debate to support what has already been said by my colleague the member for Mitcham. The case he puts generally is more relevant in country areas, in that we will retrospectively be applying a tax for the proprietors of licensed premises, and that will have devastating consequences for publicans in country areas as their revenues have fallen, not just by a few percentage points but by substantial fractions of what they used to be.

At the time when they were fixing their price for the liquor they were selling, they did not know that this tax would be applied to those sales, in determining the fee they must pay for their licence, yet we now find that this measure will be retrospective in its impact on those sales so made before they can have their licence renewed for the ensuing 12 months. The fee is charged on previous sales to provide a licence for the ensuing 12 months, the argument being that previous sales are the best way of determining what that fee should be. It will therefore mean that we will lose a number of resident proprietor licensees throughout rural South Australia where this will be the last straw. The publican who has lived in the local pub, been part of the community and been a small time patron of the local sporting bodies and other organisations for \$20 a year, as I have, will disappear, as those licensees are compelled to sell out.

We will find ourselves with a network of hotel chains across South Australia largely owned, in the rural areas, by non-resident proprietors. They will have no interest whatever in the welfare of the community in which the licence is established and, if it suits them, they will simply do what they did in the Tickera pub, and that was to take the licence away from the premises and give it to premises in another locality where they believe they will be better off, further destroying the fabric of country life. It is for that reason that I believe this Bill to be a bad Bill. It is retrospective in its impact and destructive of the social fabric of rural South Australia in consequence of the way it will impact on those licensees and through it the communities in which their premises and licences have been established, serving the public interest.

Mr MEIER (Goyder): In the middle of the worst recession in living memory, this taxing measure is incomprehensible. The Government seeks to increase the liquor licence fee from a rate of 11 per cent to 13 per cent, a measure that will add some \$7 million to the coffers of the State, some \$4 million in this current financial year. Another way of putting it is to say that it will take away some \$7 million for jobs, because that is exactly the consequence of this measure. I am very disturbed at the way in which this Government is handling the day to day running of the State, and this Bill is just one more nail in the coffin.

As the member for Murray-Mallee has just indicated, this is a bad Bill and it comes on top of the BAD taxing

Bill—the Bank Debits Bill—which we debated earlier this week. That Bill sought to increase the tax rate by 100 per cent: this Bill seeks to increase the rate by 18 per cent, a phenomenal figure when we consider that CPI increases in the past year or so have been some 2 per cent. An 18 per cent in this tax is outrageous; it is disgraceful. We read in the second reading explanation that part of the reason for the introduction of this Bill is that South Australia will apply the same rate as applies in New South Wales and Victoria.

This is a further incredible indictment of the Government, an indictment because the Arthur D. Little report, which has now been released in its final form, indicates clearly that if this State wants to get ahead it must adjust its tax accordingly and become a low taxing State. Yet in this instance, when the rate in South Australia is 2 per cent less than that in New South Wales and Victoria, the Government suggests that we increase our taxes to raise more money, but that would be a further disincentive for people to set up hotels, liquor outlets, restaurants or clubs in South Australia. What sort of money is being collected from the liquor licence fees at present? I seek leave to have inserted in *Hansard* a purely statistical table headed 'Liquor Industry Licences 1990-91'.

Leave granted.

LIQUOR INDUSTRY LICENCES 1990-91

Category of Licences	Average fee per licence \$'000	Licences Operative	Assessed Annual Fees \$'000
Hotel	41.74	623	26 005
Residential	2.73	141	385
Wholesale Liquor Merchants	9.23	115	1 061
Retail Liquor Merchants .	65.28	162	10 576
Restaurant	2.63	646	1 697
Producers	0.35	209	73
Unrestricted Clubs	4.20	326	1 369
General Facility	11.01	169	1 861

Mr MEIER: This table indicates the average licence fee for hotels, wholesale liquor merchants, retail liquor merchants, restaurants and the like as well as the assessed annual fees for each of these establishments. One finds that the average fee for a hotel is \$41 740, and the total fees taken from these various institutions amounts to \$42 622 819 on the current estimates of receipts. The Government is seeking to increase that by 18 per cent or, as I indicated earlier, by some \$7 million—a massive rise.

How is the hotel industry faring at present? I refer to an article by Mike Duffy in the *Sunday Mail* of 8 March 1992, in which he referred to comments made by Mr Ian Horne, Chief Executive of the Hotel and Hospitality Industry Association, as follows:

South Australia's hotel industry is in the grip of its worst financial crisis—with one pub in 10 facing bankruptcy. Forty of the State's 628 hotels are expected to pull their last pint by mid year after several high-profile failures in the past few months. Many landlords and banks have taken possession of businesses after the failure of hoteliers to pay their bills.

I emphasise: 'The failure of hoteliers to pay their bills.' The poor hoteliers cannot pay their bills at present, and the Government says it will throw another 18 per cent onto the liquor licensing fee. It is incredible! It is

absolutely outrageous, particularly in the tourism industry through which, according to the Arthur D. Little report, South Australia might have some hope in the future. I would have thought that the Government would do everything in its power to help the hotel and hospitality industry by saying, 'Let us make sure they can expand; let us make sure they can increase their work force and that they have every incentive to employ more people'. However, this measure represents a reverse incentive: it represents a reduction of \$7 million for that industry to employ people, let alone all the imposts it has been facing to date.

It is not surprising that the Opposition opposes this Bill, not only because of the figures I have just quoted but also because, as we heard the lead speaker (the shadow Minister and member for Mitcham) indicate, approximately 200 of the 600-odd hotels are changing hands per year. It is 200 out of 600, which is an unrealistic figure for changing hands and, as all members here know, most of those changes occur because hoteliers are in dire financial straits. Why should we not seek to help the industry? Why should the Government seek to harm it even further? Perhaps it is part of its plan to get rid of as many hotels and liquor licensing outlets as it can.

I note that the actual amount that this will add to each of the institutions is as follows: 622 hotels will pay on average an extra \$7 300 tax next year; 161 bottle shops will pay an extra \$12 200 each; 330 clubs will pay an extra \$700 each; 661 restaurants will pay an extra \$400 each; and 191 general facility outlets will pay \$2 200 each.

Mr Becker interjecting:

Mr MEIER: As the member for Hanson interjects, they haven't got it. Where will they find the money?

The Hon. B.C. Eastick: They will have to put off staff.

Mr MEIER: As the member for Light indicates, they will have to put off staff. That is right. Yet, if each hotel had been allowed to keep that \$7 300 each one could have put on another part-time employee. If each bottle shop could have kept that \$12 200 it could have put on another casual part-time employee. Probably nearer 1 000 extra part-time jobs would be created if the Government decided to leave the fee alone and allow us to be 2 per cent or, in real terms, 18 per cent lower than Victoria or New South Wales.

Not only that but also it could well have led to a stabilisation of the industry after it has been through ridiculously hard times, but it will not stabilise. Perhaps the Government realises one thing, namely, that the Bill which was finally passed last night unfortunately allows gaming machines into this State. The Government recognises that, on the one hand, it has given gaming machines to hotels and clubs so now, on the other hand, it will take funds away from that same industry. It robs Peter to pay Paul. The principle is so clear in the way that the Government is running the State and in the way in which this Bill seeks to increase fees today.

I represent a country electorate, and it grieves me even more, because country hotels have experienced greater difficulties in many areas, I would suggest, than many city hotels because of the .05 limit for drivers. Members will appreciate that the vast majority of customers in

country hotels come to town from outlying residences and farms. They must get into a vehicle to get to a hotel. It now takes something less than 2 scooners of full strength beer for them to reach the limit. So the country hotels have experienced that problem for quite some time. They have had to try to adjust. I know that some of them offer special Friday and Saturday evening meals at cheap prices in an attempt to attract people in. They try to bring in different entertainment, happy hours, and the like. It has been a tough existence for them. Now, with this extra impost it is going to be that much tougher.

Last year I was speaking with a gentleman who owned one of the country hotels in my electorate, and he indicated that he had got out of the business a few years earlier. When I asked him whether he regretted leaving the business, he gave me a wry grin and said that it was the best move that he had made for many a year. He said that he had enjoyed being in the hotel industry, that it was the type of life that he did not mind at all, but that just when he thought he was making some headway, just when he thought he was making some profit, he received his bill from the Liquor Licensing Commission. It was a bill of \$20 000 and suddenly the profit that he thought he had made to look very miserable indeed. He then asked himself why he should slave his guts out, for the Government to take so much of his profits. It was for that reason that he was happy to be out of the hotel industry.

It is a great tragedy, particularly considering that the Arthur D. Little report indicates that the Government should be doing the opposite to what it is doing. We should be changing direction; we should be forgetting the idea of tax, tax, tax. We should be reversing and going back and trying to provide incentives in South Australia. We should have a reduced tax rate. In the liquor licensing area we could have tried to stabilise things, but it has not happened. We have seen the same thing with the BAD tax—a doubling of that. We have seen the same thing with the tobacco tax—and on it goes. In fact, as we are well aware in relation not only to these measures but to charges generally, in excess of 700 charges and taxes have gone up in the past few months, and that is before the budget is announced later today. What hope is there for this State? It is time we had a reversal of direction. I am pleased that the Opposition at least is strongly opposing this measure. We recognise that, if South Australia wants to get anywhere, the hospitality and hotel industry at least needs to be given a chance to have some success, and not told that once more it will be taxed even more, with the result that even more hotels will go into receivership. I urge all members to oppose the Bill.

Mr BRINDAL (Hayward): In this debate I shall not reiterate the points made in the important contributions from the members for Goyder and Murray-Mallee, who have just spoken, both of whom have emphasised the potential importance of this measure in relation to country hotels in South Australia. I will not detain the House for long on this occasion, but I feel it is important for the public record to make a few observations about this Bill. Members of the hotel and liquor licensing industry have had an overwhelming interest in the poker machines legislation and we have seen their almost constant attendance in the House, to the point where we

could almost have mistaken them for officers. I can hardly believe that they are not in evidence today. For weeks and weeks we have had people in the corridors trying to help us make a decision for their industry, in relation to poker machines, but today, when a very important measure comes into this House concerning the increase in taxes on that same industry, those people are not present. I have not had one letter or one representation from that industry about this impost, and I think that is worth noting.

Members interjecting:

The SPEAKER: Order!

Mr BRINDAL: The Minister says that my colleague the member for Mitcham has received one, and I acknowledge that, but the Minister will also acknowledge that we all received very many representations concerning the legislation that this House has passed previously. Members have dealt with what this measure will do to country hotels. Comments were made on radio this morning. In fact, Mr Speaker, I heard you saying that in your secret file even there were two things for which you were noted, one a belief in social justice and the second was a fair go for your electors.

I am pleased to note that because I know that that is not just rhetoric; that is what you do and how you have always been as a member of Parliament. I know that other members on the Government benches are equally sincere in their representation of their electors, as indeed are all members on this side of the House. So, it is amazing to me that this Government could introduce this measure. We have opposite a Labor Government that has a clear commitment to the working people of South Australia and to what those working people stand for. Yet every taxation measure that is introduced, every impost that seems to come into this House, is not directed towards those who could perhaps afford to pay the burden; it is directed towards the working people.

This measure is clearly directed at the working people of South Australia, as is the tobacco legislation. We have heard the member for Goyder say that one in 10 hotels look like being in financial trouble and perhaps pulling their last beer. We have heard that this impost already raised \$41 million and, through an 18 per cent increase, it is likely to collect \$48 million. I hope that during the Committee stage the Minister will confirm whether that figure is correct.

It is a large impost on an industry that is already strapped, and it is aimed directly at the working people of this State. They have their pastimes and recreational pursuits, and this has traditionally been one of them. These are the very people whom this Government claims to represent and support, yet this Government continually attacks them in the form of more taxation. They might not be the people whom I put on like a cloak and say that these are my people, because I represent everyone in my electorate, not just one group or another. I try to represent everyone, as you do, Mr Speaker. However, I would not abandon my traditional heartland as I believe this Government is abandoning its.

Mr McKee interjecting:

Mr BRINDAL: I think it is to its discredit. The honourable member interjects and I know it is out of order—

Members interjecting:

The SPEAKER: Order!

Mr BRINDAL: I left one district and joined a political Party. I am never ashamed of my roots, nor am I ashamed to acknowledge them, as I am sure every member in this House is not. As I said, the measure is bad for the industry and it is bad for the people who consume alcohol. There is a level of hypocrisy in what this House has done in terms of Ministers and groups coming into this place saying, 'We need the poker machines legislation for this industry to survive.' Yet, the next day, they come in here and say, 'Incidentally, here is another tax that we can heap on that same industry that is in desperate trouble.' If the industry is in desperate trouble, it should be given a reprieve and if the Government seeks to raise additional taxes—as I am sure we will hear this afternoon it is intent on doing—let it do that in a fairer and more equitable way and have them apply to all taxpayers of South Australia and not continually pick on its traditional heartland.

In conclusion, I would again like to back up the words of the member for Goyder. The report that we have been canvassing in the corridors dealt with the future of South Australia: what is wrong, what is right and what is our potential. As the member for Goyder rightly pointed out, that report highlighted tourism. Most people in this Chamber have been fortunate enough to travel. I think most people will agree that one of the ways to judge a country is by looking at the cost of goods and services in that country.

When we visit a country we normally pay for our hotel accommodation, and one judgment we normally make is about the cost of the beer in the front bar, a sandwich for lunch or the various services that we receive while we are temporarily resident in that country. I say that because, in the context of this Bill, if we want to encourage tourism, we are doing a very foolish thing by putting up the price of goods that people will consume when they come here.

If hotels, liquor licensing places and restaurants are paying extra money, it is axiomatic that they must pass on those extra costs to the consumers and the cost of those products will rise. We will have tourists coming here and, instead of going home thinking that Australia is a wonderful place to visit as they can get a beer and a sandwich for so much, all those things will cost more. We are placing an additional cost burden on our tourism industry at a time when we are looking to support and encourage that industry, and it is ill-advised.

Mr Ferguson interjecting:

Mr BRINDAL: I realise, as does every member of this House, the severe financial situation in which this State finds itself. I realise also that the Minister of Finance has to find enough money to give the people the services that they want. He has said quite eloquently many times here and more publicly on the radio that he will give people the services that they want. He will give people whatever they want, so long as they are prepared to pay the cost and every member on this side of the House understands that. We must get into a legitimate discussion about the fairest ways to raise the revenue that the Government needs; that is what this debate comes down to. It is not a fair measure or one aimed at the right sections of the community.

Some people traditionally get belted around the ears; drinkers are one group and smokers are another. If there is something wrong with smoking and drinking—and many people in our community would argue that there is—

Mr Becker interjecting:

Mr BRINDAL: The member for Hanson steals the point that I was about to make, namely, that we should make it illegal. If it is wrong or bad we should make it illegal rather than piously excuse ourselves by collecting more and more revenue from a measure of which we do not approve. It is interesting to me, and I know to the member for Hanson, that if people were to suddenly give up those two pastimes, the Government would find itself in severe trouble with regard to revenue. On the one hand, the Government sits here and goes on radio and television saying that it is wrong and that it wants to discourage people from drinking and smoking, but thank you very much for the money that we collect and God grant that we are never in the situation of not getting that revenue. I do not support the measure. I hope the Minister of Finance will come up with better measures for raising taxation in this State. He has a considerable amount of ability and I am sure that, left to him, he could. I do not support the Bill but support members on this side of the House who have already voiced their opposition to it.

Mr BECKER (Hanson): Labor is a high-taxing Party and we have known that for many years now—it runs into decades. Labor Party policy is to increase taxes rather than to reduce costs. Until the Labor Party and the present Government accepts the fact of life that it is time to start reducing costs in order to hold down taxes and charges the worse off the people of South Australia will be. The tragedy is that it is too easy for Governments to come along and raise taxes by an extra one or two cents or per cent this way or that to maintain costs. The inefficiency of this Government, with the massive losses that it has placed on every industry and operation with which it is involved (and they should have been handled by private enterprise), must now be paid for by the workers.

I said the other night during the debate on the tobacco products legislation that we are hitting the working man—the working class of this State. The backbone of the Labor Party is being hit right where it hurts. The one thing the workers in this country have always enjoyed after a fair day's work is going down to the local hotel with a few mates and having a couple of drinks of beer. There is nothing wrong with that at all.

Mr S.G. Evans: What about the women?

Mr BECKER: They are a bit of a problem, because these days they do the same thing as well. As more and more women have come into the work force—and they have replaced the men of course—they like to go down to their local hotel, too, and enjoy a convivial drink or two. Mind you, they drink more expensive drinks than the average worker. The whole point is that the working man enjoys his beer and the comradeship at the local hotel. He enjoys the opportunity to be with his mates, to relax and unwind before he goes home for his evening meal and spends the rest of his free time with his family.

There is nothing wrong with that. It happens all over the world, whether one comes from Europe, England or America—no matter where. It has been basically the working man's life.

But, to turn around at this time and force him to pay an extra couple of cents on what is his relaxation is pretty miserable, when the Government makes no attempt whatsoever to reduce its costs. The Minister who is handling this legislation is the Minister of Transport. He has reduced bus services; he has cut a number of bus services in the metropolitan area, particularly in the western suburbs, part of which I represent. The Minister said that he would put that saving somewhere else. Well, we are not saving any money at all: he is going to put it somewhere else. The Government will not reduce bus fares—no, they have gone up. The Minister has given no benefit to anybody but he has taken away something that the people have become accustomed to receiving and expect as part and parcel of the bus service. But, no, that is bad luck.

As I said, the mentality of this particular Government is to increase costs, charges and taxes to enable it to continue its politicking as far as the people of South Australia are concerned. When the Minister introduced the legislation he said:

For the 1993 licensing year, the Government has decided to increase the liquor licence fee from a rate of 11 per cent to 13 per cent, in line with increases announced in New South Wales and Victoria.

I do not care what they do in New South Wales and Victoria: they can fall off the planet. Why do we have to follow the other States. Why is the Minister not honest? Why does he not say, 'We went to the Premier's conference and the Prime Minister told us that we had to increase our tax base or we would not get X amount of grants from Canberra.' Well, tell the Prime Minister where to go. Don Dunstan tried to do it years and years ago, when he flew over Canberra in an aeroplane and said what he was going to do with them. Why has this Government not got the courage to tell the Prime Minister to back off, that we are the masters of the destiny of this State, and that we know what we are doing. However, the Government has made a real good job of it! It has plunged us into debt the like of which we have never seen before. The Minister goes on:

As from the 1993 licensing year, South Australia, New South Wales and Victoria will apply a uniform rate of tax equivalent to 13 per cent on full strength alcohol. The tax-free status of low alcohol beer will, however, be retained. South Australia, Queensland and Victoria are the only States to grant this exemption.

That is very interesting. Never was there a mention of Queensland in relation to the increased liquor licence fee. No, because yesterday we found out that Queensland had gone to the polls. So, Premier Goss was not game to increase the liquor licence fee just before an election. How shonky is this mob? How shonky is the Administration in Canberra and how shonky is it here in South Australia? On the very day that the State budget is to be brought down—on its very eve, in fact—we have had a series of taxation measures which must go through this House and must go through the Parliament, because later this afternoon we will get the State budget and all the figures and budget estimates will be there. For the first time we will find out how South Australia has fared

for the financial year ended 30 June 1992. Here we are, 27 August, well into the new financial year, and we have no idea how the State performed in the last financial year.

It is a disgrace and an insult to the intelligence of Parliament and of the people of South Australia that we should be almost through the first quarter of the financial year before we know where we are heading financially. I have said time and again, and I will repeat it until I die, that the State budget should be announced in February for commencement from 1 July so that everybody has fair warning of where we are going and what the new financial year will bring. We have this idiotic madness that the budget will be brought down in August, that it will go through the parliamentary process and it will not be until the end of October before the measures are passed through Parliament and the Public Service is given an opportunity to spend the money.

An honourable member interjecting:

Mr BECKER: Everybody knows that we have a bit of a holiday break over Christmas, so it is about February before the Public Service gets around to doing a bit of work in the first part of the year and spending like hell. There is no guarantee of efficiency. We should have more efficiency in the State's administration and finances, which are now being supervised by the Economic and Finance Committee. Indeed, we would be very grateful if we could use our offices in the Riverside building, which we have not used since the beginning of this year and which cost \$80 000 to refurbish. We would not need all these taxes if we did not spend all this money on glorified schemes all over the place.

An honourable member interjecting:

Mr BECKER: It is a new building. The office cost \$125 000 to set up a couple of years ago for the Public Accounts Committee. Now we have to spend another \$80 000 so that we can have the Economic and Finance Committee and all those other committees in the Riverside building. That makes me annoyed. The average worker has to go without something or he has to pay an extra couple of cents here or there because everybody wants to live in the grandiose way, enjoy life, with no hiccups or disputes. I have said time and again that to solve the economic problems of this country will be like going to the dentist: we all know that there will be some pain but when it is all over the problem will be solved and we can live happily ever after.

Mr MATTHEW (Bright): I join my Opposition colleagues in opposing this Bill, just as we have opposed other Bills in the past couple of days which seek to impose yet a greater tax burden on the South Australian community. I acknowledge that the State liquor tax has not increased in percentage terms since 1984, but the liquor tax collected has increased since that time as the price of liquor has increased through the CPI. Therefore, for the Minister in his second reading speech to suggest that there has been no increase in liquor tax revenue is absolute nonsense. This Bill seeks to increase the liquor tax from 11 to 13 per cent.

One cannot help but reflect upon the irony of this Bill coming before the Parliament a matter of hours after it debated and passed amendments which finally allowed the poker machine legislation to go through. One cannot

help wondering whether this was almost scheduled for debate straight after debate on that Bill in the hope that the hotel industry and associated industries would not be in a position to oppose the measure because they would be told, 'You've got your poker machines. Go away. You are getting your tax increased whether you like it or not.'

It may be that the Government believes that the yells from the hoteliers will not be heard at all. Indeed, hoteliers are becoming a lucrative tax collecting agency for the State Government, and one cannot help but reflect on the amount that that industry will be expected to contribute to this ailing State Government's coffers in a bid to cover its burgeoning debt. As my colleague the member for Hanson said, that debt will be revealed in totality later this afternoon with the introduction of the State budget.

The industry regards what will amount to an 18.2 per cent increase in the liquor tax revenue take as outrageous. The reality is that many hoteliers in this State are having a great deal of difficulty in paying the existing licence fees, let alone being expected to pay for an increase in those fees. It is interesting to reflect upon how the industry will recoup that 13 per cent, because the first payment of the licence fee under the 13 per cent arrangement is due on 1 January 1993. It is based on the historical sales of the 1991-92 financial year with retail prices that reflected the 11 per cent, and there is an overriding assumption that the purchased volume, the actual liquor sold over the bar and at the liquor outlets, will remain the same. Therefore if an outlets purchases for 1991-92 did remain the same as for 1991, the outlet will need to fund, effectively, an 18.2 per cent increase.

That means that businesses will effectively have only the last quarter of 1992 to increase prices to fund this 18.2 per cent increase. With the anticipated decline in sales that the industry expects to receive for the remainder of 1992-93, this increase of some 18.2 per cent, will need to be collected out of a declining revenue base. I note that in the Minister's second reading explanation much was made of the fact that New South Wales and Victoria have recently increased their licence fees; in Victoria's case from 11 to 13 per cent and, in New South Wales, from 10 to 13 per cent. However, no mention was made of the other States, and it is interesting to reflect that Queensland's rate remains unchanged at 10 per cent; Tasmania's rate remains unchanged at 11 per cent; and Western Australia's rate remains unchanged at 11 per cent. So, it could be argued that the majority of the States actually have rates set below those of South Australia. Simply to point to a couple of other States and say that we are increasing in line with them is arrant nonsense.

Beyond that, as my colleague the member for Hanson so ably pointed out earlier to this House, at the end of the day it does not matter a damn what the other States do. What is important is what happens in South Australia, what we set for our own destiny and what we set as our own benchmark. There is one reason, and one reason only, for increasing this fee; it is yet another tax take, another measure to gain funds for our ailing State coffers.

In conclusion, I should like to refer briefly to a letter sent to me by one of the many frustrated hoteliers in this State. On this occasion it was the Manager of the Berri Hotel-Motel, who wrote:

I would like to highlight some recent imposts that the hotel industry has had to endure:

1. Fringe Benefits Tax
2. Excise Indexation
3. Job Training Levies
4. (a) Removal of Investment Allowance
(b) Removal of Accelerated Depreciation
5. Payroll Tax Increases
6. .05 Legislation
7. Compulsory Superannuation
8. Fire Safety Building Regulations
9. Fish Processor's Licence
10. Wage Restructuring and Deeming
11. Pay Rises for no Productivity
12. Fresh Glass
13. Occupational Health and Safety
14. WorkCover
15. No Taxation deductions of legal expenses incurred when opposing license applications
16. Removal of the Power of Section 128 'Licensing Act 1967'
17. Enforced Recession
18. Unfair Dismissal Claims

Of course, the industry has had to compete against an increase in the number of licensed premises (clubs, restaurants, taverns) who trade very like hotels but without the responsibilities or the overheads of a hotel. Margins have been eaten away and profitability is negligible, if at all.

While I do not necessarily agree that all those things listed in that letter as direct imposts should be abolished, they set the picture for what hoteliers are experiencing at this time—the frustration over perceived taxation burdens that have been introduced by successive State and Federal Governments. And now we have yet one more, through these increased licence fees. Neither I nor any other members of the Opposition through their contribution have indicated that in any conscience we could support this Bill. Clearly, it is one more impost we do not need. I oppose the Bill.

Mr FERGUSON (Henley Beach): I did not intend to enter this debate but, after listening to the contributions that have been made from the opposite side of the House, I just could not help myself and I hope I can provide a logical reason why this proposition should be supported. I have always been curious to understand why the Liberal Party has opposed every taxation measure that has ever been put to this House in the time I have been here.

Mr S.J. Baker: That's not true.

Mr FERGUSON: My word it's true. I can assure you, Sir, that in the time I have been here there has not been one taxation increase that has gone through this House that the Liberal Party has not opposed. The reason for my dilemma is that I understand that members of the Opposition think that they are the alternative Government in this State, and they have been telling people that. In fact we had a motion not so long ago where members opposite attempted to force an election in this State. I cannot understand how a Party which wants to become the Government in South Australia and which believes it has a right to do so can ever go to the people without being able to provide details of how it will raise the necessary taxes in order to provide the services for this State.

This opposition that we are getting today is a classic example. No alternative methods have been put up by the Opposition as to how it will fill the gap, if this measure is defeated. It will certainly create a hole in the budget, as has already been conceded by two Opposition speakers in this debate. They did not put up an alternative proposal

as to how they would find the money in order to provide the services that we are talking about. In fact, the member for Hanson even had the temerity to introduce into his contribution a complaint about the lack of services in his electorate. He referred to the public transport cut backs in the seat of Hanson but, at the same time that he was opposing this measure, he gave us no methodology for the way he would continue to increase public services and lower taxation.

The other matter that raised my ire, and I am sure it will raise the ire of any thinking person in South Australia when they read *Hansard*, is this continual bleating about the fact that South Australia is a high tax State. In his address to the House the member for Hanson used that as an opening remark. The member for Hanson said that South Australia is a high tax State. If the Liberal Party is to continue on with this moaning, groaning, bleating and whingeing, we will never see recovery in the State because, as you know, Sir, quite often recovery is a state of mind. In fact, we are getting this continual barrage of doom and gloom from members opposite. Ever since he has been in this place, even the new Leader has produced a barrage of doom and gloom by which he must be giving a message to the people of South Australia. If there was any hope of recovery, that glimmer of light has been put out constantly by the sort of debate that we are being subjected to, not only inside this House but outside. At one time we saw one member of the Liberal Party moving among the tombstones, and that is the sort of message—

The SPEAKER: Order! The member for Henley Beach will confine his remarks to the Bill.

Mr FERGUSON: Yes, Sir, I got carried away. I return to the Bill. In rebuttal, I refer to the argument that was put up by the member for Hanson in relation to this fact that South Australia is a high tax State. I refer to the KPMG Peat Marwick South Australian Business Climate Study report 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 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. 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 tenor of the debate of Opposition members so far has been that this minute increase in the price of liquor will send one in every 10, I think one member mentioned, hotels under. If this increase will send hotels under, they must be in a very precarious position to start off with.

Mr S.J. Baker: Of course they are, you great goose!

Mr FERGUSON: I really cannot see the logic in this.

The Hon. Frank Blevins: He called you a 'great goose'.

Mr FERGUSON: Yes. I will not add that interjection into *Hansard* because it is most uncomplimentary to the member for Mitcham.

The SPEAKER: All interjections are out of order.

Mr FERGUSON: The member for Hanson suggested that this was a blow to the working man, and he spoke in

rather nostalgic terms about working men being in the front bar of hotels. I would imagine that the member for Hanson has never been in the front bar of a hotel. I certainly have, and I am a working class boy from the western suburbs. I certainly know what it is like to be in the front bar of a hotel. In fact, those who want to campaign properly for their seats must indeed go into the front bar of hotels in order to get a general opinion of what is happening within their establishment. They also need to enter the more refined places, such as coffee shops, churches and everywhere else!

The member for Hanson suggested that this was a blow for the working man. This Government has an unparalleled record so far as social justice is concerned. In fact, with every budget, this Government produces a social justice document and, if one were to put all those documents together, they would represent the same height as perhaps an encyclopaedia as to what this Government has done with respect to social justice issues. The Bannon Labor Government has done more for social justice than any previous Government in our history, particularly from a—

Mr S.J. Baker: Come on, we have the worst poverty record in Australia!

The SPEAKER: Order!

Mr FERGUSON: Sir, I need your protection.

The SPEAKER: And the member for Henley Beach shall get it!

Mr FERGUSON: I am really intimidated by the interjections of members opposite and the way they are trying to put me down. I do not think that the Opposition is in the same street as this Government so far as social justice is concerned. I am getting a bit long in the tooth, and I am old enough to remember the Tonkin Administration and what it used to do for social justice. One had to get out a magnifying glass to find out from the Tonkin Government's budget papers what measures it was implementing with respect to social justice. What is the alternative that the Opposition might put up to provide the revenue for this State of ours? I am sure you have heard of it, Sir: a goods and services tax. That is what was actually proposed by the member for Victoria, a former Leader of the Party, which I assume—

Mr MEIER: Mr Speaker, I rise on a point of order, and my point of order is—

The SPEAKER: Order! Until the honourable member gets the call, he will wait. The member for Henley Beach will resume his seat. The member for Goyder.

Mr MEIER: Thank you, Sir. My point of order is: what relevance has this matter that the member for Henley Beach raises to the Bill before us?

The SPEAKER: The point of order is understood. I think that there is some relevance, because this Bill relates to a tax, a charge upon the community, but I point out again to the member for Henley Beach that it is a liquor licensing fee amendment Bill and he should draw his remarks back to it in putting his argument.

Mr FERGUSON: Thank you for your protection and advice, Sir. The point I am making to the House (and I am sure it would not be lost on the member for Goyder, although I am not sure) is that, if the Liberal Party is opposing the Bill—and I believe that the member for Goyder has already told the House that he is strongly opposed to this tax—and if this tax is not available to the

State, what is the alternative that the Liberal Opposition will put up to provide the funding necessary for the services of this State?

I have looked back with great care at the speeches that have been made by the four previous Leaders of the Opposition in this State, and the alternative that was put up by the member for Victoria at the time of the last budget as the alternative Government's point of view about how it would raise revenue in this State was a goods and services tax. Not only that but the Leader at that time was suggesting that there be a State goods and services tax.

I have never heard anything more ridiculous. How could there be a State goods and services tax? Nonetheless, the Opposition proposed that method to provide an alternative to measures like the one we have in front of us today—a goods and services tax. How can anyone with any conscience on the other side stand and talk in this place about the working man and about social justice in the same breath that they talk about introducing a goods and services tax? I have never heard of anything more ridiculous.

Members interjecting:

The SPEAKER: Order! The member for Henley Beach has requested the protection of the Chair and will receive it.

Mr FERGUSON: There is no doubt that a goods and services tax would affect not only the price of liquor in hotels but the essentials so far as the working man is concerned. How could one put up a point of view in respect of social justice when, in fact, the Opposition would introduce a goods and services tax? A goods and services tax would affect essentials such as bread, morning cereals, milk and fruit. I would also affect entertainment. Mr Speaker, can you imagine going down to Football Park and seeing the Adelaide Crows and at the same time—

Mr BRINDAL: I rise on a point of order, Mr Speaker. I know that you are exercising your normal understanding and compassion, but I ask whether these remarks are relevant to the Bill before the House.

The SPEAKER: The member for Hayward may well have observed the Chair picking up the piece of legislation, in the process of mentioning to the member for Henley Beach that there is no relevance in the argument he is making, and I ask him to bring his comments back to the Bill before the House.

Mr FERGUSON: Yes, Sir. Referring to the person who goes to Football Park, with this new tax that we intend to introduce, if they go into the refreshment room they will be charged an extra 2c or 3c for the refreshment that they want, depending on its size. Under the alternative proposals that have been put up by the Opposition a person would have to pay 17.5 per cent extra on every pie and pasty that they buy at Football Park. There would be an extra 17.5 per cent on the entrance fee as would also apply to the bus trip to get them there. I ask the House: what is more important to the working man and to social justice? What would he prefer? Would he prefer an extra 2c or 3c on his beer or would he prefer to pay 17.5 per cent extra for every pie and pasty that he buys? The alternatives are quite clear.

If the suggestions that I have been putting to Parliament are not correct and if the Liberal Party has

alternative suggestions as to how it would raise the revenue, then let members opposite tell the House. Let us see a policy paper. Let us know what the Liberal Party policies are. Even their great supporter, the *Advertiser*, has suggested to the Liberal Party that it is time that it produced some policies. I, along with all members on this side of the House, would be quite willing to listen and make a fair appraisal of any Liberal Party proposition on how the revenue in this State should be raised. I refer to the member for Hanson's remark about this being a high tax State, and electricity charges were mentioned during the debate. I would again like to quote from the KPMG Peat Marwick South Australian Business Climate Study, which suggested:

When viewed on a segmented basis, South Australia's electricity prices compare more favourably, particularly with their larger users. The effective price of natural gas in the Adelaide industrial market represents the least expensive in Australia across virtually all consumption levels.

They are not my words but the words of a consultant which has a much greater knowledge in this area than I have. That gives the lie to the nonsense that we have been hearing from the Opposition. I urge all members to support the proposition.

Mr S.G. EVANS (Davenport): I am in the same position as the last speaker: I did not intend to speak but I want to answer a couple of points he attempted to make. Although this is not relevant to the Bill, he compared a person spending money to go to Football Park with a person spending an extra couple of cents on a schooner of beer. Under the Liberal Party's Federal policy—a goods and services tax, to which the honourable member referred—that person would save 19c to 20c a litre on fuel to get to Football Park. They would have to use only one litre (because it is not very far) and they would save 6c more than the extra 2c, to which the honourable member referred, that the beer would cost. The cost of that fuel is just one item on which a saving would be made. I will not say anything further about that except to say how foolish the member for Henley Beach is in raising that aspect.

My colleague the member for Bright put forward his suggestions as to why the Government scheduled debate on the poker machines Bill last night and on this measure today. I have a view that is different from his. I believe that the Government has used a little commonsense—even though I do not support this Bill: now that the poker machines Bill has been passed, it will put up the price of alcohol so that fewer people will leave hotels in an intoxicated state and it is more likely that they will spend their money on poker machines. So, the Government will get back the revenue from poker machines, and the consumption of alcohol will decrease. That might not be a bad move for the benefit of society overall, because there is more risk in being drunk than in spending a few bob on the poker machines. I believe that must have been the Minister's thinking.

Before many years pass, I think we will look at putting up the age at which a person can drink alcohol to 20 or 21 years. I think it is inevitable that it will come about. America has done it. The American Government said that any State that did not put up the age to 21 years for the consumption of alcohol on a licensed premises would lose its federal grant. They have all gone back to 21, and

I believe we will go back to 20. In 1969, the Government to which I belonged attempted to bring in two measures at the same time: one reduced the age for the consumption of alcohol on licensed premises to 18 years and the second increased the licence fee from 5.5 per cent to 6 per cent. I fought that proposal and, with the support of some ALP members and some of my colleagues, against my own Government, I had the age amended back to 20 instead of 18. It was a taxing Bill, and I forced the Government to split the Bill. So, I remind the House that this argument has taken place before, and I ask members to read the speech I made in 1969 and see whether my predictions about what would happen to our younger generation were not true.

As a Party, we oppose this Bill because it will place an extra burden on many who cannot afford it. In saying that, I believe that hotels and licensed clubs will one day have to look at losing the patronage of people under the age of 20—that will be part of the scene they must face. I wish to make one final comment. We have now developed a society in which young people believe they need only one thing in order to socialise, and that is alcohol. The young movement in each political Party can never have a show unless there is booze. Young people of today learn to socialise only around alcohol. The day on which we return the age to 20 or 21, we will find that young people will learn to socialise without it and we will have a better society. We will not lose as many young people on the road through accidents as we do now, as booze is one of the main causes of road accidents. I hope that families will police their children and make sure they do not over-indulge. I oppose the Bill for the reasons my colleagues have stated, and I trust that the Government will take note of the comments. The hotel industry is in trouble and it needs the support of the Parliament and not to be knocked around.

The Hon. T.H. HEMMING (Napier): In deference to the swift passage of all the legislation that is to be dealt with today, I will be very brief. I want to remind the House that this Bill is not the Armageddon that members claim it is going to be. In fact, if we look at the real motives of the Minister and the Government in putting this Bill before the House, we should congratulate them. If one really examines the second reading explanation, one sees that this Government has played a major role in the area of liquor licensing by recognising that alcohol is a major factor in accidents on the road. In his second reading speech, the Minister outlined that to the House. But, because the Opposition has this fixation that it will oppose every tax increase—and the member for Davenport said that decision that was made in the Party room—it does so.

Mr S.G. EVANS: I rise on a point of order, Mr Deputy Speaker; we did not say that at all.

The DEPUTY SPEAKER: No point of order is involved.

The Hon. T.H. HEMMING: So, what will it do? I will not go down that track, because my colleague, the member for Henley Beach, canvassed that very well indeed.

The DEPUTY SPEAKER: The member for Napier will return to the Bill.

The Hon. T.H. HEMMING: I have not gone off the Bill once. No increase whatsoever has occurred since 1984. But, in that time, in an effort to encourage the sale of lower alcohol beer, the Minister has consistently reduced the level of taxation until low alcohol beer has no tax whatsoever. Did I hear one congratulatory voice from the Opposition when the Minister did that, when the tax has been reduced at the bottle shop and wine cellar doors? Not one word of thanks has been uttered.

I place on record that I thank the Minister on behalf of the electorate of Napier for what he has done in encouraging the sale of low alcohol beer and reducing tax at the wine cellar door. As the member for the electorate of Napier, I pass on my congratulations to the Minister. I also recognise that the continuing thrust in that direction is twofold: to try to educate people on the value of drinking a low alcohol beer, because if that is what they want to do they can get it more cheaply; and to reduce road accidents.

The Minister has accepted that the trend will continue, and he will receive less revenue from this legislation. A Minister of the Crown is living up to that State's record of being a low taxing State, which effectively pours scorn on that ridiculous contribution by the member for Hanson, but everyone is used to that from him. This House should congratulate the Government for what it has done. It is a positive attempt to reduce the carnage on the roads caused by people driving under the influence. It is a recognition that you just cannot tax people on every bit of pleasure they may have. It is a positive move, and I support the Bill. I hope that the Minister in the future can bring legislation such as this into the House.

The Hon. FRANK BLEVINS (Minister of Finance): I thank all members who have made a contribution. As I say in all these instances where increase in taxation measures are before the House, no Government likes doing it. I point out that the New South Wales and Victorian Governments announced this measure at the same time as South Australia. We are the second lowest taxing State and New South Wales the highest. I make those points for the record. A brief explanation will occur in Committee in regard to the amendment that is on file from the member for Mitcham, and I will at that time respond to that amendment, which is the substance of the debate on the question of retrospectivity.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

New clause 3—'Transitional provision.'

Mr S.J. BAKER: I move:

After clause 2 insert new clause as follows:

3. Notwithstanding section 87 of the principal Act, the licence fee payable in respect of a wholesale or retail licence for the 1993 licence period—

(a) is to be calculated as if '12 per cent' were substituted for '13 per cent' wherever it occurs in section 87;

and

(b) if it is to be paid in quarterly instalments pursuant to section 90 of the principal Act, will be divided as follows:

(i) as to each of the first two instalments—11/48 of the total fee;

(ii) as to each of the last two instalments—13/48 of the total fee.

The intent of this amendment is to satisfy the wishes of the industry. This tax is collected in a funny way and as

a result it is retrospective in terms of the assessment processes. As I pointed out previously, that is not a problem when one has continuing increases in demand. It becomes a problem only when there is a change in the demand pattern and a reduction in demand. So, for anyone who has any appreciation of the mathematics, we find that if we make the commencement date 1 July 1993, as suggested by the industry, we are virtually saying that for half the period 11 per cent will apply and for the other half of the period a rate of 13 per cent will apply, making an average of 12 per cent.

Paragraph (b) provides that the fee is to be paid in quarterly instalments pursuant to section 90 of the principal Act and it will be divided as follows:

(i) as to each of the first two instalments—11/48 of the total fee;

(ii) as to each of the last two instalments—13/48 of the total fee.

So, we are really doing two things: first, we are preserving the right of the Government to collect the fee at 13 per cent, but there is a transitional provision to allow the industry to have the 11 per cent in place until 1 July; secondly, we are ensuring that the payments are consistent with that process.

As I said in the second reading debate, I will not prolong the debate; we will divide on the issue. The industry does not have the capacity to collect the taxation because of the lower levels of consumption that will be experienced this year compared to last year. The industry, particularly the hotels, effectively will have only one quarter in which to pick up on the higher levels of excise compared to the previous year.

The Hon. FRANK BLEVINS: I oppose the amendment. I believe this amendment, as I understand it, would mean that the industry would have an increased capacity to tax for nine months to pay for a three month fee. I think the consumer will pay very heavily for that. As I understand the provision, in effect it means simply that on 1 January 1993 the industry will have to pay this increased tax. The capacity to charge an increase will be available to the industry from 1 October. So, it will have three months to pay the three month fee on 1 January. It seems perfectly simple, and I cannot understand why anyone would object. In fact, to do anything else or to do what the member for Mitcham suggests would, in effect, give the industry a bonus and one that it has not requested—certainly not from me. Of course, it would not make that request because it would hit the press and it would not want that publicity. For those reasons I oppose the amendment.

Mr S.J. BAKER: The Minister is technically incorrect in what he has said. Obviously, beer prices are still subject to price control, and the industry must apply to increase the price. Therefore, the Minister is not quite correct in saying that the industry will be rushing around for nine months bumping up prices with gay abandon.

The second point I make is that we are talking about the most competitive of all industries in referring to hotels where one cent across the front bar is the difference between making it or breaking it. The Minister and everyone in this Committee knows that. If we are talking about liquor outlets, the same thing prevails. It is quite clear what is intended with this amendment. It is intended that the increases are such that they will not have to pay the 13 per cent until 1 July. Effectively that

is what it achieves. How the industry achieves it is of some importance to this place. The amendment is competent and would stand the test of scrutiny. I commend it to the Committee.

The Hon. FRANK BLEVINS: It has been the practice of the PSA that where additional statutory obligations have been put on an industry or product that comes under its wing, it has always, on occasions retrospectively, allowed that price increase.

Mr BECKER: I support the amendment and ask the Minister whether he has had any in-depth inquiry into the liquor licensing industry, particularly when we look at the 622 hotels, 333 licensed clubs, 661 restaurants and 161 bottle shops. I understand the problem being faced by hotels relates to cash flow. Even though they collect the increased taxes three months before they have to pay them, the problem that is occurring (60 hotels cannot meet their hotel fee) is that they are not putting the money aside. It is not going into a trust fund to pay the fees to the Government. If you ask anyone who buys a hotel licence today, they will tell you that they will have to pay the licence fees on inflated figures as hotels are discounting and all sorts of operations are going on. We need some other method of collecting the licence fees. It cannot be collected at the time of purchase from the wholesaler, as it is classed as an excise. We had to overcome that in the cigarette legislation.

We need a thorough investigation into licensing fees so that when liquor is purchased everything is paid there and then. That way we would stop the shonky pub and hotel dealer from having at least three months (it used to be 12 months) freedom from selling their product and not passing on the due fee to the Government. What is proposed is at least some relief, but if we insist on it the Minister is not helping the industry at all.

The Committee divided on the amendment:

Ayes (18)—H. Allison, M.H. Armitage, D.S. Baker, S.J. Baker (teller), H. Becker, P.D. Blacker, J.L. Cashmore, B.C. Eastick, S.G. Evans, 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 (teller), G.J. Crafter, D.M. Ferguson, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hoggood, C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, M.K. Mayes, N.T. Peterson, J.A. Quirke, M.D. Rann, J.P. Trainer,

Majority of 4 for the Noes.
Amendment thus negatived.

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

STATE LOTTERIES (SOCCER POOLS & OTHER) AMENDMENT BILL

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

APPROPRIATION BILL

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

PAPERS TABLED

The following paper was laid on the table:

By the Minister of Emergency Services (Hon. J.H.C. Klunder)—

Police (Complaints and Disciplinary Proceedings) Act 1985—Report on the Operation of, 1991-92.

QUESTION TIME

PAYROLL TAX

The Hon. DEAN BROWN (Leader of the Opposition): My question is directed to the Premier. What percentage of the State's employers does he expect will take advantage of the payroll tax rebate scheme, reported to be included in this afternoon's budget; and does he still hold the view he had in 1979 that the great majority of businesses in South Australia would not benefit from payroll tax rebates?

In 1979, as Opposition Leader, the Premier was extremely critical of the provision of payroll tax rebates for additional employees, saying they 'positively discriminate against small business'. He said then that payroll tax rebates would not be available to 70 per cent of businesses because they were exempt from paying payroll tax and, therefore, the rebates would not result in more people being employed by the vast majority of employers. It was reported today that only about 10 per cent of employers would qualify for the rebate.

The Hon. J.C. BANNON: Obviously, the details of what the Government proposes will be contained in the budget documents but, as the Leader knows, the issue of payroll tax is one of long and ongoing debate. The position that this Government has held is that as a tax on employment it would be best abolished. The Federal Leader of the Opposition has made much of his proposals that would abolish payroll tax. He has remained conspicuously silent about his further proposals that there will be something like a \$700 million reduction in funds to the States. I do not know what the latest figure is—it is growing, I recall, at the last count from the shadow Treasurer Mr Reith's statement. In fact, by this method of abolition it would probably substantially disadvantage or cut into the State's services and its capacity to fund its budget.

So, the key issue always in relation to abolition is whether and in what way one can replace it. Faced with the reality of payroll tax, obviously we have to keep under active consideration the rate of payroll tax, the levels of exemption, where and how it falls and whatever else can be done to try to alleviate its impact while at the same time getting the revenue that is absolutely essential. This Government has had a policy consistently of raising the exemption level above the rate of inflation in real

terms year after year, and that has proved a major benefit to small business.

So, we have addressed the problems of small business and payroll tax and we have done it in a very substantial way, totally consistent with those statements that were made in 1979. The record is there, very clearly. In relation to the second aspect of the rate of payroll tax, again the honourable member will remember that we reduced the rate in last year's budget and in fact we have a rate of 6.1 per cent, which is well below that of our manufacturing rivals in New South Wales and Victoria. We have addressed that issue as well.

In the current recessed climate we are attempting as part of the fine tuning of payroll tax to look at other ways and means whereby we can provide benefit to those who are on the point of qualifying or who may be deciding not to increase employment because of the incidence of payroll tax. It is on that basis that the scheme, which I will be discussing later, has been based. I would suggest that against the background of the measures we have taken in relation to payroll tax it makes a lot more sense.

PARALYMPICS

Mr HERON (Peake): Mr Speaker—

Members interjecting:

The SPEAKER: Order!

Mr HERON: My question is directed to the Minister of Recreation and Sport. Will the Minister please inform the House whether the State Government is offering support to our paralympians? Much has been heard about the efforts and support given to our able bodied athletes in Barcelona, but another olympics is about to get underway, that is, the para olympics also to be held in Barcelona. Is the State Government supporting our disabled athletes who, I understand, leave today?

The Hon. M.K. MAYES: I thank the member for Peake for his question. Indeed, the majority of athletes are departing today from South Australia for Barcelona and I am sure it would be appropriate for me, on behalf of the House, to wish them well. I am sure all members would join with me in doing that. I am sure the athletes will be marvellous ambassadors for their country. At Seoul we won a record number of medals, I think 94 medals were won in total, which is outstanding when we look at the participation of about 3 000 athletes at the Seoul paralympics. About the same number of athletes will be in Barcelona and Madrid. About 93 countries will be represented at the paralympics.

As we have indicated on many occasions, we have much to be proud of. Not only have our athletes performed by setting world records but also they have accepted many gold medals on behalf of Australia. On this occasion it will be our largest contingent. Of the 190 athletes attending, 28 are from South Australia, which is a good representation of our State in the total number. Fifteen of the South Australian athletes are wheelchair athletes, two are amputees, one is blind and nine are intellectually disabled. We can look forward to some marvellous results. They will have a wonderful experience. I hope they enjoy every minute of it, and I am sure they will. The State Government is delighted to

join with the SPARC organisation in funding \$15 000 towards the cost of the trip. Of course, there has been an overall donation as well to the para olympics of \$70 000. So, I hope we can sit back here and celebrate with them their success in Barcelona, and I wish them well.

CONFLICT OF INTEREST

Mr INGERSON (Deputy Leader of the Opposition): My question is directed to the Premier. Is it still the Government's policy to legislate to require journalists accredited to Parliament and their immediate families to disclose their interests and, if so, when will the Government act? What penalties will the Government impose on those who fail to properly declare their interests and what credibility would his Government have in fixing such penalties when he has not reprimanded the Minister of Consumer Affairs for her failure on three occasions to declare a conflict of interest? The Premier previously announced that disclosure of interest legislation should be extended to include journalists accredited to Parliament and their families. I understand this was in early 1982.

The Hon. J.C. BANNON: I have certainly not addressed this matter directly, but members will recall that the Government is undertaking a review of the pecuniary interest legislation as it applies to members of Parliament and, indeed, of some guidelines that should relate to that legislation and to public servants. At this stage, we do not have before us any concept of registered lobbyists or accreditation of that kind. As I say, I am not actively looking at that matter, but I will refer the question to the Attorney-General in case he wishes to comment on it.

AUTOMOTIVE INDUSTRY

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Industry, Trade and Technology inform the House whether a report in today's *Australian* dealing with criticism of the Australian automotive industry has any validity? I have been inundated today by questions from constituents—

Members interjecting:

The SPEAKER: Order! The honourable member will resume his seat. I was speaking with the Whip, and missed the question. I rule the question out of order. As I understand it, the question related to whether a newspaper report had any validity. No member of this House is responsible for the validity or otherwise of newspaper reports.

STATE BANK

Mr S.J. BAKER (Mitcham): When does the Premier intend to honour the promise he made on 10 February last year that he would call an election if the first State Bank bail-out failed?

The Hon. J.C. BANNON: This topic was debated the other night, as I understand. I heard the fulminations of the Leader of the Opposition, and I referred to the

newspaper report on which this question was based. I noticed that the statement was not in quotation marks, and I know well the context in which I made statements about the Government and myself being judged on the eventual outcome of the measures we were taking. The fact is that those measures are in place and, to that extent, the question is totally academic. But in relation—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: The fact is, as I say, that the circumstances under which that statement was made have not arisen anyway.

CATS

Mr FERGUSON (Henley Beach): Has the Minister responsible for animal welfare received any indication from local government that recent amendments to the Local Government Act for many councils to limit the number of cats per household will be welcomed by the local government authorities?

The SPEAKER: The honourable member has left the Chair in some confusion; there is no Minister responsible for animal welfare. I assume that the honourable member is directing his question to the Minister for Environment and Planning.

The Hon. S.M. LENEHAN: The responsibility for animal welfare comes within my portfolio of Environment and Planning. As members would no doubt be aware, the legislation that was referred to in this morning's paper has been passed only recently in this House—in fact it was late last week. It is interesting to note in today's *Advertiser* that the civic reporter, Catherine Bower, had conducted an intensive and extensive survey of local government authorities to determine their attitude to the new legislation. In general, it would appear that councils have welcomed the amendment and that they will take steps to place limits on the number of cats held by households in various municipalities. Indeed, some local government officials also referred to the need to allow cat breeders special dispensation. The city manager of the Unley council, Mr Keith Adams, made the point that people wishing to keep more than two cats should be licensed.

On the whole, it would appear that councils throughout the metropolitan area have welcomed the newly acquired powers to restrict the number of cats per household. Indeed, it would seem that councils are also prepared to play a key role in cat control in much the same way as they have already accepted responsibility for dog control, backyard burning, domestic noise and so on. Those activities, which while in themselves are very innocuous, certainly seem to generate, at times, a great deal of annoyance between neighbours. It is important to note that the councils do seem ready to accept that responsibility and to move forward in this area.

SPEAKER'S POSITION

Mr D.S. BAKER (Victoria): My question is directed to you, Mr Speaker. Following statements that you made

on Monday and on previous occasions, which were in italics, what undertaking have you given to the Premier or to the Labor Government to continue to support the Government until it decides to call an election; is that undertaking in writing; and, if so, will you make the document public? Mr Speaker, you were reported in the *Advertiser* on Monday as saying that you would seek talks with the Premier this week over his future and that of the Government. Since the Leader called for an election at the weekend, we have been inundated by South Australians asking what undertakings you, Mr Speaker, have given to keep this Government in office.

The SPEAKER: First, I have no responsibility at all to the House to answer that question. As a member and as the Speaker of this House, I have the same right as everyone else: I have to answer only for my responsibility to the House. Any arrangement I have with any person here is my business and their business. However, let me put it clearly on the record: I have no written agreement with anyone on either side of the House regarding any special agreement on anything. I have never made a written agreement, despite approaches over the years, let me say, from people on both sides for me to make agreements. I have not entered into any permanent agreement. I have an undertaking that I made publicly to the people of South Australia that I will await the outcome of the royal commission, and I understand a report is due at the end of next month. That is the point at which the undertaking I have given to the South Australian people will be taken up.

MOTOR VEHICLE INDUSTRY

The Hon. T.H. HEMMINGS (Napier): I direct my question to the Minister of Industry, Trade and Technology. Are South Australian car makers hiding behind high protection levels and being tardy in pursuing greater efficiency? I have been besieged today by questions from constituents who work at the GMH Elizabeth plant who feel that their jobs are under threat as a result of a report in today's *Australian* in which Mr McLachlan accuses car makers of hiding behind high protection levels and being tardy in pursuing greater efficiencies.

Dr ARMITAGE: On a point of order, Mr Speaker, as I understand the member for Napier, he is in fact asking for an answer to a hypothetical question.

The SPEAKER: Perhaps the member for Adelaide's interpretation of the question is different from mine. I must say that I did not pick that up. However, to clarify the situation, I will ask the honourable member to repeat the question so that I can listen to it.

The Hon. T.H. HEMMINGS: My question is addressed to the Minister—

An honourable member interjecting:

The SPEAKER: Order! The honourable member is out of order.

The Hon. T.H. HEMMINGS: —of Industry, Trade and Technology. Are South Australian car makers hiding behind high protection levels and being tardy in pursuing greater efficiency? With your leave, Sir, and that of the House, I will explain my question.

The SPEAKER: I have listened to the question and it is in order. The honourable Minister.

The Hon. LYNN ARNOLD: I thank the honourable member for his persistence in raising this question. He is as persistent as are his constituents who have been inundating him and besieging him with calls on the matter. I well imagine that they would do that, because there are many constituents in his electorate who work at Holdens and also at automotive component makers in this State and who must be very concerned at press reports attributed to the Federal Opposition spokesperson on industry. He is not the Federal spokesperson on something else: he is the Federal spokesperson on industry. In an interview, Ian McLachlan said:

You are all too motor industry oriented. You simply ignore those industries that are bearing the cost (of the subsidies to the car industry) or those industries that are not starting or have not started because of subsidies.

He goes on:

We are in a diabolical situation and we simply cannot say to all the industries that walk through the door in Canberra by the hundred, claiming special consideration, that they are special.

He accuses car makers of hiding behind high protection levels and being tardy in pursuing greater efficiency. Of course, Arthur D. Little has made a lot of comments about various sections of the State economy. However, I must say that over many years I have called for a bipartisan stance on many issues in this Parliament and so often been let down. I can on this occasion cite support for the point of view that the Government holds on the car industry from the member for Kavel himself. In the Senate in 1991 he said:

The car industry . . . is an excellent example. It has shown willingness to restructure, to accept change and to accept challenge.

An honourable member interjecting:

The Hon. LYNN ARNOLD: I wonder what Ian McLachlan is on about too, because those comments by the member for Kavel were made when he was a member of the Federal Parliament. I have criticised many of his other statements in that place, but on this one occasion he got it right. I certainly refer Mr McLachlan to that.

Perhaps more telling is the Arthur D. Little report and its consultancies. They make statements about what the automotive industry has been doing—whether or not they accept the point that it has been hiding behind special tariff barriers or whether or not it is special in any sense at all. One of the subconsultants addresses this point, I think very pertinently. The following point is made:

The automotive industry in South Australia is a vital part of the State's economy, accounting for around 18 per cent of manufacturing turnover and 16 per cent of manufacturing employment.

That point alone I would have thought justified the title of 'very special industry'. The subconsultant goes on to say—and this is very pertinent, again given Ian McLachlan's comments:

In recent times they have made substantial improvements in quality, efficiency and export performance in response to the growing pressures of global competition.

Coming back to whether or not it is a special industry and whether it has a special place in manufacturing in this State and therefore the economy of this State, this subconsultant states:

The industry is also different in that it is seen as desirable by most nations to build a local automotive industry as an aid to

developing a viable manufacturing sector. The response of many developing nations has therefore been to raise protective barriers.

Therein lies the nub of the issue as to why it is important that we maintain the automotive sector, and it is a furphy to talk about what levels of protection offered to the automotive industry are costing the economy without taking into consideration what benefits to the economy that same industry is delivering and without taking into account what the unlevel international playing field in the automotive industry is doing and, if left to batter the Australian industry without hindrance, what damage it would do to the industry in this country.

The tariffs we have in this country help meet the problems faced by the grossly unfair trading practices in a number of other automotive manufacturing countries. One can site them any time one wants. Unless Mr MacLachlan is prepared to address that point, he really is bankrupt in his beliefs and he really has no view of supporting a comprehensive manufacturing sector within this country. I suggest that honourable members opposite, rather than trying to deride manufacturing in this state, should on this one occasion side behind the member for Kavel and the comments he made in the Federal Parliament and call on Mr MacLachlan to heed those comments if they are not prepared to accept the very statements made in the Arthur D. Little report and its subconsultancies.

PRISONER SECURITY

Mr MATTHEW (Bright): How does the Minister of Correctional Services explain the security precautions which allowed a prisoner to walk out of the Berri Hospital at 6 a.m. this morning and be driven away by appointment by a man who escaped from Cadell last July? I am informed that Mr Barry Robson, an inmate of Cadell Prison on fraud charges, and wanted in other States for similar offences, escaped at 6 a.m. today following a hernia operation three days ago at Berri Hospital. He had arranged by telephone from the hospital for another escapee, a Mr Cooper, to pick him up outside the hospital. I am told that the escape arrangements had been narrated to police by an accomplice of Mr Cooper who, with Mr Cooper, last Saturday stole a BMW from North Adelaide and drove to the Riverland to pick up Mr Robson. The accomplice was apprehended but not Mr Cooper, who is still at large with Mr Robson. I am advised that there have now been 14 escapes from Cadell in the past five months.

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: Thank you, Mr Speaker. As I mentioned in the House earlier this week, Cadell is an open prison.

Members interjecting:

The Hon. FRANK BLEVINS: The member for Coles says, 'Very open'; the answer to that is 'Yes'. The member for Bright says, 'There wasn't a guard at the hospital': the answer to that is 'Yes'. By and large, when prisoners from Cadell are in the Berri Hospital they do not have guards with them. Cadell is an open prison and people do not have to escape from Cadell—they can walk away.

Members interjecting:

The Hon. FRANK BLEVINS: I am smiling at my very good friend, a former Chief Secretary.

Members interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition and the member for Victoria are out of order.

The Hon. FRANK BLEVINS: Cadell is an open prison and prisoners can, if they choose, with few impediments, walk away. A large element of trust of prisoners exists at Cadell. If members opposite are suggesting that Cadell be made into a secure institution and that we do not have a facility such as an open prison farm in South Australia, they should say so and it should be part of their policy. They cannot have it both ways.

Mr Matthew: It's a prison.

The Hon. FRANK BLEVINS: It is a prison. The member for Bright has had this shadow portfolio for only a short time.

Mr Matthew: It's a prison farm, not a holiday farm.

The SPEAKER: Order! The member for Bright and the member for Adelaide are out of order.

The Hon. FRANK BLEVINS: He has contacted my office and asked for briefings and so on and that is all available to him. I would ask any member opposite who has not been to Cadell or any other prison in this State to go and have a look. When they have done so they can come in here and criticise—

Mr Matthew: I have been to Cadell; you know I have.

The SPEAKER: Order! I give the member for Bright a last warning.

Mr Becker interjecting:

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

The Hon. FRANK BLEVINS: I am very pleased that the member for Bright has had a look at Cadell. Is the honourable member suggesting from his vast knowledge that Cadell should be made into a secure institution? If that is the suggestion, the Liberal Party can put that up as its policy for the next election. In conclusion, let me say this about escapes in the prison system. Our most highly dangerous prisoners, our longest serving prisoners—or prisoners who require the highest level of security in this State—are in Yatala Labour Prison. That has always been the case as long as any of us can remember, and probably 50 years before that.

In the last year of the previous Government, there were 20 escapes from Yatala. They were breaking into Yatala and taking out some of the most hardened criminals in this State—indeed, in Australia—and I can give members, as I have given the member for Kavel many times, chapter and verse. They do not escape from Yatala today. It has taken this Government tens of millions of dollars to ensure the security of our high security institutions. What this Government will not do is turn every prison in this State into a Yatala. We will have a graduated system of security in our entire prison system, and Cadell will be part of that. However, if the Liberals feel that something different should occur, if they feel that every prisoner who is in hospital out of Cadell should be escorted 24 hours a day in that hospital, they should say so, because the costs of that would be horrendous, apart from the fact that it is unnecessary.

Mr Matthew: What about the cost of catching them again?

The SPEAKER: Order! I am not sure—and it is the only doubt I will allow—if the member for Bright heard my last warning. I make it very clear that, if he interjects again, I will name him. The honourable Minister.

The Hon. FRANK BLEVINS: Thank you, Sir, and I do apologise that, because of the interruptions from members opposite, the answer has been somewhat longer than I would normally give. It is a very rare occurrence that any prisoner who is in the hospital at Berri or any of the hospitals in the Riverland has any escort whatsoever. They are there on their own, on trust, as they are in the prison, and that is the way it will remain. However, if the number of escapes is alarming the member for Bright, I will ask the management at Cadell to invite him for a briefing on the way the prison operates. I assure the member for Bright and the House that we take all escapes seriously; the courts take escapes very seriously; and prisoners who escape run the risk of a further two years in prison. They all come back, usually after a matter of hours, and they all appear before the courts. That is why the escape rates in this State are very low.

GREENHOUSE ALERT DAY

Mr HOLLOWAY (Mitchell): Will the Minister for Environment and Planning advise the House whether 1 September will again be designated Greenhouse Alert Day in South Australian schools?

The Hon. S.M. LENEHAN: Yes, I am certainly able to confirm that next Tuesday, which is 1 September, has been designated Greenhouse Alert Day in South Australian schools. I thank my colleague the Minister of Education for his support in this matter. As I have recently announced, the declaration of Greenhouse Alert Day is but one of the measures currently being undertaken by the South Australian Government as part of our greenhouse strategy for meeting our international obligations under the Climate Change Convention, which Australia recently signed at the UNCED conference, which of course is the United Nations Conference on Environmental and Development at Rio de Janeiro.

As part of Greenhouse Alert Day students will receive a pamphlet advising them how they can make their own contribution to minimising the problem which is occurring, of course, of a build-up of greenhouse gases in our atmosphere. The pamphlet advises students to adopt a lifestyle which minimises the contribution of such greenhouse gases as chlorofluorocarbons and carbon dioxide and spells out a number of ways in which students can change their own lifestyle and indeed how they can suggest a change in lifestyle for their families in order to minimise the impact of carbon dioxide on our environment.

WAITE CAMPUS

Mr VENNING (Custance): Can the Minister of Agriculture assure the House that the money received from the sale of the Northfield agricultural complex will be spent in its entirety on the relocation at the Waite Institute as promised? I have received a letter from a major farming organisation expressing concern that the

Government will not honour its previous commitment to provide necessary funding for an adequate facility at the Waite, and that the original plans for the complex have been 'downsized'.

The Hon. LYNN ARNOLD: The honourable member has separately written to me on this matter and I was a bit amazed when I got the question in that form of letter and now I get it in the House. The question is whether I will give an assurance. The answer is that I will not give that assurance. The very quote that the honourable member refers to is that necessary money will be spent on developing the facilities. Yes, the necessary money will be spent on what facilities are determined as necessary for the relocation. The suggestion implied both in his question and certainly in the wording of the honourable member's letter was that somehow or other the surplus derived from the returns from the sale of the Northfield land belonged to the rural sector of South Australia.

The point is that this is land within the metropolitan area and any price that pertains to that land that is in excess of what ordinary rural land might be placed at is a function of the fact that it is in the metropolitan area and that it has a premium value for residential purposes that comes from it. For example, if that same land had been in the middle of the CBD, the return from that land would be much greater still. Its location and the profit that comes as a result of its location really has nothing to do with the purpose for which that land was used in regard to agricultural research. For example, if it was the middle of the CBD and we were able to obtain \$200 million from the sale of that land, would it mean that the whole \$200 million would have to be spent on replacing facilities on which one could simply not spend \$200 million? That is a ludicrous argument.

What would happen if for example property values fell dramatically and suddenly that land did not return as much as is required for agricultural facilities to be built at Waite? Does it mean that they should not get the facilities that they deserve? Clearly, there is no purpose in having a nexus between the return from the land to the actual facilities. I give an assurance about necessary facilities being funded, but what is still very much under consideration is what those necessary facilities are. Putting aside the various issues that have been raised by members in some part of the community about what should or should not be going into the Waite Institute campus site, I am more interested in what will benefit agriculture in South Australia to make sure that we get the most positive outcome. That will decide for me and for the Government what the term 'necessary facilities' means and what the cost of those necessary facilities is.

YOUTH SERVICES

Mrs HUTCHISON (Stuart): Will the Minister of Youth Affairs inform the House what is being done to assist young people in South Australia to get information on services that are available to them? Frequently, young people, and sometimes parents, attend my office asking for assistance in finding out what services are available in areas such as employment and training, health, recreation,

etc. They have expressed concern that there is no place where they can easily obtain that information.

The Hon. M.D. RANN: I thank the honourable member for her continued interest in the concerns of young people not only in her electorate but across the State. I am pleased to advise members that young people from now will have the benefit of a youth help reference page in the latest telephone directory (page 22 of the white pages). It is sponsored by State Youth Affairs, and I am sure the member for Bright is already aware of its presence in the white pages. I am told that one of the greatest fears young people face is the inability to find help when needed and to find information relevant to their particular problems. This page is designed as a quick guide when support is needed, whether it be legal, health, education or crisis services, employment and training, support and recreation programs.

I would like all youth services and organisations dealing with young people to draw their attention to this information page to ensure it is readily available when needed. While information is always distributed on pamphlets and spread throughout the community, it is often difficult to find when we most need to know where to turn for help. I certainly hope that members of Parliament will draw the attention of young people in their electorate to this ready reckoner of places to call when there is the need for help. It is nice to see the members for Kavel, Victoria and Alexandra sitting together. One can only ask the question: will the real Leader of the Opposition please stand up?

Members interjecting:

The SPEAKER: Order!

SEWERAGE

Mr OSWALD (Morphett): My question is directed to the Minister for Environment and Planning. What measures has the Minister implemented to prevent the discharge of raw effluent into the top reaches of the Sturt Creek and ultimately into the Patawalonga and onto Glenelg beaches, which was drawn to the Minister's attention through the television and print media several months ago and when can we expect remedial works to be carried out? Television news reports have shown camera footage of the discharge of black, smelly effluent from the Stirling area and particularly the overflow of septic tanks in Golflinks Road, Stirling, which ends up in the Patawalonga at Glenelg.

The Hon. S.M. LENEHAN: I thank the honourable member for his newly found interest in environmental matters, and I welcome that. The honourable member would know that a whole range of programs is taking place right around South Australia to improve the quality of our waterways. One of those programs relates to the way in which we better treat our sewerage. One of the problems to which the honourable member has alluded regards septic tanks. This comes under my control because I am now responsible for the STED scheme, but that scheme is administered by local government and not by the E&WS Department.

However, I do not have the detailed facts at hand on this particular matter. I will be very happy to provide the honourable member with a report, but I would like to

take this opportunity to remind members that there is an environmental levy on sewerage rates and that every year I account to this Parliament for how that money is being spent, and I lay before the Parliament a program of how the money will be spent in the future. One of the ways in which we are spending the community's money in terms of this environmental levy is by looking at providing more sewerage facilities in the headwaters, if you like, of the Sturt Creek in the Mount Lofty Ranges to look at protecting not only that particular creek but our whole water supply system, 60 per cent of which comes from the Mount Lofty Ranges.

As we continue with our program, I will be able to inform the House in a more detailed way exactly how much we have been able to progress the provision of sewerage systems and infrastructure within the Mount Lofty Ranges and the headwaters areas of some of our creeks and streams, which eventually feed into the marine environment. This Government has taken the question of cleaning up and protecting the marine environment very seriously indeed, and I remind all members that by the end of next year we will have removed all sludge discharges from the gulf. Currently, we are working on special programs involving each of the sewerage treatment plants to look at how we can remove nutrients—phosphorous and nitrogen—to reduce further the impact on the seagrasses in the marine environment. I thank the honourable member for his interest and his question. I will get him a more detailed timetable and a report and provide them to him personally.

OCCASIONAL CARE PROGRAM

Mr HAMILTON (Albert Park): Will the Minister of Children's Services advise what growth has occurred in the number of occasional care program facilities available in this State?

The Hon. G.J. CRAFTER: In a few weeks, it will be the second anniversary of the establishment of the first occasional care service in South Australia. That program has experienced substantial and rapid growth in this period of almost two years. Some 2 364 child sessions are now held every week in 48 locations across the State. Next year we will establish 2 828 such sessions per week at 57 locations. Of those 57 programs, 24 are funded under the Commonwealth and State financial arrangements for over and under two year olds, and 33 are solely State funded programs for over two year olds, based on the social justice strategy announced last year.

These services are collocated with other community services for families with young children. For example, they are to be found in kindergartens, child parent centres, and community and neighbourhood houses across the State. Seventeen of these services are in country areas and two more are to be established in the non-metropolitan area. Fee relief is available to parents with low incomes who wish to access these important programs, particularly to women who are isolated at home and who want to obtain access to educational opportunities, respite care and such like. The total cost of the program, when it is completed next year, will be \$1.3 million.

STREAKY BAY WATER SUPPLY

Mr BLACKER (Flinders): Will the Minister of Water Resources advise the House whether the water conservation program at Streaky Bay has been effective and, if so, whether the proposed double rating program can be held in abeyance while consumption can be controlled? Secondly, will the Minister advise whether any long-term program has been developed to provide a guaranteed long-term water supply to Streaky Bay? The House would be aware that the existing lens from which the present water supply is being drawn has been utilised to its maximum and that, without an additional water source, the future expansion of Streaky Bay's township and environs will be extremely limited.

The Hon. S.M. LENEHAN: I thank the honourable member for his question and for his longstanding interest in the provision of a reliable water supply for his constituents at Streaky Bay. The last annual consumption for the residents of Streaky Bay was in the vicinity of 190 megalitres of water. In other words, the draw-down on the Robinson lens was about 190 megalitres. If the recharge rate is to continue, we need to ensure that the draw-down is less than 200 megalitres. The sustainable yield has been met in the past 12 months. Therefore, this means that I am very pleased to accede to the honourable member's request, that is, not to introduce a two-tiered rating system and to ensure that the residents of Streaky Bay, given the work they have done with my department, continue their responsible use of water. I am prepared not to introduce the two-tiered system certainly while the draw-down rate does not exceed 210 megalitres.

In other words, that will be the situation while we can sustain the use of water from the Robinson lens. I would like to acknowledge the commitment of the residents of Streaky Bay in working with the E&WS to restrict their water usage in a most responsible way. I thank the honourable member for the work he has done and for the role he has played in achieving this.

In response to the second part of the honourable member's question, which related to whether or not we are taking any long-term approaches, I am again delighted to inform the honourable member that the department is looking at a desalination program because there are large amounts of available water in the vicinity of the Robinson lens. However, this water is extremely brackish and we would therefore have to look at a desalination program so that we could provide this water on a long-term basis.

I also understand that, should it become apparent that this is the way to proceed, the Streaky Bay council, under the Federal Government's Country Water Supply Improvement Program (COWSIP), would look at applying for funding to finance this desalination program. I am aware that the Streaky Bay council is very concerned to find a solution to this matter. I thank the honourable member for raising the matter in the House this afternoon.

MEDICARE

Mr FERGUSON (Hentley Beach): Is the Minister of Health aware of the announcement under the Federal

budget of a bonus pool under the Medicare agreement amounting to \$208.5 million indexed? How will this be shared among the States and what will be South Australia's share?

The Hon. D.J. HOPGOOD: Yes, I am aware of it. We do not yet know. All I can do is to give an indication based on what the Commonwealth officers have told my officers. Very briefly, I can explain it in this way; in the public hospital system there was always a mix of public and private patients because, of course, not all of the procedures that private patients want are available in the private system. However, a minute's reflection—or less than that—will make people realise that the element of subsidy that is involved in having a public patient in one of our hospitals is very much higher than the element of subsidy that is involved with a private patient, even though we can talk about implicitly billing Medicare in the same way that we bill the private funds in relation to a private patient. The effect of that is that the States that have a higher percentage of public patients in their public hospitals lose revenue. So, this is an attempt to compensate for that.

The figure of 57 per cent has been agreed upon and the States will be able to access—and I hate that term, but computer language is taking over—that to the extent that their percentage of public patients lies above that 57 per cent. We are well above that figure at present. All I can say is that the Commonwealth says that, if the relative position of the States remains as it is, we ought to get about \$31 million out of that \$208.5 million, in other words, significantly above our per capita share. This assumes that the relative positions will not change, and I would imagine that the hospital systems in the eastern States, where the percentage of public patients has historically been low, will double their efforts to increase the number of public patients. Given that the pool is fixed, save for indexation, as they increase their share, of course, our capacity to access will decline. That is the present position; it is a rather complex arrangement but, at this stage, if nothing much changes, we will get about \$31 million.

HUTCHISON HOSPITAL

The Hon. B.C. EASTICK (Light): I also direct a question to the Minister of Health. When will the Hutchison Hospital be redeveloped, given that 10 years ago approval was given? I notice in a recent edition of the Gawler *Bunyip* a forlorn little article under the heading '10 years ago', which revealed that it was 10 years ago in July that the then Minister of Health, Mrs Jennifer Adamson, had given approval to the Hutchison Hospital board to appoint architects for the redevelopment. Nine successive budgets later, the hospital has still not been built.

The Hon. D.J. HOPGOOD: The honourable member may have to contain himself for perhaps an hour, but I think he is well aware that we are very close to proceeding with this project. Once the nature of the health budget is fully revealed I should be in a position to give more specific information to the honourable member.

HANDICAPPED PERSONS

Mr HAMILTON (Albert Park): My question is directed to you, Mr Speaker. Will you investigate the provision of hearing aid facilities in the Strangers and Speaker's Galleries for hearing impaired persons who visit this Parliament? Will you also investigate the need to make available a wheelchair for disabled persons, particularly those on crutches who have difficulty in gaining access into and moving about this building?

The SPEAKER: Certainly. I will look at the provision of hearing aids in the galleries. I am surprised that the matter has not been raised previously. With regard to providing a wheelchair, we will see what we can do. As the honourable member and all members of this place know, access to the building, which was constructed at a time when such matters as providing open access may not have received priority, is very difficult for people with any impediment at all. With the redesign of the building, if and when it eventuates, we will certainly make provision for disabled access, and I will have pleasure in ensuring this.

CAPITAL GAINS TAX

Mr LEWIS (Murray-Mallee): Will the Minister for Environment and Planning say whether it was her original intention that payments to landholders for retaining native vegetation should be subject to Commonwealth Government capital gains tax when she first proposed heritage agreements under the Native Vegetation Act; if so, does she still feel this is the best way of preserving our indigenous flora and fauna?

The Hon. S.M. LENEHAN: I remind the honourable member that the heritage agreements were brought in under my colleague the Deputy Premier when he was Minister for Environment and Planning. The Bill I introduced into the Parliament, I think last year, was to take the whole management of native vegetation from the stage it had reached, into a management stage and bring to a halt in this State the wholesale clearance of native vegetation. I am very aware of the problem to which the honourable member alludes and I share his concern. In fact, as recently as last week I again wrote to my colleague the Federal Minister for Environment and Planning asking that she intercede with the Federal Treasurer on behalf of all landowners in South Australia who have entered into heritage agreements with the South Australian Government and who have been paid a financial amount for entering into such an agreement and for preventing the clearance of native vegetation.

I am concerned that, this has been discussed for a number of years now, the discussion has been ensuing as to whether the sale of a property should attract a capital gains tax. I strongly and passionately believe, as indeed does this Government, that those agreements should not be subject to capital gains tax. In fact, they were entered into by both parties in good faith to ensure that we protected and preserved what is left of our native vegetation. We have a very sorry record in this State. I believe it was never intended by anybody at the time, going back quite some years, that this would attract a capital gains tax.

I have made a number of representations to the Federal Government on behalf of the landowning community of this State. I will continue to do so with what I believe is the support of all my Cabinet and Caucus colleagues. I thank the honourable member for raising the issue. Certainly it is important that we again get it on the public record so that Federal Treasury gets the message loudly and clearly that this is just not on. If we are to be serious about preserving and protecting the environment through the preservation of native vegetation, it is a nonsense to tax farmers further for the contribution they have made and we have made as a community in paying them for not clearing their vegetation.

OPPOSITION LEADER

The Hon. J.P. TRAINER (Walsh): My question is directed to you, Mr Speaker. What were the other 11 jokes told to you by the Leader of the Opposition and were they as amusing as the one referred to in this morning's *Advertiser* which indicated an offer made to you by the Leader in the privacy of your room of either a three-year term as Speaker under a Liberal Administration or a term as Governor of this State, which was supposedly one of a dozen jokes he related to you?

The SPEAKER: Again, I have no responsibility to answer. However, I am sure that the Leader himself will be pleased to put out a volume of jokes for the entertainment and pleasure of all members.

STATE BANK

Mr S.G. EVANS (Davenport): Can the Premier justify the State Bank's spending a large amount of taxpayers' money in legal fees to sue a journalist with limited funds? A report in the *Advertiser* this morning states that the State Bank may sue the *Advertiser* journalist, David Hellaby, over an article he wrote concerning the Auditor-General's inquiry into the State Bank.

The Hon. J.C. BANNON: I am not sure what ground I may traverse in answer to such a question, but any institution is entitled to protect itself. I would have thought that, for any individual who was doing something in the course of his employment, in most cases it is common practice for him to be indemnified or supported by his employer in some way. I would be surprised if that were not the case with the individual concerned. That is surely not a consideration in terms of whatever appropriate action any institution takes to either protect itself or get recourse.

LEAD DECONTAMINATION UNIT

Mrs HUTCHISON (Stuart): Can the Minister of Housing and Construction advise the House what has been the contribution of SACON's lead decontamination unit to the lead decontamination program in Port Pirie? I am aware that the lead decontamination program in Port Pirie has been under way since 1984, and I have noted

with interest the achievements in both the areas of environmental health and physical decontamination.

The Hon. M.K. MAYES: Obviously the honourable member has a very direct interest, representing her constituents in this issue, and I am sure that she has been very pleased with the progress that has occurred in this regard. Just in the past week there has been a major national television program on Port Pirie covering this very issue. The lead decontamination issue has been a very successful unit of SACON. In fact, there have been numerous visits from both interstate and overseas public organisations to examine the work being done and progress made thus far. Obviously, since 1984 when the program was first announced by the Government, the unit has acquired considerable expertise in conducting its program. The blood lead levels of the children assessed since the program was implemented have been reduced. I know that the local community is very pleased about that and delighted with the program generally.

I want to congratulate personally those members of the decontamination unit who have been working in Port Pirie. I am sure they are well pleased with the reports. Indeed, the congratulations they have received over the past few years have been certain reward for their endeavours in assisting the people of Port Pirie through the decontamination program. I am pleased to say that it has worked very well and that it is a very successful unit. I hope we will see some very positive results for its efforts.

GRIEVANCE DEBATE

The SPEAKER: The proposal before the Chair is that the House note grievances. The Leader of the Opposition.

The Hon. DEAN BROWN (Leader of the Opposition): This week the Premier has set a new low in standards of ministerial accountability for this Parliament and the public. The Premier has failed, first, to ensure that the guidelines for declaration of conflicts of interest by Ministers were observed. The Premier actually set the guidelines in 1988. Those have now been ignored. Secondly, he has failed to uphold the standards established in the Attorney-General's report tabled on Tuesday. Those standards require at the very least that the Minister of Consumer Affairs should have been reprimanded.

In this breakdown of ministerial accountability, the Premier is more culpable than the Minister of Consumer Affairs. It is little wonder that the Minister has behaved with so much disregard for the standards of accountability. She has followed the example set by the Premier. What the Parliament and the public can now conclude from this week is, first, that we have a Premier who no longer has authority over his Cabinet and his Caucus.

Secondly, we have a Premier who, knowing his own day of judgment by this Parliament now approaches, finds himself incapable of fulfilling his duty to act against the Minister or of upholding standards of accountability. The Minister has misled Parliament but

the Premier cannot act because he has already misled this Parliament time and again on the State Bank issue.

The Hon. T.H. HEMMINGS: Mr Speaker, I seek your ruling in respect of the Standing Order that provides that it is against the custom and practice to read a speech to the House, and badly read at that.

The SPEAKER: I uphold the point of order. Because of the situation this week, I must caution the Leader that he cannot accuse a member of misleading Parliament. The only way that can be brought before the House is by way of substantive motion. We dealt with that when the member for Hayward was in a similar position. The Leader.

The Hon. DEAN BROWN: Thank you, Mr Speaker. I withdraw the comment that the Premier cannot act because, as I said, time and again he has misled this Parliament over matters pertaining to the State Bank. It is the Premier who has totally compromised standards of accountability. His whole approach to this issue of ministerial accountability is one of applying no standards at all. Briefly, let me recount the history of this matter. In 1984, it was established that the then Minister of Recreation and Sport (Hon. Jack Slater) had used his ministerial authority to give the first TAB subagency to the Windsor Hotel. This just happened to be the same hotel from which the Enfield District ALP Social Club bought its supplies of beer and liquor, and the Minister was Secretary-Treasurer of that club.

In response to questions about that matter, the Premier told this House on 28 March 1984:

This State has had a record of probity in public life which must be maintained. I and my Government will maintain it in the way in which it should be maintained.

Under this Government, that record of probity has vanished. In March 1988, another Minister of Recreation and Sport (Hon. Kym Mayes) was questioned about the use of all the might of section 50 of the Planning Act to stop a small church group building on a site in the street in which the Minister lived. It just so happened that the Minister had been an unsuccessful bidder at auction for the same site.

When the matter was raised in this House, the Government story was that the Minister had declared an interest when the section 50 issue was decided by Cabinet. But, apparently, the Premier and the Attorney-General did not hear his declaration. It was as a result of this farce that the 1988 guidelines were written. Those guidelines required Ministers to declare private interests on any item under Cabinet discussion. The Minister of Consumer Affairs ignored these guidelines not once, not twice, but three times. I do not accept Cabinet's decision that these were minor conflicts. Nor do we accept that her pecuniary interests, direct or indirect, were limited to the gaming machines legislation. Our view has been put fully in another place and a majority of members in another place have supported the view that the Minister misled Parliament.

The SPEAKER: Order! The honourable member's time has expired. I draw the attention of all members to the fact that it is the custom of the House that speeches are not read.

Mr BRINDAL: Mr Speaker, under Standing Orders there are many procedures of the House that must be triggered by a Minister and, under the customs of the House, it is certainly the custom for a Minister to be

present in this House. Therefore, I ask you to rule on my point of order that the House is in violation of one of its Standing Orders as no Minister of the Government is present in the Chamber at this time.

The SPEAKER: I cannot uphold the point of order. I am not aware of any Standing Order that has been agreed to by this House that insists upon a Minister being present on the front bench at any time.

Members interjecting:

The SPEAKER: Order! If any member knows of such a Standing Order, they should tell me and I will apply it. The member for Playford.

Mr QUIRKE (Playford): I rise today on an issue that I think concerns all members. In the past 24 hours, some events have taken place in this House that I think are unfortunate. The role of the media in reporting the affairs of Parliament, the Bills and various activities of the Parliament, the Government and the ministry and individual members carries a high degree of responsibility for journalistic integrity. There is no doubt where that is concerned that the media has failed, in general, to live up to the journalistic code of ethics that has been claimed by their organisation and by a number of their employers. I want today to mention Chris Nicholls. I am not referring to the legal case that is proceeding against that journalist for activities in respect of the Barbara Wiese/Jim Stitt affair.

Mr LEWIS: On a point of order, Mr Speaker, the member for Playford has drawn to the attention of the House the fact that he is aware that a matter that is *sub judice* is before the courts, yet he is referring to it in the course of this grievance debate. I ask you to rule that to be out of order, Sir.

The SPEAKER: I did not hear what the member was referring to as I was distracted, but I will listen to his speech and make sure there is no reference to any *sub judice* matter.

Mr QUIRKE: The events that I intend to relate to the House have nothing to do with the matter raised by the honourable member but, in fact, to what has happened in the past 24 hours and to the fact that a number of members have been bullied and accused of having improper motives for the way in which they publicly stated they intended to vote and indeed voted on the Gaming Machines Bill. I understand that this morning a series of telephone calls were made to members of this establishment from that journalist to the effect that Barbara Wiese is guilty and the sooner the matter that was debated yesterday in the other place can be debated in here and she is disposed of as Minister, the better.

I raise this matter because I firmly believe that in the past few years the ABC has been very derelict in the way in which it has conducted its reports on Parliament and parliamentarians and on issues before Parliament. In the past four or five years, in particular, the ABC, as an organisation, has had a lot to answer for. Using this journalist in the way it has in respect of this particular matter is the lowest possible level of journalistic tactics that I have ever seen—it is reprehensible and disgraceful. I can only conclude that his employers are fully behind the activities that have taken place in the House in the past 24 hours. My understanding is that the ABC, rather than reporting the facts fairly, took a particular position

on the gaming machines legislation and that consequently one of their journalists, Chris Nicholls, has gone right over the top as far as his tactics are concerned.

I make it clear that Mr Nicholls has not approached me, with very good reason—he knows he would get short shrift. I have had conversations with numerous members of this House in the past 24 hours, and they are very unhappy with the sorts of tactics that appear to be sanctioned by the ABC. I will send a copy of this speech to the ABC, and I hope it will comment on it.

Mr LEWIS (Murray-Mallee): I must say that I am surprised at the outburst from the member for Playford. He has lost track of his senses, and certainly his principles.

An honourable member: You're reflecting on him.

Mr LEWIS: On the remarks he has made, I have every right to reflect.

Mr QUIRKE: I rise on a point of order, Mr Speaker.

The SPEAKER: Order! The member for Murray-Mallee will resume his seat. There is a point of order from the member for Playford.

Mr QUIRKE: The honourable member is reflecting on me as a member of this House, and I ask that he withdraw.

The SPEAKER: I have had a request that the honourable member withdraw the reference to the member for Playford. Will the member for Murray-Mallee withdraw?

Mr LEWIS: Thank you, Mr Speaker, no. Two of my constituents have had to pay \$25 000 tax on the money received for entering into a heritage agreement with the State. At the time of their entering into the agreement, they were assured by the Minister's department (that is, the State Minister for Environment and Planning) that they would not be liable to pay tax on the money they would receive as compensation for fencing off—

The Hon. T.H. HEMMINGS: I rise on a point of order, Mr Speaker.

The SPEAKER: Order! The member for Murray-Mallee will resume his seat. I assume that the member for Napier has a point of order.

The Hon. T.H. HEMMINGS: In relation to what the member for Murray-Mallee replied to your request, Mr Speaker, I point out that Standing Order 127 provides:

A member may not:

1. digress from the subject matter of any question under discussion;
2. or impute improper motives to any other member;
3. or make personal reflections on any other member.

My point of order is that you, Mr Speaker, requested the member for Murray-Mallee to withdraw, and he refused.

The SPEAKER: It is getting to the stage where points of order, during a five minute speech, are ruining the speech. That tactic will not be accepted by the Chair. We should all be a little adult, be careful about what we say and perhaps have a thicker skin in this place. The member for Murray-Mallee.

Mr LEWIS: Those people were told that they would not be liable to pay tax on the compensation for fencing off, retaining, keeping and for managing the heritage areas to preserve native vegetation as habitat for indigenous species on their farms, that is, for keeping and looking after the flora and fauna indigenous to that locality. The Australian Taxation Office has reversed its

position and that arrangement. I would like to quote a letter that I have received from the Johns of Mantung, who have particularly been the butt of this unjust and administratively unacceptable direction of the Australian Taxation Office in overturning that arrangement. The letter states:

At the time of entering into the heritage agreement we were told like all others that this payment would not be subject to taxation. Under the Environment and Planning Act, if land ownership was transferred after 1983 there would be no compensation, unless transferred within a family unit. This happened in our case.

Heritage agreement was entered into on property that was transferred to us in 1987. We received compensation (family transfer). The Taxation Department has interpreted the situation differently to the Department of Environment and Planning and determined that we pay capital gains.

Capital gains tax was paid 20 July 1991. Objections were lodged by our accountant . . . and solicitor . . .

Enclosed is a copy of our family history which will help you to understand the situation more clearly.

. . . We believe the Taxation Department's interpretation is unjust as partnership and business records prove that there was a legitimate commitment to the property well before 1987.

Our objection has already cost us over \$3 000, with costs growing plus \$25 000 for tax. We are a young couple with two children and there is a limit to our financial resources [especially in this day and time] to achieve justice.

We would appreciate your sympathetic consideration not only for our own case but for any other heritage agreement holders that could find themselves in the same predicament.

There are a few. I thank the Minister for Environment and Planning for putting on the record the Government's view of this situation, because it is a view that is shared unanimously by members on this side of the Chamber, and I include in that the member for Flinders. It is about time the money-grubbers in the tax office cut it out.

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

Mr HAMILTON (Albert Park): Where one requires a standard of another person, or requires that person to be beyond reproach, I believe that the person making that request should himself or herself be without sin. When I looked at the *Advertiser* editorial today and when I witnessed the ongoing attacks against my colleague in relation to other matters, I found the standards of some journalists—and I say 'some'—quite unbelievable. The attacks upon the Minister, the verbiage used in the editorial in the newspaper this morning—and I no longer buy that paper because I do not believe it is worth buying any more—and the behaviour of some journalists debase that newspaper and journalism. I also believe that some people within that establishment—and it is well known in the circles of this Parliament—are themselves questionable in terms of their standards in our community. I will leave it at that. However, I think that most people in this House know exactly what I am talking about.

A member of this Parliament approached me today and told me that he had been intensely lobbied last night in the corridors of this Parliament. I hasten to add that it was not a member on this side of the House. My colleague the member for Playford has accurately, in my opinion, related what took place. I find it absolutely outrageous that that sort of situation should be allowed to occur in this place, where any member of Parliament has the right to stand up without fear or favour and express his or her point of view. I would fight to defend the right

of members opposite in relation to that. I find it absolutely outrageous and reprehensible that members of Parliament should be accosted in the corridors of this place by journalists—and it is only some journalists, I hasten to add—telling them how they should or should not vote on a particular Bill.

Mr Quirke interjecting:

Mr HAMILTON: It is disgusting as my colleague says. I only wish that that reporter had come to me, because I would have taken him on in no uncertain manner. There is no way that I will be or can be bought, and I believe overwhelmingly that all members of this Parliament are of that same view. I believe it is a standard that South Australian members of Parliament have accepted.

I see the member for Newland nodding in agreement. We accept these particular practices and, despite the rhetoric that goes on across the Chamber, not one of us should be berated, approached or stood over. I do not like that jackboot tactic. I only hope that the honourable member in this place—and he knows that I know what he is talking about—will stand up and lay a charge in relation to the manner in which he was approached. I find it absolutely outrageous that AJA ethics have been breached in this place, in my opinion.

In the 13 years that I have been in this Parliament not one journalist—and I say this in their defence—has ever tried to lobby or intimidate me, nor do I believe they would be able to. This is a standard that South Australians rightly expect of their members of Parliament, despite what they may say about us and despite what some journalists say about us; I would defend every member of this Parliament in terms of what I believe he or she believes about a proper code of ethics in this place. South Australia is a very small and close knit community and, in my opinion, the interlocking in the community makes it very difficult for any person to be corrupt. I believe that members of this place are not corrupt, despite the rhetoric we have heard in recent months. I just hope that the member of the Opposition who has been approached in that manner will stand up and take on this journalist. I personally believe that that journalist should be *persona non grata* in this place until such time as he apologises for his actions.

Mr MATTHEW (Bright): Today I raised a serious issue in this Parliament during Question Time about yet another escape by a prisoner from Cadell prison. Now 14 prisoners have escaped from Cadell in the past five months, but the escape I outlined today is probably the most bizarre of all. I am concerned that a prisoner who was transferred to the Berri Hospital for a hernia operation, at 6 o'clock this morning could simply walk out of the hospital. Worse, I am concerned that the person who picked him up in the waiting car—a car that was arranged to be there by appointment—was none other than a prisoner who had escaped from Cadell in July this year. What sort of prison system is this Government running in this State when escapees can drive back in a stolen vehicle to collect other prisoners and take them with them?

I am informed that Mr Barry Robson, an inmate of Cadell Prison on fraud charges, and wanted in other States for similar offences, escaped at 6 a.m. today following his hernia operation three days ago in Berri

Hospital. I understand that he had arranged by telephone from the hospital for another escapee, a Mr Cooper, to pick him up outside the hospital. I am told that the escape arrangements have been narrated to police by an accomplice of Mr Cooper who, with Mr Cooper last Saturday, stole a BMW from North Adelaide and drove to the Riverland to pick up Mr Robson from the hospital. The accomplice was apprehended, but not Mr Cooper, who is still at large with Mr Robson.

We have now had 14 escapes in just five months from Cadell Training Centre. If that is not bad enough, the Minister in this Parliament today effectively dismissed the question as not being of any great significance. The Minister told us that Cadell is a low security prison farm and that prisoners can leave if they please. The Minister asked us what we want.

Mrs Kotz interjecting:

Mr MATTHEW: As my colleague the member for Newland said, the 'open door prison policy'. That is certainly not what the Opposition expects to see. We expect what all citizens in South Australia would expect: quite simply, first, that prisoners cannot come and go from prison as they please; secondly, that they cannot telephone to arrange for their escapes; thirdly, that their contact with the outside world cannot be so good that they, but not the authorities, know the whereabouts of previous escapees; fourthly, that previous escapees cannot come back and help other prison inmates escape at pre-arranged times; fifthly, that the Department of Correctional Services carefully checks prisoners who are being placed in low security prison installations to ensure that they are not likely to escape; and, sixthly, that prisoners are guarded appropriately if placed in a hospital.

I for one as shadow Minister of Correctional Services cannot accept that a prisoner can be placed in a hospital without a guard and can simply walk out. As a result, our police resources are being deployed to find yet another escapee—as I said the fourteenth from Cadell in just five months. This issue was raised on 20 August this year when I asked another question about the Cadell Training Centre, pointing out that at that stage there had been 13 escapes in the past five months. I asked the Minister to review procedures at Cadell Training Centre in order to minimise escapes, and the Minister's response to me on that occasion was equally baffling. I quote, in part:

The security at Cadell is minimal—and it will stay minimal. The fact that there are life sentence prisoners there is not news. There have been life sentence prisoners at Cadell since the day it opened. I will not put the department to the trouble of working out how many life sentence prisoners were at Cadell between 1979 and 1982 Of course, we will see whether any other reasonable measures should be taken at Cadell without turning the prison into something it is not.

I contend that a prison is a prison and the public expects prisoners to be retained at those institutions. If they go outside, they should be guarded appropriately. What has happened today and has been happening at Cadell continually is not acceptable, and I am sure that the people of South Australia are not prepared to sit down and accept this either. I call on the Minister to do something about what is happening at Cadell.

The Hon. J.P. TRAINER (Walsh): I wish to say a few words about the way in which a shameful campaign has been conducted against the Minister of Tourism by

members opposite. The Hon. Barbara Wiese has been subjected to ongoing political persecution. She has been the subject of a scurrilous witchhunt.

Mr Becker interjecting:

The Hon. J.P. TRAINER: She has been the victim of a vicious character assassination. The member for Hanson is interjecting, and it is true that back on 24 March the honourable member did distance himself from the remarks of members opposite. He said on that occasion that to accuse the Minister of some of the things she had been accused of was to introduce a red herring, and expressed his concern that we as a Parliament seemed more concerned about whether the Minister did this or that than about the merits of the legislation being debated, and he thought it was an absolute disgrace to attack the Minister in that way. Members opposite have shown a cynical, ruthless opportunism, calling for penalties after the Minister has received a clean bill of health.

The inquiry that has been conducted interviewed, I believe, approximately 75 witnesses—certainly dozens of witnesses—and each one interviewed led to others being questioned. The Minister has been subjected over five months to a living hell. Every aspect of her personal life has been looked into; every cent of her business affairs has been put under scrutiny, yet members opposite are not satisfied with that. These members opposite, these cool Tories, have adopted a vicious character assassination approach. I should not say they are all Tories: there are a couple of 'Wigs' opposite—obviously, the members for Ashley and Martin, which brings me, of course, to the member for Bright, who had a lot to say about Marcel Spiero today. From the way he has been ranting and raving, he should be more concerned about spirochaetes with the way his mental processes are deteriorating.

Orchestrated by Liberals opposite in partnership with Mr Chris Nicholls of the ABC, we have seen this ruthless, political persecution. Although I would not want to dwell on any area that is *sub judice*, have any ABC employees stood down whilst they have been under police investigation for alleged illegal activity? This is the same alliance between some sleazy members opposite and that journalist from the ABC which led to the expenditure of \$6 million hunting down baseless rumours against the Attorney-General. Now, \$500 000 has gone on the investigation of every aspect of the private life and financial affairs of the Minister of Tourism.

Would members opposite like to have every aspect of their personal life investigated and laid out the way the private affairs and finances of the Minister of Tourism have been handled? These whitened sepulchres opposite; these Pharisees who have tortured this individual! How can we encourage decent people in the community to become members of Parliament when they see what happens to a good and decent person like the Minister of Tourism? What has been done in this instance should be to the eternal shame of members opposite.

I would like now to mention something amazing that we saw transpire in this House just a few hours ago in relation to a vote that was taking place, when we saw the Leader of the Opposition show the most amazing genius. It takes a rare genius, indeed, to try to win a division in this House by insulting the person who has the casting

vote. Members on this side could not believe what we were witnessing—this joker opposite, this understudy for Jack Nicholson as the Joker in the next remake of *Batman*. We could not believe what we were seeing. I believe that the Leader opposite has a very short life ahead of him. The *Advertiser* may be able to protect the Leader of the Opposition from members on this side, but I doubt whether it can protect him from members on his side.

LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) AMENDMENT BILL

Returned from the Legislative Council without amendment.

LOCAL GOVERNMENT (CITY OF ADELAIDE WARDS) AMENDMENT BILL

Second reading.

The Hon. M.D. RANN (Minister of Employment and Further Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This Bill provides for the repeal of the existing section 850 of the Local Government Act 1934, which provides that:

'The wards of the city and their respective names and boundaries as they existed immediately prior to the commencement of this Act continue to be the wards, and the names and boundaries of the wards, respectively.'

This section of the principal Act will be replaced by the following transitional provision:

'The wards of the City of Adelaide in existence immediately before the repeal of section 850 of the principal Act will continue in existence after the enactment of this Act until such time as those wards may be altered or abolished pursuant to a proposal or recommendation under Part II of the principal Act (including a proposal or recommendation based on a review of the wards of the City of Adelaide carried out before the enactment of this Act).'

It has become necessary to amend section 850 in light of the Adelaide City Council's periodical review of its representation and ward boundaries.

The Council's report is currently before the Local Government Advisory Commission.

Members will recall that the provisions establishing the Local Government Advisory Commission were repealed on 1 July 1992 and replaced by a process whereby the Electoral Commissioner oversees council's periodical reviews. However, the Adelaide City Council has decided to use the transitional provisions contained in the Local Government (Reform) Amendment Act 1992 thus allowing the Commission to complete its report on the Council's periodical review.

The Council's report includes recommendations for changes to Council's ward names and boundaries and the Commission has several options in responding to the Council's report. It may recommend that the Council's proposals be carried into effect, that an alternative be put in place or that no change be made.

The Council's report also suggested that section 850 of the Local Government Act would require repeal or amendment before any change could be made to the names or boundaries of the city's wards as it may conflict with other provisions in the act which generally govern changes to council wards—namely Division II—'Amalgamation of Council'.

This issue has not arisen before as the Adelaide City Council ward boundaries have remained unchanged since 1874.

Advice received by the Government is inconclusive in relation to the potential for the conflict between section 850 of the Local Government Act and other provisions that generally apply and govern changes to council wards and therefore the amendment to section 850 is necessary to remove any ambiguity that the recommendations which the commission may make in relation to ward structure can be lawfully implemented, and to prevent any possibility of a challenge to a subsequent proclamation based solely on the interpretation of section 850 as it is currently worded.

The proposed amendment is purely technical in nature and does not in itself favour any particular ward structure. It merely makes it possible for a change to occur should this be recommended by the Local Government Advisory Commission.

The provisions of the Bill are as follows:

Clause 1 is formal.

Clause 2 repeals section 850 of the Act.

Clause 3 is a transitional provision to preserve the existing wards of the City of Adelaide and also to provide expressly that those wards may be altered or abolished pursuant to a proposal or recommendation under Part II of the Act, including a proposal or recommendation based on a review carried out before the enactment of this measure.

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

LIQUOR LICENSING (FEES) AMENDMENT BILL

Adjourned debate in Committee (resumed on motion).
(Continued from page 449.)

Title passed.

Bill read a third time and passed.

STANDING ORDERS SUSPENSION

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

That Standing Orders be so far suspended as to enable the Speaker, if he is satisfied that the Stamp Duties (Rates) Amendment Bill and the Tobacco Products (Licensing) (Fees) Amendment Bill have been passed by the Legislative Council without amendment, to present the Bills to Her Excellency for assent, notwithstanding that a message has not been received from the Legislative Council.

Motion carried.

The SPEAKER: I indicate to the House that the Speaker's taking the Bills across is dependent upon the Legislative Council's passing a similar motion.

The Hon. D.J. HOPGOOD: Yes, Sir.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. J.C. Bannon)—

- Financial Statement, 1992-93.
- Estimates of Payments and Receipts, 1992-93.
- Estimates of Receipts, 1992-93.
- Economic Conditions and the Budget, 1992-93.
- Capital Works Program, 1992-93.
- The Budget and the Social Justice Strategy, 1992-93.
- The Budget and Its Impact on Women, 1992-93.
- Enterprise Investments Limited ACN 008 262 717—
Financial Statements, 1991-92.

- Enterprise Investments Trust—Financial Statements, 1991-92.
- Enterprise Securities Limited ACN 008 128 194—
Financial Statements, 1991-92.
- Lotteries Commission of South Australia—Report, 1991-92.
- Public Sector Employees Superannuation Scheme—
Report, 1991-92.
- South Australian Government Financing Authority—
Report, 1991-92.
- South Australian Superannuation Board—Report, 1991-
92.
- South Australian Superannuation Fund Investment
Trust—Report, 1991-92.
- State Bank of South Australia—Proforma Result, 1992.
- State Government Insurance Commission—Report,
1991-92.
- The Treasury of South Australia—Report, 1991-92.
- Letter from the Chairman of the State Bank dated 25
August 1992.

APPROPRIATION BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act for the appropriation of moneys from the Consolidated Account for the financial year ending 30 June 1993, and for other purposes. Read a first time.

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

That this Bill be now read a second time.

In so doing, I present the budget for 1992-93. The Budget is aimed at maintaining progress towards the strategic or long term objectives which were outlined a year ago, despite the continuing impact of the recession, the uncertain nature and strength of recovery, and the pressure of additional costs which are beyond the control of the Government.

It continues the managed process of reducing the financing requirement, while maintaining service quality, particularly in priority services and core areas of Government activity. It continues the task of stabilising the impact on the State's finances of the State Bank and the SGIC while also taking the next step of restructuring those institutions so that they can return value to the community and maximise the potential for recovery of the losses which have been incurred.

It provides an immediate response to the need for long term structural change in our economy while also providing incentives to the private sector to boost employment in the short term.

The Budget has been constructed within an economic environment which remains difficult, even hostile. The severity of the factors which dominated the 1991-92 Budget have in no way diminished. Indeed while there are some signs of economic recovery the recession has not loosened its grip and its impact over the past year was much greater than envisaged.

This has resulted in further falls in revenue, beyond what was expected while at the same time adding to the demand for Government services.

The recession has also slowed the process of restoring value to the assets of the State Bank and the SGIC, putting further pressure on the profitability of those institutions.

At the same time the substantial reductions in funding from the Commonwealth during the 1980s have not been reinstated.

In short, we begin 1992-93 starting from behind in the position of the runner who finds that the startline has been moved back before the race is called.

Members interjecting:

The SPEAKER: Order! The Premier will resume his seat for just one moment. I have been 13 years in this Parliament and this is probably the most important budget that has ever been presented in that time. It is my duty to uphold the dignity and decorum in this House, and this budget will be heard in silence. The honourable Premier.

The Hon. J.C. BANNON: Thank you, Mr Speaker.

THE BUDGET OUTCOME

Before outlining the Budget measures decided on by my Government for the coming year, I wish to advise the House of the final outcome for the year just ended and to set out details of the environment in which this year's Budget has been formulated.

As I have indicated, the national economic recession had a direct and significant effect on the result for 1991-92. This is most clearly demonstrated by a deterioration in the net financing requirement of \$140 million, with a result for the year of \$470 million against an original estimate of \$330 million.

I would stress immediately that overall departmental expenditures were in line with Budget estimates.

Of the total deterioration, up to \$100 million is attributable to the effects of the recession, of which taxation receipts account for \$55 million. In particular, private sector payroll tax receipts were \$26 million less than expected, financial institutions duty down \$11 million, gambling revenue other than poker machines down \$9 million, stamp duty revenue on conveyances \$9 million less than expected. In addition to these shortfalls which are directly attributable to the recession, tobacco receipts were down \$9 million reflecting in part reduced consumption levels, in part the effects of the recession.

The shortfall in payroll tax receipts reflects both a lower than expected growth in average weekly earnings and a larger than anticipated fall in employment levels—both reflecting the impact of the recession.

The recession also affected the level of the State's Financial Assistance Grant, with a reduction of \$9 million resulting from a lower inflation outcome. There was a shortfall of \$15 million in estimated receipts from the sale of land and buildings and as a consequence a requirement for additional overall funding of \$10 million to meet cost pressures in the particular agencies affected such as the Education Department.

The effects of the recession were also felt in specific ways across a wide range of areas including schools, public transport and welfare services resulting in additional costs with an overall Budget impact of about \$9 million.

At the same time there were no areas of significant improvement in Budget receipts during 1991-92, although on the payments side of the Budget interest costs were lower than anticipated reflecting the general fall in interest rates during the year and saving \$9 million on the Budget.

Declining receipts have affected the Budgets of all State governments and there was a shortfall of 6 per cent in tax revenue in the Commonwealth Budget last year.

Among the States, South Australia's relatively weak revenue base has made the impact more severe on this State's finances.

For example, Queensland experienced a shortfall in budgeted tax receipts of 2 per cent, Victoria 3.6 per cent while preliminary estimates from New South Wales indicate a likely shortfall of 3 per cent in total receipts because of the recession.

Against this, South Australia's taxation revenue fell by 4.8 per cent against Budget estimates.

The other major impact on the outcome for 1991-92 relates to the payment of \$36 million to the Compulsory Third Party Fund which I foreshadowed on 14 April this year in line with the recommendations of the SGIC Working Group which had been endorsed by the Select Committee appointed at the time the Parliament considered the new SGIC Act.

The net deterioration of \$140 million was financed through an additional borrowing from SAFA of the same amount.

THE EXTERNAL ENVIRONMENT

This year's Budget has been prepared in the shadow of a serious national economic recession.

The Australian economy experienced a sharp downturn in mid 1990 with economic activity appearing to bottom during the 1991-92 financial year.

While the South Australian economy was one of the last States to feel the full impact of the recession our economy was severely affected by the collapse in demand for our manufactured products throughout the year. This has resulted in a substantial increase in the level of unemployment.

Recent economic indicators provide encouraging signs that the economy is now on the road to recovery and it is hoped that initiatives by both the Commonwealth and State Governments will further stimulate economic activity.

The State's economy in 1992-93 will depend very much on both national and international economic activity. The immediate outlook is for a relatively mild upturn in South Australia's economic activity throughout the year.

The economy affects the budget in two ways. Primarily it determines the State's financial capacity, as our revenue is directly related to employment, business activity and financial transactions. Secondly, it influences the demand for government services.

The other crucial element of the external environment is the financial relationship between the Commonwealth and the States.

Obviously the level of funding provided by the Commonwealth each year is critical to the formulation of the Budget. Recent years have seen significant shortfalls which have not been restored despite increased payments to South Australia in 1992-93. That increase is of course welcome and will provide scope for the maintenance of assistance to the community during a difficult economic period.

Also, the additional funding resulting from the One Nation Statement in February 1992 and the Youth Package of July 1992 will undoubtedly stimulate activity

as well as directly assisting large numbers of South Australians.

However, it must be understood that an increase in total funding does not necessarily mean a commensurate increase in the financial flexibility or capacity of the State Government.

Of greater importance for the longer term are the pressures arising from the continuing examination by the Grants Commission of relativities between the States and the insistence by the more populous States that the equalisation principle be abandoned.

Honourable Members should be in no doubt that successive examinations of the pattern of expenditure among the States by the Grants Commission have shown that our provision of services, particularly in social services and law enforcement, is in excess of what is regarded as standard amongst the States.

The implication of these assessments by the Grants Commission is that South Australia is providing services of a higher than average standard and the question that must be asked is whether this situation can be sustained.

Finally, Members should be aware that the Premiers' Conference, while endorsing the principle of fiscal equalisation, agreed to an investigation of its scope and application. The importance of this principle to small States such as South Australia is indicated by the fact that its abandonment would further reduce our funds from the Commonwealth by \$400 million in 1992-93.

I stress that these pressures are independent of any financial strain placed on the Budget by recession and the actions of our own financial institutions.

BUDGET OBJECTIVES

The Budget seeks to provide a positive response to this difficult and uncertain environment. It has four principal objectives.

- to accelerate the process of restructuring the State's economy for long term growth and development while also providing incentives for employment in the short term;
- to enable the restructuring of the State's financial institutions to achieve stability in the State's public finances;
- to secure an improvement in the State's Budget despite the effects of the national recession on the State's economy;
- to ensure that restructuring and adjustment is supported equitably across the community and that a clear focus is kept on the essential areas of Government activity.

Our overriding commitment to a significant reduction in the net financing requirement remains. Consequently, reductions in expenditure continue to be necessary, but as in previous years the Government does not believe it is appropriate to impose indiscriminate cuts or to demand a sudden shedding of public sector employees.

The Government continues to treat tax measures as a last resort but, given the circumstances we face, decisions to raise additional revenue have had to be made. However, in doing so we have attempted to minimise the impact on the business sector.

The Budget also introduces significant changes to provide a new revenue base for Local Government, which

over time will reduce its dependence on rate revenue and give it greater financial flexibility.

I will now detail the revenue and expenditure measures contained in the Budget.

REVENUE MEASURES

The Government in every one of its Budgets has demonstrated a sensitivity to the importance of supporting employment and in all but one of those Budgets we have avoided any increase in the rate of payroll tax. The need to do so again is made all the more acute in the current economic recession.

The present rate of payroll tax of 6.1 per cent is one of the lowest of all States.

In announcing its response to the interim Arthur D Little Report, the Government gave an undertaking not to increase payroll tax in 1992-93. This promise has been kept. In addition this Budget includes major payroll tax relief for industry by way of a rebate of \$1 700 per additional employee for private sector firms that increase their workforce levels in 1992-93 above 98 per cent of their average employment for the preceding financial year. We have decided to take this course of action to stimulate employment growth at this difficult time.

The other significant change concerns the establishment of a new tax base for Local Government by way of an increase in the rates of duty payable on petroleum products, the revenue from which will be made available for Local Government. The rates of duty payable on petroleum will be increased by the equivalent of 3 cents per litre in the metropolitan area decreasing to 2 cents and 1 cent per litre in country areas. In 1992-93 an estimated \$32.1 million will be raised and set aside for these purposes, the full year amount is \$42.7 million.

These funds will be used in a variety of ways to facilitate the reform process to which I have referred. This will be done in full consultation with Local Government and all changes will be on a negotiated basis.

I will refer again to reform of the financial relationship between State and Local Government at a later stage.

The Government will shortly introduce legislation to establish an Environment Protection Authority. The legislation will consolidate existing legislation and provide for a rationalisation of licensing systems. It will focus on pollution prevention and waste measures with new standards and codes of practice.

In addition to the increases related to Local Government it is also proposed to increase the rates of duty on petroleum products by the equivalent of 0.3 cents per litre for leaded motor spirit and 0.15 cents per litre for unleaded motor spirit and diesel to provide a source of funding for the EPA.

In addition to this levy, the activities of the EPA will be financed by levies on the disposal of solid and liquid waste. The Government believes that it is appropriate that the funding of the Authority be related to the major sources of pollution within our community.

It is expected that the petroleum levy will raise \$3.1 million in 1992-93 and \$4.1 million in a full year.

Following the June Premiers' Conference, three States—New South Wales, Victoria and South

Australia—announced their intention to increase tax rates for liquor, tobacco and debits tax.

Uniform rates of tax on full strength liquor, tobacco and debits tax have now been introduced in New South Wales and Victoria and legislation is currently before the Parliament to bring South Australian rates into line with these changes.

These measures are central to Budget revenue. The changes will provide an additional \$6.8 million in a full year and \$3.7 million in 1992-93 in regard to liquor tax, \$37.5 million in a full year and \$34.4 million in 1992-93 in relation to tobacco and \$29 million in a full year and \$12.1 million in 1992-93 in relation to debits tax.

With regard to tobacco tax the Government intends to increase Foundation SA's share of tobacco tax revenues in order that the programs the Foundation supports in the areas of health, sport and the arts can continue.

The Budget contains a number of other revenue measures which have a less significant impact. These include the indexation of the determined value in relation to petroleum product sales, adjustments in the rate of land tax to ensure that the Government's policy of limiting growth in aggregate tax receipts to the CPI is maintained, an increase in the commission rate on 'win and place' bets with the TAB to bring the rate into line with that applying in Victoria and to facilitate the amalgamation of the South Australian and Victorian Totalisator Pools, the amendment of minor stamp duty fees and the tightening of eligibility conditions for first home buyer stamp duty concessions. These last two measures have already been announced.

Details of these decisions and their revenue impact are set out in the financial statement.

The final change in relation to revenue concerns unclaimed lottery prizes.

Given the importance of the Adelaide Festival of Arts, not only to the local economy but to the increasingly important cultural tourism industry, the Government has decided to amend the State Lotteries Act to provide for 50 per cent of the annual level of unclaimed prizes to be transferred to a special deposit account to be used to provide approved funding levels for the Adelaide Festival of Arts. Of the outstanding balance of unclaimed prizes as at 30 June 1992, it is also proposed to transfer 50 per cent to the Hospitals Fund.

These arrangements are estimated to provide funds to support hospital expenditure in 1992-93 of \$4.5 million and to provide funds equivalent to \$1.6 million annually as a source of funding for the Adelaide Festival of Arts.

The Government's decision to provide an additional \$300 000 for the 1994 Festival has already been announced. This will increase total Government funding to \$2.5 million.

EXPENDITURE

All Governments are under pressure to reduce expenditure.

In this Budget measures have been taken that reduce the real level of recurrent expenditure while reallocating resources to match the Government's priorities, particularly economic development.

The Budget, however, also provides for a significant increase over 1991-92 levels in capital expenditure but

this has been achieved with a reduced impact on the Consolidated Account.

In total, recurrent expenditure reductions of \$130 million against 'no policy change' estimates are achieved in 1992-93.

However, consistent with the Government's Budget objectives, expenditure is nevertheless to be directed towards areas of need, core services and most importantly economic development.

During the past year the Government recognised that changes to national economic policy, exacerbated by the recession, demanded a re-appraisal of the State's economic prospects beyond measures directed at immediate problems. Consequently a comprehensive review was commissioned from international consultants Arthur D Little. The consultants were given a brief to provide the basis for the development of an economic development strategy. They were directed to pursue a process which ensured consultation with the business community and guaranteed independent assessment.

The final report of that review was released on 21 August 1992 for consideration and comment by the wider community. It followed the release of an interim report on 24 June, 1992.

The review identified underlying structural problems in the South Australian economy that it suggested would remain as impediments to economic growth regardless of a cyclical upturn in the economy. The report recommended action to change the structure of the State's economy and industries to remove these constraints on long term growth and development.

I made an immediate response to those findings including the announcement of a range of measures which are now reflected in this Budget.

An amount of \$40 million is included for an Economic Development Program which is designed to boost and modernise industry. This will include support for the upgrading of plant and equipment to improve competitiveness in the automobile, textile and footwear sector, continuation of mineral and petroleum exploration and further development of the transport hub and tourism infrastructure. An Economic Development Board comprising public and private sector elements will be established to direct the State's economic development strategy.

Alongside the expenditures involved in these initiatives, the Budget also reduces port charges and continues the reduction in electricity charges for many agricultural and industrial consumers.

The Arthur D Little Study also highlighted the importance of education and the development of education and training programs that are relevant to industry's needs. The Government will develop Training 2000—the South Australian Vocational Education and Training Plan—in consultation with industry. This initiative will give added impetus to the changes in education and training that will result from the historic agreement between the Commonwealth and the States to establish a national vocational education system.

The Government believes that the MFP Australia provides a unique opportunity for South Australia to take commercial advantage of developing technologies and to establish a national and international focus on our State.

In 1992-93, the Budget provides \$37.6 million for expenditure on the MFP, a significant increase on the level of funding for 1991-92. The precise allocation of the funds to particular aspects of the development of the MFP will be subject to consideration by the MFP Board and the Government.

While the Government's primary economic development focus is on the medium to longer term, we recognise that immediate action to the greatest extent possible within the Budget will assist industry currently dealing with the effects of the national recession.

I have already referred to the payroll tax rebates which will be provided to companies who maintain or increase employment. In terms of expenditure, the Budget provides for a significant increase over 1991-92 levels for capital works. This has been achieved by making use of the internal funds of a range of agencies, the sale of property, and the availability of Commonwealth funding. The expanded program of works will provide a direct stimulus to local activity and additional employment with the vast bulk of this expenditure being channelled through the private sector.

The Government believes that by increasing capital expenditure in this way it will support the Commonwealth's Capital Works Program, announced in the recent Federal Budget, which will provide \$345 million over the next two financial years to those regions and local government areas across Australia experiencing higher than the national average rate of unemployment. The money will be spent by Local Government and in South Australia a total of \$35 million will be provided with \$28 million this financial year.

The Capital Works Program in this Budget will enable both the construction and maintenance of essential community facilities. Among the major projects included in the Program are:

- \$14.2 million for the continued construction of the Women's and Children's Hospital;
- \$13.4 million for redevelopment works at both Port Adelaide and Salisbury campuses of TAFE;
- \$3.7 million for completion of the construction of the Gawler bypass;
- \$2.9 million to commence the redevelopment of hospitals at Port Lincoln and Port Augusta;
- \$2.9 million for ongoing upgrading of the Royal Adelaide and Queen Elizabeth Hospitals;
- \$1.0 million for upgrading of the Adelaide Festival Centre;
- New schools at Golden Grove, Smithfield, Woodcroft and Seaford; and
- A significant increase of \$14 million for programmed maintenance in schools in addition to which supplementation is anticipated from the Commonwealth Budget which included a proposal for an additional \$60 million to be provided nationally over a two year period for capital improvements in the education sector;

This Budget continues the emphasis of previous budgets on the Government's social justice policies.

Following a review of the Strategy in 1991, the Government established as priorities Aboriginal people, groups affected by unemployment, low income families, people with a disability, areas of locational disadvantage,

the rural community and people newly arrived from overseas.

This Budget increases by \$27 million overall expenditure on these priority areas despite necessary reductions in the total level of recurrent expenditure for all purposes.

The long term physical planning and development of the Adelaide Metropolitan area is a vital aspect of the economic development of the State as a whole. The report of the Planning Review provides a comprehensive basis for Adelaide's development well into the next century. The Government proposes to introduce legislation for a Development Act which will replace a number of existing pieces of legislation and provide for a planning system designed to facilitate economic development. Funds are provided within the Budget for the continuing implementation of the Planning Review's recommendations.

The Government's intention in relation to asset management is that responsibility will rest with individual agencies. As a corollary of this, the Department of Housing and Construction (SACON) is not receiving funds for this purpose in 1992-93—the funds are being provided directly to the individual agencies. SACON's role is now that of a provider of technical services on a fee for service basis.

Notwithstanding this assignment of responsibility for assets to individual agencies, the Government recognises that there is a need for central co-ordination, planning, policy setting and monitoring of activities with respect to the management of Government assets on a global basis. This central oversighting and co-ordination is necessary so that the Government can make best use of its existing assets and also ensure that agency asset management and replacement strategies are appropriate and consistent with overall priorities.

For some years, the Government has had a Capital Works Budget Committee to advise it on all aspects of the capital works program. It is the intention that the role of that committee be expanded to cover the wider issue of asset management.

As I have indicated, the Government's ability to put forward this expenditure program arises from the tight control and savings that have been made in all areas of the current level of expenditure. This is despite major additional items of expenditure which were either unavoidable or unforeseen. For example, in 1992-93 a 27th pay period occurs in the Health Commission and the Departments of Education and Employment and Technical and Further Education. This results in additional expenditure of \$35 million. The Budget has also been required to respond to the Commonwealth Government's decision to introduce its Superannuation Guarantee legislation. Consistent with the State Government's policy that the State should move on a phased basis to fully funding superannuation payments of this type, an additional \$22 million as a result of the Commonwealth's legislation will be paid into a Special Deposit Account in 1992-93.

Overall the policy of recurrent expenditure restraint will continue in the coming financial year.

The proposed Budget allocations to Departments reflect a requirement for any wage increases through the year to

be met by Departments. There will be no supplementation from the Budget.

For costs other than wages and salaries, Departmental allocations have been based on a provision of 1 per cent, which is below the forecast level of inflation.

STATE BANK OF SOUTH AUSTRALIA

I turn now to the State Bank.

As a result of intensive effort over the past year considerable progress has been made towards the long term aim of returning the Bank to profitability.

Over the past twelve months the Bank has concentrated on giving effect to its Mission Statement which focuses on core banking activities and on South Australia.

The Bank has made significant progress in this direction.

Major group companies have been sold or absorbed by the Bank, including Beneficial Finance, United Bank, Oceanic, Executor Trustee, Ayers Finniss, Day Cutten and Myles Pearce.

Overseas and interstate assets have been reduced significantly and a number of offices closed.

There has been a renewed emphasis on serving South Australians, both personal and business customers.

The core business of the Bank is profitable. Lending for housing and personal lending in South Australia are growing. A record \$842 million was lent for housing in 1991-92. The State Bank lent more for housing than all other banks in South Australia combined.

Retail deposits are now significantly above the level in early 1991.

Total Bank staff numbers have been reduced from about 5 900 to 3 700, with half of this decrease resulting from the sale of United and Oceanic.

These changes are expected to return real benefits by the end of the next financial year as the reduction in the Bank's balance sheet will mean that the Bank holds greater capital than it requires and will be in a position to return a substantial sum to the Government and taxpayers of South Australia.

Against this, non-performing assets remain a major problem which has been exacerbated by the impact of the national recession. Until the economy improves it will be very difficult to turn the Bank's position around. The House is well aware of the economic difficulties which all States are experiencing. Those problems are most dramatically illustrated by the unprecedented reduction in asset values in the property sector.

As a result, the level of non-performing loans in the Australian banking sector generally has continued to increase over the last year. According to the Reserve Bank Annual Report, non-performing loans of Australian banks increased by a further \$2 billion during 1991-92.

There are two ways in which this problem can be addressed. The first is by immediate sale of assets. This is what is colloquially referred to as a fire sale. The second course is to restructure the Bank so that the assets which are currently returning no income can be held so that they can return value in the longer term. The Government believes that this latter course is the only realistic option and I note that recent questioning from Members opposite would indicate their agreement to this course of action.

I turn now to the arrangements for 1992-93 which the Government has implemented to bring about this restructuring.

In my Budget Speech last year, I said:

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

Similarly in my Statement on the Bank's half-year result, I said:

As indicated already, the Group Asset Management Division has been established to maximise recoveries from problem loans and at some future date the Division could form the basis of a separate entity.

The Government and the Bank Board believe that it is now appropriate to establish a separate entity to hold the non-performing loans separate from the continuing operations of the core Bank.

I will later table as part of the documents accompanying the Budget the letter from the Chairman of the Bank, Mr Nobby Clark, setting out his advice on this matter.

The arrangement, which involves amendments to the Indemnity, provides for the Government to assume full control of the Bank's Group Asset Management Division (the Division responsible for management of non-performing assets) from 1 July 1992.

Under the arrangement, control of most of the Bank's non-performing loans and other impaired assets is assumed by the Government.

GAMD, of course, by its very nature, is not expected to make a profit in 1992-93. In the meantime, the Government has currently set aside an amount of \$400 million in a State Bank Restructuring Account which will be available to assist in the funding of a likely loss in the GAMD in 1992-93 and of any net effect which there might be arising out of the indemnity accrual and the Bank's capital position.

I have received a letter from the Governor of the Reserve Bank which supports the actions the Government has taken and indicates the Reserve Bank stands ready to continue to co-operate with the State Bank in the period ahead.

As a result of this restructuring, the Bank will be established on a sounder and much more profitable basis. It is to be emphasised that, even after all the action to date, considerable uncertainties unavoidably remain given the very slow climb out of the recession which is now expected and the continued depression in property markets. Financial markets themselves also remain very volatile.

The restructuring will take effect in 1992-93. However, the problems caused by the impact on the Bank during 1991-92 of the non-performing assets have also had to be addressed.

The overhang of non-performing loans during the year was considerable with very significant holding costs.

Further provisioning has also been required. On the whole, the level of provisioning established at this time last year has been shown to have been reasonable. However, there has been some deterioration.

The largest provision relates to the Myer Centre.

As I indicated in my Statement to the House on the Bank's half-year result in February, it will probably take three or four years for the Centre to become established

with stable long-term occupancy and a stable cashflow. In the meantime, it was very difficult to predict the Centre's long-term value. This is, of course, made even more difficult by the recession.

Accordingly, the Bank has decided on further provisioning against possible losses on the Centre.

Reflecting economic conditions generally, there has also been a need for some further net provisioning of other accounts and to provide for income which has not been received. This is a significant disappointment. At the same time, however, it can at least be said that a large part of those costs is of a once-only nature.

Because of the overall uncertainty of economic conditions, however, the Board has decided that it would also be prudent to take precautions against loans which are presently performing but which have a substantial risk of becoming non-performing. Accordingly, the Bank has decided to increase its general provision by \$87 million. This amount is available over and above the existing specific and general provisions.

As a consequence of all these measures the Bank would in normal circumstances have recorded a loss of \$550 million in 1991-92. As Members would be aware \$100 million was set aside in last year's Budget and was paid to the Bank in June of this year. This payment reduced the Bank's potential loss in 1991-92 to \$450 million.

With regard to the balance of \$450 million, the Chairman of the Bank, Mr Nobby Clark, in the letter of advice to which I have already referred, indicates that this balance should in the first instance be accrued in the Bank's accounts in anticipation of a possible later reduction in capital. With its forecast smaller balance sheet, he expects that the Bank will be able to consider a return of capital and will do so on the basis that it can comfortably meet RBA Capital Adequacy requirements.

In this context, it should be noted that the Bank's level of capital adequacy at 30 June 1992 was 11.2 per cent.

Consequently, the settlement of the \$450 million is expected to take place in the context of an overall restructuring of the Bank's capital. The nature of this restructuring, including the issue of possible legislative change, will be defined over coming months having regard to the Report of the Royal Commission, further developments in the Bank's financial position, advice from the Reserve Bank and so on.

The Bank does not require a cash advance at this stage. The amount of \$450 million will be accrued until offset by the expected repayment of capital. I have already referred to an amount of \$400 million which the Government has set aside to meet the costs of the GAMD Division in 1992-93. It is expected that this sum will be sufficient to meet any accrued losses in 1991-92 which are not met by the expected return of capital.

The total interest cost to the Budget in 1992-93 of State Bank support is of the order of \$175 million. This has fallen due to reduction in interest rates generally.

Members interjecting:

The SPEAKER: Order!

Mr D.S. Baker: It's an absolute disgrace!

The SPEAKER: I warn the member for Victoria.

Mr D.S. Baker: I don't mind whether you warn me.

The SPEAKER: I name the member for Victoria.

Mr D.S. Baker: You can warn me all you like—I don't care. It's an absolute disgrace. South Australia has just been raked over the coals for \$3.15 billion, and it's his fault.

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! Seeing that you are all very anxious to be undisciplined in this House today, shall we deal with the member who has been named first and, if there are any others, I will deal with them in turn. I have named the member for Victoria. Does he wish to be heard in his defence?

Mr D.S. BAKER: Yes, Mr Speaker. It is \$850 million, yet the Premier said on 10 February 1991 that he would go to the polls if that failed. It is an absolute disgrace.

The SPEAKER: Order! Does the honourable member wish to explain to the Chair why he defied the rules?

Mr D.S. BAKER: Yes, Sir. The rage that I showed then would be nothing compared with what happened when the \$350 million bail-out of SGIC was announced. Mr Speaker, I think you want to have a good look at how long you can prop up this Government. It is an absolute disgrace.

The SPEAKER: Order! Obviously, the Opposition has targeted the Chair for long-term, ongoing harassment. If that is so, let us deal with that after the budget. The Chair is prepared to deal with any motion of no confidence or anything else. However, we are in the budget session and the Premier is presenting the most important budget, in my opinion, since I have been here and—

Members interjecting:

The SPEAKER: Order! I have named the member for Victoria and we must deal with that. The member has the right to explain to the Chair his actions, but he does not have the right to debate it. Does the member wish to explain himself?

Mr D.S. BAKER: Yes, Sir. This now makes it the greatest financial disaster in Australia's history—\$1.2 billion extra.

The SPEAKER: Order! The honourable member knows that I cannot name him more than once. I do not accept his explanation. Under Standing Orders it is possible for someone to move that the explanation be accepted.

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

That the member for Victoria's explanation be accepted.

In moving and supporting the motion I point out that the Premier has just announced an extra \$850 million bail-out of the State Bank. Another \$350 million is coming for SGIC—

The SPEAKER: Order! The Leader has moved the motion and is now debating the matter. That is not allowed. Is the motion seconded?

Honourable members: Yes, Sir.

The Hon. D.J. HOPGOOD (Deputy Premier): All I need do at this stage is to indicate to honourable members what has happened in this disgraceful past couple of minutes.

Members interjecting:

The SPEAKER: Order! The Deputy Premier will resume his seat. The Chair has explained the position to the House before. We can deal with only one matter at a time. If you all wish to incur the wrath of the Chair, you will all have the chance. Let us deal with the issues one at a time. Order will be upheld. The Deputy Premier.

The Hon. D.J. HOPGOOD: In the choreographed set of interjections we have had from the Opposition it is only due to your patience and forbearance, Mr Speaker, that at this stage only one member opposite has been named. I would suggest that we get this sham of a vote out of the way and get on with the serious business of the running of this House and the presentation of the budget.

Members interjecting:

The SPEAKER: Order!

The House divided on the motion:

Ayes (21)—H. Allison, M.H. Armitage, D.S. Baker, S.J. Baker, H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown (teller), J.L. Cashmore, B.C. Eastick, S.G. Evans, G.A. Ingerson, D.C. Kotz, 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 (23)—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 (teller), C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, M.K. Mayes, J.A. Quirke, M.D. Rann, J.P. Trainer.

Majority of 2 for the Noes.

Motion thus negatived.

The SPEAKER: I ask the member for Victoria to leave the Chamber.

Members interjecting:

The SPEAKER: Order! I have asked the member for Victoria to leave the Chamber. I again request him to leave the Chamber.

Mr D.S. Baker interjecting:

The SPEAKER: Order!

The honourable member for Victoria having withdrawn from the Chamber:

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

That the honourable member be suspended from the sitting of the House.

The House divided on the motion:

Ayes (23)—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 (teller), C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, M.K. Mayes, J.A. Quirke, M.D. Rann, J.P. Trainer.

Noes (20)—H. Allison, M.H. Armitage, S.J. Baker, H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown (teller), J.L. Cashmore, B.C. Eastick, S.G. Evans, G.A. Ingerson, D.C. Kotz, 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.

Majority of 3 for the Ayes.

Motion thus carried.

The SPEAKER: The member is so suspended.

STATE GOVERNMENT INSURANCE COMMISSION (SGIC)

I turn now to the actions taken by the Government in relation to the State Government Insurance Commission.

The Government Management Board reported in August 1991 on its review of SGIC. At that time, I established a working group to review and assess the recommendations of the GMB report and to monitor their implementation. Importantly, the matter of capitalisation was identified by the GMB review as an issue requiring the Government's determination.

The working group, at my request, also investigated the consequences of particular dealings undertaken by SGIC.

In February, the Government introduced new legislation into Parliament, which, in keeping with a commitment by the Government, was referred to a Select Committee of this House. The Select Committee thoroughly considered the new legislation and subsequently it was enacted by Parliament.

The new State Government Insurance Commission Act came into force on 30 June 1992.

The issue of capitalisation of SGIC has also been resolved. A total amount of \$350 million was provided by the Government at the end of the financial year to restore the net asset position of SGIC. This amount was provided in two parts.

In keeping with previous commitments made by the Government, a payment of \$36 million has been made to the CTP Fund in compensation for any disadvantage suffered by that Fund from interfund transactions identified by the GMB review.

The amount of \$36 million was recommended by the Working Group and this recommendation was endorsed by the Select Committee in its report to Parliament on the new legislation. It should be noted that interfund transactions are specifically prohibited by the new Act.

The balance of \$314 million in capital was provided to SGIC in a way which maximises the benefit to SGIC. Debt obligations of SGIC amounting to \$314 million were effectively assumed by the Government and SGIC was forgiven this amount of borrowings.

This places SGIC in a much stronger financial position for the future.

In addition, the Government's initiatives to refocus and strengthen SGIC have extended to removing the economic risks to SGIC of 333 Collins Street.

333 Collins Street was acquired by SGIC in August 1991. Since that time, the state of the property market in Australia has deteriorated. SGIC had intended to hold and manage the property until market conditions improved. However, the costs associated with the funding of the acquisition of the property were a heavy drain on SGIC's finances and it represented a significant distortion in SGIC's investment portfolio.

The Government decided and the SAFA Board agreed to SAFA entering into a participation arrangement on commercial terms with SGIC. Under this arrangement, SAFA has effectively assumed SGIC's exposure to 333 Collins Street at an agreed value of \$250 million. All returns and outlays will be to SAFA's account.

An additional \$21 million increase in the Government's debt to SAFA arises in respect of this arrangement.

This restructuring recognises that SGIC's continued funding of the property would significantly distort SGIC's operations but that, from a whole of government perspective, the strategy of holding the property for the medium term is commercially prudent.

The total interest cost to the Budget in 1991-92 of support for SGIC is of the order of \$28 million.

Mr Speaker, as a result of the Government support measures, SGIC has reported a profit after tax of more than \$51 million and net assets now exceed \$81 million. These results demonstrate the Government's commitment to building a more secure and profitable future for SGIC.

SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY (SAFA)

SAFA's operating surplus before abnormal items for 1991-92 was \$386 million, an increase from \$333 million in 1990-91.

After abnormal items of \$333 million and transfers from the Asset Revaluation Reserve of \$4 million, and taking into account the retained surplus of the beginning of the financial year of \$192 million, the amount potentially available for distribution at 30 June 1992 was \$915 million. This, however, includes an accounting effect of \$197 million resulting from early repayment and waiver of concessional interest rate debt under various specific purpose agreements between the Commonwealth and South Australian Governments.

Of the total \$915 million, \$400 million has been paid to Consolidated Account and \$300 million has been paid to the State Bank Asset Valuation Reserve Account. This has left a retained surplus of \$215 million which is in excess of the accounting effect of \$197 million on the surplus. Because of the nature of the effect, it is considered inappropriate for that part of the surplus to be subject to immediate distribution.

Members will recall that in February 1991 SAFA purchased a portfolio of mortgages from the Minister of Housing and Construction as part of support arrangements for the State Bank. In the light of subsequent changes in support arrangements, these mortgages have been sold back to the Minister. This will simplify administrative arrangements.

Altogether, SAFA has had another successful year and will continue to play a central role in the public finances of the State.

In 1992-93, SAFA expects to achieve a surplus of \$410 million. This estimate takes account of the possible gain above the 30 June 1992 value which may be realised through disposal of SAFA's shareholding in SAGASCO. However, any realisation of the June 1992 valuation of the shares is not included in the estimate.

FINANCING THE BUDGET

In 1991-92 the deficit on recurrent operations was \$282 million including \$220 million in the cost to the Budget of interest payments associated with the assistance to the State Bank.

Within the 1992-93 Budget there is an estimated recurrent deficit of \$158 million. The present estimate of the cost to the Budget in 1992-93 of the interest payments associated with the assistance to the State Bank is \$175 million.

This amount exceeds the total recurrent deficit and is illustrative of the effects of the ongoing program of reductions in recurrent expenditure.

For 1992-93 the estimated net financing requirement is \$317 million. This is a modest reduction when compared with last year's Budget estimate but is a reduction of \$153 million from the Budget result last year.

It is a level that is 17 per cent below the average real level of the financing requirement for the past eight years.

Total public sector net debt at June 1992 is \$7.3 billion or about 26 per cent of Gross State Product.

This is not a figure that we are satisfied with and will be reduced over time. But in the immediate aftermath of State Bank and SGIC impacts it is relevant to note that it is not much above the proportion at the beginning of the 1980s. Also, South Australia is still in the middle of the States in debt per capita terms.

Total State liabilities rose significantly in 1991-92 but at June 1992 the State still had an estimated excess of assets over liabilities of over \$12 billion.

STATE-LOCAL GOVERNMENT REFORM

I've already referred to the important next step which has been taken in the co-operative reform process with Local Government in South Australia.

The Memorandum of Understanding between myself and the President of the Local Government Association of South Australia underpins the negotiations which have been taking place in Local Government. It endorses the principle of maximising Local Government autonomy, independence and capacity for self-management. The Memorandum has specific objectives in the area of financial reform. The allocation of responsibilities, the financial transfers between levels of government and the adequacy of revenue sources to Local Government were nominated as areas of particular concern. Local Government in this State and others has long sought access to a new source of revenue to supplement the traditional rates.

The changes that I referred to earlier will provide this new source of revenue. It will contribute to the financial capacity and independence of Local Government while at the same time providing scope for the reduction of State Government outlays which in turn will ensure clear areas of responsibility and the avoidance of wasteful duplication.

The next stage in the process will be to determine, by negotiation, the State Government funding responsibilities which will become the responsibility of Local Government. A basic objective of the transfer of responsibilities will be to improve the efficiency and effectiveness of service delivery.

REFORMS IN FINANCIAL MANAGEMENT AND PRESENTATION

The Government has continued with its ongoing program of improvement in financial management practice in the South Australian public sector.

The Budget papers illustrate in fact two important changes made during the last twelve months.

First, the Financial Statement this year presents the Budget figuring in the national accounting framework developed by Commonwealth and State Treasury Officers for the Premiers' Conference.

Second, the operations of almost all Departments and agencies previously included in the Consolidated Account have now been transferred to deposit accounts.

The decision to follow this course of action was based on the benefits that would result in terms of improved accountability to the Parliament and clearer presentation of the overall financial operations of agencies. The changed accounting arrangements, however, also complement and strengthen the Budget policy thrust of recent years for agencies to have maximum flexibility and the appropriate incentives to effectively manage the overall level of resources provided to them by the Government.

The 1992-93 Budget papers, in particular the Estimates of Payments and Receipts document (Financial Paper No 2) and the Appropriation Bill and schedules reflect these changes.

CONCLUDING COMMENTS

The form of the Appropriation Bill is similar to last year, with the exception that the second schedule has been eliminated. This reflects the changes mentioned above, whereby, the estimated payments for Works and Services have been incorporated within the Estimates for the purposes of appropriation for the relevant agencies and Ministers.

Clause 1 is formal.

Clause 2 provides for the Bill to operate retrospectively to July 1992. Until the Bill is passed, expenditure is financed from appropriation authority provided by Supply Acts.

Clause 3 provides a definition of Supply Act.

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

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

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

Clause 7 sets a limit of \$50 million on the amount which the Government may borrow by way of overdraft in 1992-93.

With this Budget we have stabilised our revenue base. We have continued the process of real reductions in departmental recurrent expenditures while maintaining priority services, funding a major economic development program, and providing incentives for employment and we have expanded our Capital Program while keeping borrowing levels firmly under control.

Mr Speaker, in my concluding remarks to the Budget twelve months ago I said that the problems which we faced stemmed from the past. Certainly, we had to overcome them but not at the cost of being immobilised by retrospection. Our focus was the future.

The national recession has meant that these problems have been more intractable than could have been foreseen. But that has not diminished our resolve to overcome them nor has it diverted us from developing a secure future for our State.

Finally Mr Speaker, I would like to acknowledge the contribution of the Minister of Finance, the Honourable Mr Frank Blevins to the development of the Budget. I will also like to acknowledge the work of the Under Treasurer and his officers who in preparing these budget papers have maintained the high standards of the South Australian Treasury.

I commend the Budget to the House.

Members interjecting:

Mr Olsen: Stand up and resign!

The SPEAKER: Order! The Chair has the responsibility to maintain the decorum of this House. The Chair has found the behaviour of members today disgraceful. In a significant and important debate on the future of this State, members have shown the public of South Australia just how disgracefully they can act.

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

PAYROLL TAX (EXEMPTIONS) AMENDMENT BILL

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

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

That this Bill be now read a second time.

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

The SPEAKER: Is leave granted?

Opposition members: No.

The SPEAKER: Leave is not granted.

The Hon. J.C. BANNON: In 1986, the Payroll Tax Act was amended to include exemption provisions for trainees employed under the Australian Traineeship System. This exemption was renewed for a further three years in 1989. At that time, it was intended that if the Australian Traineeship System had become firmly established as an entry level training system for youth in the labour market, the payroll tax exemption would cease as at 30 June 1992.

Progress towards achievement of this objective has been hampered by the economic downturn. The momentum to create new training arrangements in specific occupations for which there is currently no structured entry-level training arrangements lessened during 1991 and with the slowdown in economic activity the number of young people employed under contracts of training through the Australian Traineeship System fell.

In the interests of improving skill levels among the young and, in the process, enhancing their opportunity for employment whilst in training it is proposed to extend the current payroll tax exemption for trainees employed under the Australian Traineeship System for a further three years from 1 July 1992 to 30 June 1995.

The revenue cost of the proposed extension of the exemption will depend on the take-up rate of approved trainees by employers. It has been estimated that the maximum loss of revenue to the State would be \$260 000 in 1992-93 increasing to \$333 000 in 1993-94.

The Commonwealth provides a \$2 000 incentive payment to employers per approved trainee as well as paying off-the-job training fees for TAFE and private providers of skill training. It is anticipated that Commonwealth funds equivalent to \$3.2 million in 1992-93 and \$3.9 million in 1993-94 could be attracted into the State as a direct result of the Australian Traineeship System. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

The SPEAKER: Is leave granted?

Mr S.J. Baker: No.

The Hon. J.C. BANNON: Clause 1 is formal.

Clause 2 provides that the measure will be taken to have come into operation on 1 July 1992.

Clause 3 relates to the exemption from payroll tax that applies under section 12 (1) (db) of the Act in respect of a person employed under the Australian Traineeship System. The amendment provides that the exemption continues until 1 July 1995.

Mr Ingerson interjecting:

The SPEAKER: Order! The Deputy Leader has had a great deal of leeway today. Let me just caution him that enough is enough.

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

LAND TAX (RATES) AMENDMENT BILL

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

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

That this Bill be now read a second time.

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

The SPEAKER: Is leave granted?

Mr S.J. Baker: No.

The SPEAKER: Leave is not granted.

The Hon. J.C. BANNON: In the 1991-92 Budget, the Government announced that it would limit growth in aggregate land tax receipts to zero in 1991-92 and to no more than estimated CPI growth in each of the following two years. This policy was introduced in response to representations over successive years from industry and small business groups for the Government to smooth annual fluctuations in land tax receipts by linking revenue growth to CPI movements.

Actual land tax receipts in 1991-92 amounted to \$75.8 million compared to \$76 million in 1990-91. Consistent with the policy announced last year, growth in aggregate land tax receipts in 1992-93 will be limited to estimated growth in the Adelaide Consumer Price Index between 1991-92 and 1992-93. This implies a revenue yield in 1992-93 of about \$78 million.

To achieve this result adjustments will be made to tax rates in the top two tax brackets. For land ownerships where the site value is above \$300 000 but below \$1

million, the marginal rate will increase from 1.5 per cent to 1.65 per cent; for land ownerships in excess of \$1 million the marginal rate on the excess above \$1 million will increase from 2.3 per cent to 2.8 per cent. The majority of taxable land ownerships have site values between \$80 000 and \$300 000. The marginal tax rate for these ownerships will remain unaltered.

Land values fell significantly in the twelve months to 30 June 1992, particularly in the higher value ranges. The changes to the tax scale have been structured in such a way as to reflect these movements and to minimise the extent to which the liability for land tax of any particular owner changes between 1991-92 and 1992-93. Where values have fallen more than proportionately there will nevertheless be a reduction in land tax and where they have fallen less than proportionately there will be an increase in land tax. Overall the proposed adjustments to the scale will do no more than maintain the real value of land tax receipts in 1992-93.

The question of land tax payable by lessees of shack sites has been the subject of discussion for a number of years and in 1989 the Act was amended to permit the occupiers of certain shack sites to be regarded as owners for land tax purposes. In most cases these people became exempt from tax either because the shack site was their principal place of residence or because the value of the site fell below the general exemption level.

At that time it was thought that the problem could be resolved by granting a concession to sites where—

- the land was adjacent to the River Murray
- the lease was registered as at 30 June 1989
- the term of the lease was at least 40 years.

Subsequently following more intensive research by valuers and more activity in the market for river front properties there has been a large increase in the valuation of certain other holdings which have been leased and used as shack sites. As a result the land tax liability of some lessees has increased very significantly. In the most recent cases the land is owned by certain associations which lease the sites to their members on unregistered short term leases.

In order to overcome the immediate problem and to provide the Commissioner of State Taxation with the ability to resolve similar problems should they emerge in the future the Government proposes to introduce a provision which would enable the Governor to declare an area to be one where the occupiers of shack sites may be treated as owners for land tax purposes. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

The SPEAKER: Is leave granted?

Mr S.J. Baker: No, Sir.

The SPEAKER: Leave is not granted.

The Hon. J.C. BANNON: Clause 1 is formal.

Clause 2 provides that the measure will be taken to have come into operation at midnight on 30 June 1992. (Land tax for a particular financial year is calculated according to determinations of site value as at midnight on 30 June immediately preceding that financial year, even if the determination is made after that date).

Clause 3 relates to new definitions required on account of the inclusion of a new provision to enable the proclamation of defined shack-site areas.

Clause 4 enacts a new table of rates of land tax. Adjustments are to be made to the top two tax brackets. For land ownerships where the site value is above \$300 000 but below \$1 million, the marginal rate will increase from 1.5 per cent to 1.65 per cent. For land ownerships in excess of \$1 million, the marginal rate on the excess will increase from 2.3 per cent to 2.8 per cent. No alterations have been made to the scale of values against which each tier of land tax is assessed.

Clause 5 will empower the Governor, by proclamation, to declare a part of the State to be a defined shack-site area under the Act. The occupier of land within such an area will then be taken, by definition, to be an owner of the land.

Clause 6 is a consequential amendment to section 15 of the act. The provision is relevant in cases where two or more categories of ownership exists in relation to a particular piece of land.

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

STATE LOTTERIES (SOCCER POOLS & OTHER) AMENDMENT BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the State Lotteries Act 1966 and to repeal the Soccer Football Pools Act 1981. Read a first time.

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

That this Bill be now read a second time.

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

The SPEAKER: Is leave granted?

Mr S.J. BAKER: No.

The SPEAKER: Leave is denied.

The Hon. J.C. BANNON: In 1981 the then Minister of Recreation and Sport introduced a Soccer Football Pools Bill to provide for the promotion and operation of soccer football pools in South Australia. One of the aims of the Bill was to provide a source of funds for recreation and sport projects by retaining within South Australia the estimated \$1.5 million per annum which was invested in the pools in the United Kingdom or the soccer pools in the eastern States. The competition was conducted by a company known as Australian Soccer Pools Pty Ltd which at that time had pools operating in all other States except Western Australia. The Lotteries Commission was invited to become involved as an agent of the company in South Australia but declined the opportunity because of its commitment to rival competitions.

By early 1989 Australian Soccer Pools Pty Ltd was in financial trouble and entered into discussions with the various State lottery organisations which resulted in the orderly transfer to them of the conduct of the game. At that time legal advice was sought on the power of the Lotteries Commission to conduct soccer pools in South Australia. The Crown Solicitor advised that the commission was not bound by the Soccer Football Pools Act and was empowered by its own legislation to conduct the competition as a sports lottery. This had the particular advantage of ensuring that the net proceeds from soccer pools would continue to be credited to the Recreation and

Sport Fund and it was on this basis that the commission took over responsibility for the game in South Australia. Under these circumstances there is no point in retaining the Soccer Football Pools Act and this Bill provides for its repeal.

The Recreation and Sport Fund was established by the Soccer Football Pools Act. Provision is included in the Bill for the Fund to continue in existence under the State Lotteries Act. At present the State Lotteries Act provides for the Commission to conduct a series of lotteries to be known as sports lotteries but there is no requirement that these competitions be related in any way to the outcome of a sporting event. This Bill proposes to define a sports lottery as one the results of which depend on the outcome of a sporting event. The proceeds of any such lottery will be paid automatically to the Recreation and Sport Fund. In addition provision is made for a category of special lotteries which may be run for the benefit of the Recreation and Sport Fund at the direction of the Treasurer. This will provide a facility for the Government to supplement the Recreation and Sport Fund with the proceeds of a conventional lottery should a special need arise.

One shortcoming of the existing arrangements is that the cost of administering sports lotteries must be met by the Lotteries Commission from moneys which would otherwise be available for the Hospitals Fund. This Bill provides for costs associated with the administration of sports lotteries to be deducted from the proceeds of such lotteries before the net amount is transferred to the Recreation and Sport Fund.

The Lotteries Commission has been obliged to conduct soccer pools as a sports lottery because the percentage of the gross proceeds which is allocated to prizes in soccer pools is less than the statutory 60 per cent required for other Lotteries Commission products. The Commission will have discretion under the proposed legislation to continue to offer a lower percentage return for sports lotteries and special lotteries. The Treasurer however will have the power to determine the minimum percentage of gross proceeds which must be offered as prizes in all such competitions.

Members will note that there is no longer a formal requirement in the legislation for the Lotteries Commission to consult with the Minister of Recreation and Sport on the planning and promotion of sports lotteries. In practice, consultation with the Minister will continue to take place as it has in the past. The Crown Solicitor considered the question of whether a competition which contains an element of knowledge or skill falls within the definition of a lottery. Notwithstanding the existence of case law which suggests that such a competition does constitute a lottery the Government proposes to amend the definition of a lottery to put the issue beyond doubt.

When the Lotteries Commission was first established provision was made for its banking arrangements to be conducted through an account at Treasury known as the Lotteries Fund. The more common arrangement is for self funding statutory authorities to conduct their banking arrangements outside the Treasury system and this is the practice which the Lotteries Commission has followed for many years. There is therefore no need for the separate account at the Treasury and the Bill removes this

requirement. The Bill proposes to provide the Commission with the authority to carry out such functions as may be assigned to it by or under any Act of Parliament or by the Minister. This is a provision which is now commonly included in legislation relating to statutory authorities and brings the State Lotteries Act into line with that other legislation.

The financial provisions of the present Act do not contemplate accrual accounting and therefore prevent the commission retaining funds to provide for depreciation or to provide for future costs such as superannuation or long service leave. There is provision in the Bill to enable the Commission to adopt these normal commercial accounting practices. The Crown Solicitor has pointed out that the Commission has power to employ agents but not to appoint them. He has suggested that this might limit the commission's power to take action against its agents (for example to sue an agent for a breach of lottery rules) and has recommended that the Commission be given explicit authority to appoint agents who are not employees. The Bill contains the appropriate provision.

The present legislation makes it an offence for a person to deal fraudulently with a ticket in a lottery conducted by the commission but does not specify whether an agent who participates in Club Keno without paying is dealing fraudulently with a ticket in a lottery. It is therefore proposed that the Act be amended to provide specifically for an offence by agents who without paying operate the Lotteries Commission computer equipment within their agencies for the purpose of participating in games conducted by the Commission.

Under the standard agency agreement the General Manager of the Commission is entitled to conduct inquiries and be shown information relating to the conduct of the Commission's games. Failure on the part of the agent to provide the information requested constitutes a breach of the agreement which may then be terminated. It is not considered desirable that the General Manager rely solely on the provisions of the agency agreement for authority to conduct such inquiries and an amendment to the Act is proposed to make explicit his powers to obtain information to preserve the integrity of the Commission's games.

The present Act prohibits advertising by agents of the commission. This prohibition is not consistent with contemporary values and should be removed. Prior to 1985, lottery prizes which had not been claimed within six months were transferred from the Lotteries Commission to the Hospitals Fund. In December 1984, the State Lotteries Act was amended to enable unclaimed lottery prizes to be retained by the Lotteries Commission and used to supplement future prize pools.

At the time of the legislative change in December 1984 unclaimed prizes were of the order of \$350 000 per annum. Since that time, the annual level of unclaimed prizes has increased dramatically and in 1991-92 amounted to over \$3 million. This is far more than the Commission ever envisaged would be necessary to boost prizes. In the seven years since the legislation was amended, less than half of all unclaimed prizes has actually been used to supplement prize pools. At 30 June 1992 the balance of funds held by the Commission for this purpose had grown to \$9.0 million.

It is therefore proposed to amend the State Lotteries Act to provide for 50 per cent of the annual level of unclaimed prizes to be transferred to a special deposit account to be used to provide funds for the Adelaide Festival of Arts. Over a two year period this should enable the Government to boost funding for the Festival quite significantly. Of the balance held by the commission at 30 June 1992, it is proposed to transfer 50 per cent to the Hospitals Fund to help finance the cost of the public hospital system. These arrangements are estimated to provide additional revenues for the Hospitals Fund in 1992-93 of \$4.5 million and to provide funds equivalent to \$1.6 million annually for the Adelaide Festival of Arts.

The Hon. J.C. BANNON: I seek leave to have the detailed explanation of the clauses inserted in *Hansard* without my reading it.

The SPEAKER: Is leave granted?

Mr S.J. Baker: No.

The SPEAKER: Leave is denied.

The Hon. J.C. BANNON: Clause 1 is formal.

Clause 2 provides for commencement of the measure by proclamation.

Clause 3 amends the interpretation provision, section 3. The definition of 'lottery' is altered to expressly state that a game such as a soccer pool that involves an element of knowledge or skill may nevertheless be a lottery.

A 'sports lottery' is defined as any lottery the results of which depend on the outcome of a sporting or recreational activity.

A 'special lottery' is defined as one of a series of lotteries required to be conducted by the Treasurer (currently these lotteries are called 'sports lotteries').

'Net proceeds' of a sports or special lottery is also defined for the purposes of determining the amount to be paid into the Recreation and Sport Fund.

The definition of 'the Lotteries Fund' is altered to reflect an alteration in the account keeping practices provided for later in the Bill. The definition of 'the Recreation and Sport Fund' is also altered to reflect the fact that the Soccer Football Pools Act 1981 under which that fund is currently set up is to be repealed and the Fund continued under the State Lotteries Act.

Clause 4 is a consequential amendment.

Clause 5 amends section 13. Section 13 sets out the powers and functions of the Commission. The functions are altered to make it clear that the Commission may appoint agents other than by means of a contract of employment. The Commission is given the additional functions of carrying out such other functions as are assigned to it by the Act or by or under any other Act and of carrying out such other functions as are assigned to it by the Minister.

The clause also empowers the Treasurer to direct the Commission to conduct a series of lotteries in any year to be known as 'special lotteries'. A similar power is currently provided for in section 16a and the lotteries are currently known as 'sports lotteries'.

Clause 6 amends section 16, the accounting provision. Currently the Lotteries Fund is an account at the Treasury. The amendment provides for the Lotteries Fund to be run as a bank account established by the Commission with the approval of the Treasurer. With the introduction of separate concepts of sports lotteries and

special lotteries, the provision enabling money to be taken out of the Lotteries Fund is altered to require the net proceeds of all such lotteries to be paid into the Recreation and Sport Fund. (The provision currently provides that the proceeds of sports lotteries—those lotteries that the Treasurer directs to be conducted, including soccer pools—must be paid into that Fund.) Provision is made for payment annually (or at lesser intervals) of 50 per cent of forfeited prize money into the Adelaide Festival of Arts Fund to be established at Treasury. The clause also provides that the Commission may retain in the Lotteries Fund such amounts as are approved by the Treasurer as being reasonably required for future capital, administrative and operating expenses of the Commission.

Clause 7 repeals section 16a which deals with the ability of the Treasurer to require the Commission to conduct a series of lotteries known as 'sports lotteries'. The section is substituted with one that provides that the Recreation and Sport Fund is to continue in existence and that the Minister of Recreation and Sport controls payments out of the fund for supporting and developing recreational and sporting facilities and services. The new clause is necessary because the fund is currently set up under the Soccer Football Pools Act 1981 which is repealed by the Bill.

Clause 8 provides that only 50 per cent of forfeited prizes is to go towards supplementing prizes in future lotteries.

Clause 9 amends section 17. The section currently deals with the value of prizes to be offered in lotteries other than sports lotteries. Section 16a currently controls the prize value for sports lotteries. The amendment ensures that the provision deals with the value of prizes in all lotteries. It is to be 60 per cent in the case of ordinary lotteries and a percentage determined by the Commission (but not less than a percentage determined by the Treasurer) in the case of lotteries falling within the new concepts of sports lotteries and special lotteries.

Clause 10 amends section 19. A new offence is created—that of entering or participating in a lottery by operating the Commission's computer system without payment of the fee, contravening the rules of the lottery or in any other manner not authorised by the Commission. The maximum penalty is as set out in subsection (4): if the offence is prosecuted summarily—a fine of \$2 000 or imprisonment for 1 year; if the offence is prosecuted on information—a fine of \$5 000 or imprisonment for 5 years or both.

Subsections (7) and (8) dealing with advertisements of lotteries by agents are deleted.

Subsection (9) is amended to give the General-Manager or a person authorised by the General-Manager powers to ask questions of agents and others and inspect books etc equivalent to the powers given to the Auditor-General. The current provision states that a person cannot rely on the privilege against self incrimination. The amended provision states that a person cannot rely on that privilege but if a person objects to answering a question on that basis the answer cannot be used against the person in criminal proceedings, except in proceedings for an offence of refusing to answer or in respect of the falsity of the answer.

The schedule repeals the Soccer Football Pools Act 1981 and contains several transitional provisions. All money in the Lotteries Fund at the date of commencement of the measure is to be paid directly into the Hospitals Fund. On the commencement of the amending Act, 50 per cent of the balance held by the Commission by way of unclaimed prize money that has not been applied to future lotteries will be paid into the Hospitals Fund. Subclause (3) makes it clear that only half of unclaimed prize money will go towards supplementing future lotteries even if the prizes were forfeited before the amending Act comes into operation, providing that the forfeited prizes have not already been applied by the commission in accordance with section 16b as it now stands.

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

BUSINESS FRANCHISE (PETROLEUM PRODUCTS) (FEES) AMENDMENT BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Business Franchise (Petroleum Products) Act 1979. Read a first time.

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

That this Bill be now read a second time.

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

The SPEAKER: Is leave granted?

Mr S.J. BAKER: No.

The SPEAKER: Leave is denied.

The Hon. J.C. BANNON: Licences paid by petroleum wholesalers (oil companies) and petroleum resellers (service stations) form the basis of petroleum franchise receipts. The bulk of the revenue is raised from licences held by petroleum wholesalers for which fees are payable monthly at a rate of \$50 plus a proportion of the value of petroleum products sold in a preceding monthly period. The value of petroleum products is determined by reference to a value per litre currently equivalent to 55 cents per litre. This value can be varied by regulation but will not automatically keep pace with inflation.

Following a similar practice already in place in New South Wales, it is proposed to index to the Consumer Price Index the determined value used to value petroleum product sales, while leaving discretion for the Governor to vary that value by regulation. This will permit the declared value to be adjusted should the indexation process produce a figure which is significantly different from market prices.

The indexation of the determined value will be calculated by reference to the actual increase in the Adelaide CPI over the year to the preceding March. On this basis the determined value for 1992-93 will be increased from 55 cents per litre to 56.43 cents per litre. The revenue impact is estimated to be \$1.7 million in 1992-93 and \$2.3 million in a full year. In addition, it is proposed to adjust the rates of duty that are applied to the value of petroleum product sales in order to provide extra revenue for the 1992-93 budget as well as to provide

funding for the newly established Environment Protection Authority.

As part of the reform of State-Local Government financial relationships and as explained in detail in the Premier's Budget Speech and accompanying documents, it is proposed to increase the rates of duty payable on petroleum by the equivalent of 3 cents per litre in Zone 1, 2 cents per litre in Zone 2 and 1 cent per litre in Zone 3. The revenue to be raised from this additional levy is estimated to amount to \$32 million in 1992-93 and \$43 million in a full year.

Consistent with major rationalisation exercises which are already under way interstate and at Commonwealth level, the Government has decided to establish an Environment Protection Authority to facilitate uniformity in environmental protection measures by bringing together responsibility for various pollution control and environmental quality programs. The Environment Protection Authority will assist the State to implement the terms of the Inter-Governmental Agreement on the environment concerning environmental protection standards, guidelines and codes of practice.

The activities of the Environment Protection Authority will be funded from two main sources—namely, levies on the disposal of solid and liquid wastes and an additional levy on petroleum products. It is proposed to increase the rates of duty on petroleum products by the equivalent of 0.3 cents per litre for leaded motor spirit and 0.15 cents per litre for unleaded motor spirit and diesel. The levy is estimated to raise \$3.1 million in 1991-92 and \$4.1 million in a full year.

The combined effect of indexing to the CPI the value applied to petroleum products for tax purposes, together with the additional levies for local government purposes and for the Environment Protection Authority, is to add to duty rates in Zone 1 the equivalent of 3.45 cents per litre for leaded motor spirit and 3.3 cents per litre for unleaded motor spirit and diesel. Corresponding increases in Zones 2 and 3 will be lower by 1 cent per litre and 2 cents per litre respectively.

Licence fees paid by petroleum resellers (service stations) have not been adjusted since October 1989 when the fee was increased from \$50 to \$100 per annum based on CPI movements to December 1987. The licence fees replaced those previously payable under the Motor Fuel Distribution Act 1974 which provides for the regulation and control of the number and location of retail motor fuel outlets in South Australia. The industry has supported the continuation of this regulation and control and has agreed to contribute towards the costs of administration of the Act. The Bill before Parliament seeks to increase the current licence fee from \$100 to \$125 per annum with effect from 1 October 1993. This increase is in line with the increase in the CPI between December 1987 and December 1991. In a full year, the proposed licence fee increase is estimated to generate additional revenue of \$27 000. I seek leave to insert the detailed explanation of the clauses in *Hansard* without my reading it.

The SPEAKER: Is leave granted?

Mr S.J. BAKER: No.

The SPEAKER: Leave is denied.

The Hon. J.C. BANNON: Clause 1 is formal.

Clause 2 provides that the measure will come into operation on 1 November 1992.

Clause 3 inserts the definitions of 'Consumer Price Index' and 'unleaded petrol' into the principal Act on account of amendments proposed by this measure.

Clause 4 relates to the fees payable for licences under the Act. The rate of fee for a Class A licence, calculated according to the value of petroleum sold during the relevant period, is to be adjusted. Furthermore, the legislation is to distinguish between leaded and unleaded petrol for the first time. The zoning system is still to apply. New subsections (5) to (8) (inclusive) will provide that the relevant value is to be varied each year in line with variations in the consumer price index, each variation applying from 1 June in each year (and thus to payments made for licences in force from August). However, to preserve the flexibility that currently exists under the legislation, the Governor will be empowered to vary the value by regulation, subject to the qualification that a value fixed by the Governor must not exceed a value representing, in the Minister's opinion, a reasonable wholesale price for petrol (a qualification that appears in the current legislation). In addition, the licence fee for Class B licences is to be increased from \$100 to \$125.

Clause 5 relates to the operation of the measure. The amendments relating to Class A licences will apply to licences in force on or after 1 November 1992. The amendment relating to Class B licences will apply to licences in force on or after 1 October 1993.

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

SUMMARY OFFENCES (ROAD BLOCKS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

EQUAL OPPORTUNITY (EMPLOYMENT OF JUNIORS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

STAMP DUTIES (RATES) AMENDMENT BILL

Returned from the Legislative Council without amendment.

ADJOURNMENT

At 5.11 p.m. the House adjourned until Tuesday 8 September at 2 p.m.