

HOUSE OF ASSEMBLY

Wednesday 28 April 1993

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

ECONOMIC DEVELOPMENT BILL

Her Excellency the Governor, by message, intimated her assent to the Bill.

STATUTES AMENDMENT (FISHERIES) BILL

The **Hon. FRANK BLEVINS (Deputy Premier)**: I move:

That the sitting of the House be continued during the conference with the Legislative Council on the Statutes Amendment (Fisheries) Bill.

Motion carried.

CAPITAL PUNISHMENT

A petition signed by 16 117 residents of South Australia requesting that the House urge the Government to reintroduce capital punishment for crimes of homicide was presented by Mrs Kotz.

Petition received.

QUESTIONS

The **SPEAKER**: I direct that written answers to the following questions on the Notice Paper, as detailed in the schedule I now table, be distributed and printed in *Hansard*: Nos 300, 308, 347, 435, 445 and 447; and I direct that the following answer to a question without notice be distributed and printed in *Hansard*.

GENTING GROUP

In reply to **Hon. DEAN BROWN (Leader of the Opposition)** (24 March).

The **Hon. FRANK BLEVINS**: On 26 March 1993 the Treasurer announced that the Casino Supervisory Authority would be conducting a full inquiry into Genting and its role as adviser to the Adelaide Casino. The matters raised by the Leader will be dealt with as part of that inquiry.

PAPERS TABLED

The following papers were laid on the table:

By the Minister of Housing, Urban Development and Local Government Relations (Hon. G.J. Crafter)—

Magistrates Court Act 1991—Magistrates Court Rules—Port Adelaide Trial Court, Amendment.

Working Party Reviewing Age Provisions in State Acts and Regulations—Amended report.

Mr LEWIS: Mr Speaker, I rise on a point of order. I would be obliged if the Minister would tell the House what he just laid on the table. I could not understand his mumbling.

The **SPEAKER**: I know that the member for Murray-Mallee has a hearing problem.

Members interjecting:

The **SPEAKER**: Order! We often have this problem with the member for Murray-Mallee and perhaps it might be convenient if we look at some way of improving the seating arrangements in the House.

Members interjecting:

The **SPEAKER**: Order! I am not sure whether anyone else had difficulty hearing.

Members interjecting:

The **SPEAKER**: I am sure the Leader is correct: once on the other side, if and when it happened, the hearing would improve out of sight.

Members interjecting:

The **SPEAKER**: Order! It is difficult to lift the volume constantly in this place. We will ask for the volume to be turned up slightly, but I am not aware of people generally having difficulty hearing in the Chamber of late.

The following papers were laid on the table:

By the Minister of Environment and Land Management (Hon. M.K. Mayes)—

Clean Air Act 1984—Regulations—Fees.

Landlord and Tenant Act 1936—Regulations—Aboriginal Lands Trust.

By the Minister of Education, Employment and Training (Hon. S.M. Lenehan)—

Senior Secondary Assessment Board of South Australia—Report, 1992.

By the Minister of Labour Relations and Occupational Health and Safety (Hon. R.J. Gregory)—

Workers Rehabilitation and Compensation Act 1986—Regulations—Recovery of Payments.

By the Minister of Business and Regional Development (Hon. M.D. Rann)—

Road Traffic Act 1961—Regulations—Declared Hospitals—Ardrossan.

EVIDENCE (VULNERABLE WITNESSES) AMENDMENT BILL

The **Hon. FRANK BLEVINS (Deputy Premier)**: I move:

That the vote on the second reading and subsequent proceedings of the Bill be rescinded.

Motion carried.

QUESTION TIME

PUBLIC SECTOR CUTS

The **Hon. DEAN BROWN (Leader of the Opposition)**: Will the Treasurer confirm that the Government's spending estimates for the next financial year assume that half of the further public sector job cuts will be achieved within the next two months; does the

Government have union agreement to this; and, if not, what guarantee can the Government give that this target will in fact be achieved? In a briefing by Treasury officials yesterday, the Liberal Party was advised that next year's spending estimates assume that 1 500 of the 3 000 proposed public sector jobs to be cut will be achieved within the next two months to allow an immediate reduction of \$60 million in wage costs from the beginning of the new financial year and that, if that is not achieved, all the estimates provided and laid down in the Economic Statement are, in fact, suspect and at fault.

The Hon. FRANK BLEVINS: To some extent, the Leader is correct: offers will be made very soon—as soon as the legislation has gone through Parliament—that will enhance the offers for those people who are in superannuation and who may wish to take a retirement package. It is a reasonable estimate, but it is an estimate. I point out that the financial package put before the Parliament by the Premier was a three-year package. It does not seem to me to matter too much if the 1 500 job cuts occur before 30 June or on 1 July: in the whole scheme of things it does not make a great deal of difference. The important thing is that the three-year package is a coherent, credible package and that every financial commentator has said that if we get 400 before 30 June or 1 600 before 1 July seems not to make a great deal of difference.

PLANNING REGULATIONS

Mr McKEE (Gilles): Will the Minister of Housing, Urban Development and Local Government Relations clarify the effect of the amendments to the development control regulations under the Planning Act 1982 that came into effect on 1 February 1993? In an article in this morning's *Advertiser* the Conservation Council claims that South Australian politicians have abandoned the hills face zone.

The Hon. G.J. CRAFTER: I thank the honourable member for his question and for the opportunity to clarify this issue, because it appears that considerable misinformation is being circulated by some groups in the community who are not interested in providing clear guidelines for development proposals. Planning issues of State importance will still be dealt with by the appropriate State authority, and planning issues of local importance will be dealt with by the local authority. I am sure that all members would agree that that is appropriate in this week prior to local government elections in this State where we are transferring as a community considerable confidence into the sphere of local government. That is reflected by the number of candidates who are offering themselves for election in that sphere on this coming Saturday.

The changes gazetted in December 1992 relate to the breakdown of administrative responsibility for dealing with development proposals between the South Australian Planning Commission and councils. While the regulation changes affect administrative responsibility, they do not in any way affect the policy rules applicable in the affected areas set down in the development plan. The changes have transferred some responsibility for administration of development applications in the hills

face zone to the relevant council in an effort to speed up decisions, avoid duplication and free State resources for important strategic planning work. Since disallowance of the former regulations in April 1991, an alternative approach was agreed with the Local Government Association, and that has been the subject of detailed consultation with councils and relevant interest groups.

There are two significant differences between these regulations and the previous regulations, and those differences appear to have been misunderstood or ignored by those who currently are critical of the situation. First, these regulations retain within the commission forms of major development of most concern to the broader community. The current proposal is to transfer to councils the forms of development that are of local importance. Secondly, those councils not wishing to accept the controls have been excluded. So, they have not been forced to accept new responsibilities, except for outbuildings and alterations to existing buildings.

I wish to reiterate that these changes will speed up decision making on minor proposals, will avoid duplication between the commission and councils, and will have the support of local government, the Royal Australian Planning Institute, the Environmental Law Association and many others who have been consulted about these matters over recent months. They certainly do not threaten areas such as the hills face zone, as firm prohibitions remain in place and certainly cannot be departed from by councils.

PUBLIC SECTOR CUTS

Mr INGERSON (Bragg): My question is directed to the Minister of Labour Relations and Occupational Health and Safety. How does the Government justify its forecast that a further 3 000 public sector positions can be cut by June next year when the rate or take up of voluntary separation packages has been less than half of this over the past three years?

The Hon. R.J. GREGORY: About 3 200 people have left Government employment in the past three years with voluntary superannuation packages. Given the target separation packages which are in place and which will be implemented shortly, we anticipate that we will reach the number we need to reach.

YEAR 13

Mr HAMILTON (Albert Park): Will the Minister of Education, Employment and Training advise whether her department is reviewing the education and training needs of students who are now undertaking an additional year of secondary school, known as year 13? Yesterday, a constituent stated the following:

Year 13 is being used by some students with expectations of an academic career path into many areas that the marketplace does not or will not need in the future. Students need to be career orientated by year 13 with a specific view of an outcome from their academic studies.

In addition, my constituent stated:

Year 13 can be used with the cooperation of all employers in manufacturing business and commerce to facilitate entry into productive outlets for learning.

The Hon. S.M. LENEHAN: I am aware that many members in this Parliament and in Parliaments right across the country are concerned with what has happened in terms of the evolution of what has been called a year 13: I would prefer to see it called a pathways year, because what has happened is that we have seen, for example, in South Australia—

An honourable member interjecting:

The Hon. S.M. LENEHAN: Well, it is important; I happen to think it is vitally important that young people—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN:—have not only the quality of education they need but also are able to embark on a year that ensures they can go into vocational education and training, they can go through to university or they can have a combination of a number of these programs. At the Ministers for Employment, Education and Training Conference—

Members interjecting:

The SPEAKER: Order! The Minister will resume her seat. When the House comes to order, we will continue with Question Time.

The Hon. S.M. LENEHAN: It is amazing that, while the rest of this country is concerned about year 13, the South Australian Opposition could not care less about the future of many young people in South Australia. However, as you know, Mr Speaker, I will not be deterred from my goal, which is to ensure that every young person in South Australia reaches their full potential and can move forward. At the Ministers of Vocational Education, Employment and Training (MOVEET) meeting held in Perth on Friday, I was asked to prepare a positions paper for discussion at the next Education Ministers meeting and MOVEET meeting to be held later this year. That was on behalf of all the States and the Commonwealth. I intend to do that and to canvass the range of options which I believe we should be pursuing in terms of developing a national policy for what happens to students who are currently undertaking year 13.

The reason we need to develop this pathways year with respect to a policy underpinning is that currently one quarter of the year 12 students in South Australia are repeating. I do not believe that this is a pathway or a ticket leading anywhere at the moment, because we are finding that many of these students do not then get enough marks to get into university. We are creating an expectation for these predominantly young people that cannot be realised.

It is important to look at what is happening in other States. In a number of other States, there is a joint year between school and university or school and vocational education and training, while some schools are offering the Monash Access Program, which is a distance learning program. It seems to me that we have to develop a national approach to this problem, because it is a national problem. I thank the honourable member for raising it in this House. It is a critical issue. It is an issue that no State has thoroughly and comprehensively

addressed. We will show the way in South Australia and—

Members interjecting:

The Hon. S.M. LENEHAN: Well, it is interesting that the very colleagues of members opposite have asked me to prepare this discussion paper, and I intend to do that.

The SPEAKER: Order! The Minister will resume her seat.

Mr S.J. BAKER: I rise on two points of order, Sir.

The SPEAKER: One at a time.

Mr S.J. BAKER: One is the Minister is debating the question. The second is that she is taking an awful long time to answer the question.

Mr Hamilton interjecting:

The SPEAKER: Order! The member for Albert Park is out of order. We will deal with the points of order one at a time. I uphold the point of order that the Minister was commencing to debate the question. The second point of order I do not uphold. As the honourable member well knows, I keep a check on the time. We are doing very well in Question Time at the moment. However, if I must constantly leap to my feet, we will not get through too many more questions.

ECONOMIC STATEMENT

Mr S.J. BAKER (Deputy Leader of the Opposition): Will the Treasurer agree that the March CPI figures released today raise further serious doubts about the Government's ability to achieve the budget targets of the Economic Statement? Today's figures show that Adelaide's 1.9 per cent annual CPI rise to the March 1993 quarter was the highest of that of all State capitals. This was the fifth consecutive quarter in which Adelaide's year on year rise has been the highest of that of the State capitals. The Government proposes to cut departmental allocations by a real 3.6 per cent in 1993-94, but this assumes that Adelaide's CPI next financial year will be below the national average and that all agencies will fully absorb the cost of inflation. However, on the present CPI trend, the Government will be faced with having to find a further \$66 million in cuts in departmental allocations in 1993-94 on top of the \$220 million it is already proposing to achieve its spending cut target.

The Hon. FRANK BLEVINS: That was a bit of financial gymnastics which—

The Hon. D.J. Hopgood interjecting:

The Hon. FRANK BLEVINS: I thank my predecessor. We learn something every day. It will be difficult to achieve the targets—nobody is arguing that—very difficult indeed, but it has to be done. It has to be done because, as the Premier has stated, we cannot continue with the position that will produce in a very short time in this State a debt position approaching \$10 billion. Whether or not this particular CPI figure makes it any harder, only time will tell. I would point out that, as regards future CPI movements, two taxes are reduced under this Economic Statement, and their respective Bills will be going through the Parliament this evening. It is a great pleasure to be Treasurer in a time of reducing a tax on alcohol—I think that would probably

be a first. I hear no contradictory voice, so I think it is a safe bet to say that that is a first. Also, a reduction of approximately 35 per cent in FID will again go—

Mr Olsen interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS:—some way—

Mr Olsen interjecting:

The SPEAKER: The member for Kavel is out of order.

The Hon. FRANK BLEVINS:—to moderating any further CPI increases in South Australia. But if the point that the Deputy Leader was trying to make is that it will be difficult to achieve budget targets, the answer to that is very clearly 'Yes', but this Government is committed and confident it can do it. I also draw attention, as I did last Friday, to the editorial in the *Advertiser* of that day, which stated the targets were achievable.

IAN WARK INSTITUTE

Mr De LAINE (Price): Is the Minister of Mineral Resources confident that the \$1 million to be spent by the Government to assist in the establishment of the University of South Australia's Ian Wark Institute, as revealed in the Economic Statement, will make significant returns to warrant the spending of this money?

The Hon. FRANK BLEVINS: I thank the member for Price for his question. The member for Price, of course, is on the Council of the University of South Australia, which will have the responsibility for putting this project together.

The Ian Wark Institute, I believe, will be one of the quite significant achievements of this Government, particularly in times when money is not easy to come by. In regard to this institute, it would have been very easy indeed to say, 'Well, this appears to be a bit of icing on the cake—a bit of frivolity we could well do without in difficult times', but the Government did not take that approach. As Minister of Mineral Resources, I am delighted that the Government did not because, whilst we obviously have to take account of the day-to-day budget problems which we have, indeed which every Government has, I think we also have to look to the future and continually build to put our bases in place for future prosperity, because there were difficult budget times in previous years and our forebears left us with some wonderful legacies, and I believe we have the obligation to do the same.

The Ian Wark Institute will be a joint venture with the State Government, as I have mentioned, and we are very happy to play our financial part there. The University of South Australia has put a tremendous amount of work into attempting to establish this institute, and the Federal Government, I understand, will also come to the party.

The State Government quite obviously wants to increase mineral exploration in this State and investment in mining in general. I believe, and the Government believes, that there is insufficient mineral exploration and insufficient mining in South Australia. It is not something that we can turn on like a tap: we have to put the base

and the funding in early, and we do know that benefits will accumulate to people in years to come.

The Ian Wark Institute will provide a major strategic research and education resource to improve and enhance productivity in the minerals industry. Benefits will flow to industry through all stages of exploration, processing and value adding, also upgrading products, processes and expertise. The aim is for the institute to become a major centre for postgraduate education, meeting both current and future demands of Australian industry. The establishment of the institute is just one aspect of the Government's economic development strategy—a very positive aspect which is expected to make significant returns for industry and all South Australians.

CORRECTIONAL SERVICES CUTS

Mr MATTHEW (Bright): My question is directed to the Minister of Correctional Services. What cuts to prison staff does the Minister anticipate in order to meet the reduction of \$2.306 million in recurrent spending required following the Economic Statement? Will not such staff reductions necessarily mean increased overtime costs which have already blown out by \$2 million in the present budget? An internal Correctional Services document shown to me discloses that Treasury proposes a cut of \$2.306 million in recurrent expenditure for 1993-94 and a cut of \$5.6 million in the capital works program. It has been put to me that to make the savings in recurrent expenditure some 80 staff will need to go, thus expanding the need to increase overtime to maintain services. According to this document, the department already has a \$2 million shortfall in overtime despite criticism from the Auditor-General about the level of overtime in his reports of 1981-82, 1990-91 and 1991-92.

The Hon. R.J. GREGORY: I assure the House that we will not be closing two prisons, contrary to his suggestion in his press release yesterday: we will be maintaining those institutions because we need the spaces. I am of the view that we have been able to achieve the efficiencies in question with reorganisation of the department and the appropriate use of people within the organisation.

NORTHFIELD DEVELOPMENT

The Hon.. J.C. BANNON (Ross Smith): My question is directed to the Minister of Housing, Urban Development and Local Government Relations. Will the Minister advise the House what progress is being made on the development of the Northfield site? The site comprises land of the former Department of Agriculture, which is now being relocated to various sites as part of the new research establishment in agriculture, thus freeing up the land for development. It was also the subject of examination by the planning review which saw it in the context of urban consolidation. Along with my colleagues from Gilles and Todd, I was present earlier this month at a ceremony at which the Minister was also present.

The Hon. G.J. CRAFTER: This is most certainly a very exciting new urban development in Adelaide's north-eastern suburbs, one which provides an example of the new thinking, which is occurring throughout the public sector and the development industry, on housing and urban planning matters. A number of very exciting projects have emanated from the close cooperation and working relationship among those key groups in the South Australian community. One of the themes that the planning review emphasised in its final report is that Adelaide has a unique opportunity to learn from some of the urban problems that have beset the major cities on Australia's eastern seaboard.

One of the challenges which this Government has taken up is to ensure that the State's stock of houses better matches the housing needs and housing aspirations of our community, particularly in relation to home ownership. The Northfield project, which will provide new housing for more than 15 000 people over the next 10 to 15 years, is an excellent example of that thinking. Adelaide has a good share of large houses on large parcels of land, but our household formation patterns show that new households are generally smaller than they were in the past and that people demand smaller houses with more manageable yards. This, coupled with the enormous expense of providing new public infrastructure on the outer fringe and the environmental and economic imperatives to restrict the consumption of our valuable agricultural land, adds up to a need for better land utilisation in the inner and middle ring suburbs of Adelaide. I suggest that the Northfield project fits those objectives perfectly.

One of the very pleasing aspects of the development industry in South Australia—one which is present in the Northfield project—is the high level of cooperation which exists between the private and public arms of the industry. Indeed, only last week I welcomed my Queensland colleague, the Minister of Housing in that State, Mr Mackenroth, who visited South Australia to look at these sorts of developments and arrangements which have been so successful here. One of the unique aspects of the Northfield development is that it includes the upgrading of surrounding suburbs as part of its overall urban strategy. This means that suburbs adjacent to the new development site, many of which are owned by the South Australian Housing Trust, will benefit from major upgrading and, in some areas, from entire redevelopment.

As the member for Ross Smith said, earlier this month I had the privilege of participating in the launch of the Regent Gardens sales centre and I am pleased to advise the House that sales have progressed extremely well since then. In stage 1 of the development, 72 of the 96 allotments have been sold, and in stage 2 a further 30 are under contract. Most of these will be used for the display village, which I understand is to incorporate more than 60 new homes and villas—a strong vote of confidence indeed by the major builders in this State in the future of the housing industry.

Whereas the Golden Grove and Seaford developments have been Adelaide's showcases in recent times, I believe that in the near future urban initiatives that combine new development with urban regeneration such as Rosewood Village at Elizabeth and now Northfield

will be the subject of study tours and interstate delegations for a long time to come.

The SPEAKER: Order! I remind Ministers that they have recourse to ministerial statements. Long responses take up too much of Question Time.

EDUCATION DEPARTMENT

Mr SUCH (Fisher): I direct my question to the Minister of Education. What is the Education Department's expected funding allocation for the next financial year?

Members interjecting:

The SPEAKER: Order!

Mr SUCH: Sir, with your leave and that of the House, I will briefly explain.

Members interjecting:

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

Mr SUCH: According to the Economic Statement (page 58), the Chief Executive Officer of each agency has been advised of his or her organisation's expected funding allocation for 1993-94, so the CEO knows.

The Hon. S.M. LENEHAN: I thank the member for Fisher for exposing his naivety to the House. Does he seriously suggest that any Minister who is a member of Cabinet will stand up in this House and disclose the preliminary negotiated figure, which is within the knowledge of the CEO and the department, and claim that it is an absolute figure, without Cabinet—

Members interjecting:

The Hon. S.M. LENEHAN: They don't like this.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The Hon. S.M. LENEHAN: I am delighted that you have and I suppose you feel very tough and strong that you have some of these figures.

The SPEAKER: Order! The Minister will direct her remarks through the Chair and that will stop interjections across the Chamber.

The Hon. S.M. LENEHAN: Thank you, Mr Speaker. I was diverted for a moment, and I apologise. Of course, I do not intend to discuss what is taking place within my department with respect to the decisions that will be taken by Cabinet in the appropriate way and at the appropriate time, and I am amazed that the member for Fisher is so naive as to expect that I would. He might have been given a hundred figures, but let me remind the honourable member how Government in this State works. It works by members of Cabinet—

Members interjecting:

The SPEAKER: Order! The Minister will do this as briefly as possible, I am sure.

The Hon. S.M. LENEHAN: Mr Speaker, I was just going to remind the honourable member that in this State Cabinet operates by means of collective decision making. We do not make budgetary decisions in a unilateral way and, whatever figures the honourable member has, that is fine, that is his business. However, it will be Cabinet that decides the budget allocation for each and every department within this Government.

SLAUGHTERHOUSES

Mrs HUTCHISON (Stuart): Will the Minister of Primary Industries give further details regarding the issue of slaughterhouses as foreshadowed in the Premier's Economic Statement? The statement made by the Premier last week indicated:

The Government will change the Meat Hygiene Act. We propose to relax a number of restrictions presently placed on slaughterhouses, thereby benefiting country areas. Subject to a quality assurance program and other conditions, slaughterhouses will be permitted to trade across council boundaries with country butchers.

That is of considerable importance to my electors.

The Hon. T.R. GROOM: I appreciate the question from the honourable member because I know that she is vitally interested in this area. I know that the announcement by the Premier in the Economic Statement has been well received in country areas.

Members interjecting:

The Hon. T.R. GROOM: I know that the Opposition is in big trouble over this issue.

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

The Hon. T.R. GROOM: Yes, Mr Speaker. I have received delegations from the Opposition and I have consulted very widely with the abattoirs and slaughterhouses in South Australia—I have had them all in—and I know that there is a very deep division within the Liberal Party in relation to this matter. It is this Government that is freeing up the situation, and that will benefit rural areas—and that is the very heartland that members opposite claim is theirs. It is this Government that is freeing up the position and benefiting country areas.

The fact of the matter is that social conditions have changed. It is not tenable that slaughterhouses cannot trade across council boundaries, that they cannot trade with all butchers in all country areas. Consequently, an absurd situation has developed where, because the local slaughterhouse cannot be used, meat has to be transported from a country area to the metropolitan area to be slaughtered, and then transported back to country areas. That is a cost detriment to country South Australia and it is just not tenable. I would have expected the Opposition not to succumb to sectarian interests and to look at the benefits that will flow to rural South Australia as a consequence, but I am mindful of the situation with regard to abattoirs. They should not be undermined as a consequence of this freeing up. They have a legitimate business to protect, and that will be done.

However, we must respond to changed social conditions. We have to recognise that in many areas country people are experiencing a very serious financial situation and anything that can reduce the cost burden should be done. During my visits in rural areas, members opposite constantly raise the issue of cost burdens in rural areas. This is an opportunity to get behind country areas and actually do something to reduce the cost impact, not just talk about it and pretend.

I do not propose open slather in relation to the freeing up of slaughterhouses. It is not designed to be harmful or a threat to the abattoirs in South Australia. There will be an opportunity between now and when Parliament

resumes in August for industry groups to comment. I know that the Leader of the Opposition is interested in this issue because Kangaroo Island wants a slaughterhouse, and firm representation has been made to me in relation to that matter. This measure will benefit the island immeasurably, as it will the Mid North towns and Penola in the South-East where the shadow Minister has his interest. As I say, there will be opportunity for the industry to make submissions to me during the coming months. The Meat Hygiene Authority will be empowered to issue permits to allow existing slaughterhouses to trade across council boundaries. That is a measure of control.

The SPEAKER: Order! I ask the Minister to bring his response to a close.

The Hon. T.R. GROOM: I am doing so, Sir. In addition, slaughterhouses will be required to adhere to a quality assurance program, which will be introduced to meet hygiene standards. I am quite happy for the Meat Hygiene Authority to reduce costs to slaughterhouses to enable local councils to undertake inspections as delegates of the authority. The *quid pro quo* will be cost recovery, which will be required for the inspection services. I have consulted widely on this issue with local government, with slaughterhouse operators and with the abattoirs, and I know that it will be well received by rural communities.

ECONOMIC STATEMENT

The Hon. DEAN BROWN (Leader of the Opposition): Will the Premier confirm that only \$23 million of the \$40 million the Government earmarked for its economic development program this financial year has been or will be spent? In his Economic Statement, the Premier said, 'The Government will again spend \$40 million next financial year on economic development initiatives.' However, in response to questions asked by the Liberal Party in a briefing yesterday, Treasury has confirmed in writing this afternoon that the \$40 million allocated in this year's budget for the economic development program and the multifunction polis will be underspent by \$17 million. In other words, the Government's promised spending on economic development initiatives this financial year has been almost halved. No wonder the State continues to flounder—

The SPEAKER: Order! The Leader is now commenting.

The Hon. LYNN ARNOLD: The Leader is very good at missing the point, and he has missed the point yet again. Indeed, I noted on the weekend how he missed the point when he was out there proclaiming that he was supporting the Liberal Party candidate who is to contest my seat at the next election. He was there with his big smiling face and this Karate Kid who was kicking bits of wood that the Leader was holding somewhat tremulously in his hands. Of course, what the Leader forgot or does not understand is that that candidate is contesting the seat against the member for—

Members interjecting:

The SPEAKER: Order! The member for Coles.

The Hon. JENNIFER CASHMORE: Mr Speaker, I rise on a point of order. The Premier is debating the question and his answer has nothing to do with the question.

The SPEAKER: I uphold the point of order and ask the Premier to come back to the substance of the question.

The Hon. LYNN ARNOLD: I certainly will, Mr Speaker. I actually have the real name of the Liberal Party candidate standing against me at the next election and her address and phone number if the Leader would like to be introduced to her. As to the Economic Development Fund, funds were set aside for that. The commitment to set aside \$40 million has been repeated in next year's budget, as the Leader has identified. Some areas of those funds have been fully expended and other areas have not been fully expended yet but will result in necessary carryovers for those moneys.

As to the MFP, it is on the public record that some of those areas have not been spent as rapidly as we would have liked. Again, those allocations will have to be carried over. The Leader cannot have it all sorts of ways on this. He attempted to say a couple of weeks ago that the Economic Statement would include a \$147 million package involving the MFP.

The Hon. Frank Blevins interjecting:

The Hon. LYNN ARNOLD: Yes, he did say that. He claimed that he had a hot tip on that one. In fact, as he now knows, he had a very cold one indeed, so he got that wrong as well. It is certainly true that sometimes when new programs are started they do not get up to speed as quickly as we would like. I would certainly have liked some of these things to get up to speed quicker than they have done, but some are dependent upon industry itself to do the take up on those programs.

If we look at things like the manufacturing modernisation program where the funds are there ready and waiting to be used, it is dependent on the demand of clients. If we look at other aspects of the \$40 million package in this year's budget, for example, the automotive restructuring component, that depends on consultation with the industry. Those funds have been committed. I stand by that. We have continued that within the next budget. I suggest that, rather than the Leader missing the point, he spends more time studying the detail of these matters and not allow himself to be easily beguiled by what seem to be hot tips, like the hot tip he had on the weekend for his own candidate, where he got it wrong.

ENVIRONMENT PROTECTION AUTHORITY

Mr HAMILTON (Albert Park): Can the Minister of Environment and Land Management provide further information to the House on the role of the proposed Environment Protection Authority and how the South Australian EPA will compare with other EPAs, particularly Western Australia's EPA? In the Economic Statement, the Premier referred to the important role the proposed authority will play in assisting business and industry to meet environmental protection standards and requirements. My constituents have asked whether the Minister will indicate how the proposed authority will

streamline requirements for pollution control and minimisation in this State. Conservationists in my electorate have also sought information on this matter, pointing out with horror the Western Australian Liberal Government's intention to effectively dismember the EPA in that State.

The Hon. M.K. MAYES: I thank the member for Albert Park for his question on this matter because in the Premier's statement 'Meeting the Challenge' he made clear the commitment of this Government to establishing our Environment Protection Act and the authority—

The Hon. D. C. Wotton interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: The honourable member interjects about the time—

The Hon. D. C. Wotton interjecting:

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

The Hon. M.K. MAYES: —it is taking. Let me explain. I draw to the honourable member's attention recent comments by the General Manager of the Chamber of Commerce and Industry, Mr Thompson, who praised the Government over the way that the EPA process has been negotiated. He praised the Government for the manner in which it conducted that process and reinforced what the Government has been saying about the way in which the consultation should proceed.

I just draw the honourable member's attention and that of other members to the General Manager's comments. Since the honourable member has interjected and as my colleague the member for Albert Park has asked this question, I point out that there is enormous concern in Western Australia, particularly given that there has been a national approach by heads of Government to this whole question of environmental protection—sustainable ecological development—and its importance within the community.

It appears that we now have a break from the ranks under the new Liberal Government in Western Australia. The situation that has occurred has been a total breakdown of the operations and the proposal for the Environment Protection Authority. I would quote one of the key players, a member of the independent board which established the EPA in Western Australia, Mr Neil Blake. As a member of the independent committee which reviewed the whole EPA structure, he said that 'it was done by people who wanted to split positions to weaken the effectiveness and power of the EPA'. It is a recent announcement—

Members interjecting:

The SPEAKER: Order!

The Hon. M.K. MAYES: This is an important matter, because it appears that what was seen by all Governments in Australia as an important thrust in terms of providing proper and appropriate protection along with industry in consultation has now been dismantled in Western Australia. I refer to comments from one of the key players in the EPA, Ms Siewert, who stated:

But there will be little of the authority left to examine anything.

She goes on to say:

...the move will split the EPA into a department and an advisory board...

The whole approach exhibited by the Western Australians exposes what we have seen of Liberal Governments in this country in terms of their commitment. The new approach that the Premier outlined in the Economic Statement is that we will replace the six existing Acts and six licensing systems with a single EPA system.

The EPA charter, which, as the Premier indicated, will be introduced very shortly, will allow for encouragement of industry. The EPA will play a major role in encouraging companies and major public authorities to adopt their own environmental improvement programs. That is an important factor because the consultation that we have had with industry, as outlined by the Premier, has been very significant and successful. We ought to see the Western Australians pick up the challenge that we have laid down here in South Australia.

JAKARTA OFFICE

Mr OLSEN (Kavel): My question is addressed to the Minister of Business and Regional Development. What is the estimated cost of opening a South Australian office in Jakarta, and when will the office be opened?

The Hon. M.D. RANN: The office will shortly be opened, I understand, by my colleague the Minister of Education, Employment and Training. I can provide more accurate costing details to the House tomorrow. It is open.

WOOL INDUSTRY

Mr HOLLOWAY (Mitchell): Will the Minister of Primary Industries provide the House with details of assistance to South Australian wool growers that will be provided under the Commonwealth's emergency assistance package for the beleaguered wool industry?

The SPEAKER: As concisely as possible! The Minister of Primary Industries.

The Hon. T.R. GROOM: I will do the very best I can, Mr Speaker.

Members interjecting:

The Hon. T.R. GROOM: This is a most serious situation for the wool industry in South Australia and it should be dealt with in that way. The Federal Government today announced a significant package of assistance to the wool industry. Commonwealth funding of up to \$44.6 million will be made available in exceptional circumstances through the rural adjustment scheme. That means that up to 100 per cent interest rate subsidies for carry-on finance will be provided.

In addition, the Federal Minister for Primary Industries has announced that the wool tax will be maintained at 8.5 per cent for 1993-94—last year, it was 12 per cent—a further significant gain. There will be restructuring of the net repayments schedule by the AWRC by extending the debt schedule from seven to eight years. This means that under this package wool growers in South Australia will benefit by about \$4 million in interest rate subsidies for carry-on finance, and that will provide a considerable measure of relief. Of

this package, the Federal Government provides about \$2.8 million under RAS, with the South Australian Government having to meet the balance of \$1.2 million to support the rural debt by providing carry-on finance. The Government is able to meet this cost under the RAS scheme: our contribution, of course, will be met by funds held by the Rural Finance and Development Division of the Department of Primary Industries.

The Opposition often suggests that not enough is being done by the Government to assist rural South Australia. I want to put this in proper context because, since July last year, with this further package of assistance provided by the State and Federal Governments that will directly benefit South Australia, there has been total assistance of about \$48 million to provide interest rate relief. Since the package was announced during the rural crisis over Christmas interest rate subsidies increased from 50 per cent to 100 per cent.

An honourable member interjecting:

The Hon. T.R. GROOM: Yes, that is right, and the Farmers Federation agreed. It was also represented on the committee that provided advice to Simon Crean. That is not a bad effort on the part of the South Australian Government. It is a very good effort and it indicates that this Government supports rural South Australia and recognises the very serious predicament that is facing country people.

AUTISM

Dr ARMITAGE (Adelaide): As the Minister responsible for the funding of education services to autistic children, will the Minister of Education, Employment and Training say whether the Government's budget cuts will mean that more autistic children will join the queue of victims of the State Bank disaster by being denied the special education necessary to prepare them for normal schooling?

The SPEAKER: I point out to the honourable member that his question contained comment. If the honourable member brings in further comment I will have to exercise some control. The member for Adelaide.

Dr ARMITAGE: Since 1990, the State's funding of the Autistic Children's Association has fallen by a real 15 per cent. This has come on top of significant reductions in Commonwealth funding at a time when the association is facing increased demands from parents of autistic children for its special education services. In 1990, the association dealt with 126 children, but this year it expects to have to deal with 188 children who will require its special education services to enable them to undertake normal schooling.

The Hon. S.M. LENEHAN: I presume that the honourable member is asking me to comment on what is in the forthcoming budget. Obviously, I have no intention of doing that. This Government's record in terms of funding for education is second to none in this country. Indeed, that can be borne out by objective information that can be obtained nationally. Let us put this question into some sort of context. We still maintain the highest student-teacher ratio in this country in terms of having more teachers for the number of students than

any other State in Australia. I am proud of that, as I hope the honourable member would be.

With respect to autistic children, my predecessor—and I have carried on this practice—has worked to ensure that, wherever possible, we can provide services within normal mainstream schools for children with disabilities whether they have autism or a range of other disabilities. We have worked with the families of children with disabilities to identify the most appropriate form of education and support networks, whether they be in special schools, annexes attached to a number of schools, special classes within mainstream schools, or having individual students within a normal school and a normal classroom supported by care workers.

My colleague the Minister of Health, Family and Community Services and I have worked on this together, and I think we have moved this whole issue down the path towards a progressive and sensitive way of dealing with what is a serious problem. I intend to look at this question, as the honourable member has raised it, with respect to autism, but it is—

Mrs Kotz interjecting:

The Hon. S.M. LENEHAN: There is an honourable member chirping on the bench opposite, and I must say that obviously she was not prepared to listen to what I was saying. What I am saying is that we are putting funds into—

Mrs Kotz interjecting:

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

The Hon. S.M. LENEHAN: —ensuring that wherever possible children with autism can be integrated into a normal education experience. In the past, this may have meant a reduction in the granting of funds to the Autistic Children's Association. That does not mean that funds have not been given to children with autism to ensure that they overcome many of the problems they are experiencing.

Mrs Kotz interjecting:

The Hon. S.M. LENEHAN: However, as I just indicated, if the honourable member would pay me the courtesy of listening to what I am saying —

Mrs Kotz interjecting:

The Hon. S.M. LENEHAN: Well, I would be prepared to have a look at the situation that the honourable member has highlighted with respect to the forthcoming budget.

SPANISH COFRADIA

Mr HERON (Peake): My question is directed to the Premier in his capacity as Minister of Multicultural and Ethnic Affairs. Will the Premier advise whether any financial support was given to the Cofradia held in Clare over the Anzac weekend? Last weekend, I attended in the Clare Valley a function put on by the Spanish Cofradia and the Clare community to broaden relationships between the Spanish people and rural communities.

The Hon. LYNN ARNOLD: I believe that the South Australian Multicultural and Ethnic Affairs Commission gave a grant to that organisation to help it with its staging of the first Cofradia ever held outside of Spain. This was in celebration of a famous Cofradia that is held

in Spain and attracts one million to 1.5 million people each year. I must declare my interest in the organisation in South Australia, because it has made me an honorary vice-patron—that must be put on the public record. I am very pleased with the success of the function that was held last weekend—it started on Thursday and went through to Sunday. It consisted of a walk that took place from Clare to Seven Hills, the Polish River and back to Clare, where a fiesta was held.

What is particularly pleasing about the event is that not only did it bring together the Spanish community of South Australia from Adelaide, Whyalla and other parts but also it attracted members of the Spanish community from other States. In particular, it attracted many people of non-Spanish descent from both the Clare area and other parts of South Australia. So, I believe that the true spirit of multiculturalism was exercised there.

I commend the work of Joaquim Artacho, the head of the organisation, Cofradia de la Tierra del Espirito Santo, the work of Bob Phillips, the Mayor of Clare, for the support that he and his council gave to that function, and the work of Richard and Barb Watson and other members of the local Clare subcommittee of the Cofradia, because I believe that together they have helped to prove how vital and exciting multiculturalism can be in this country. It is a tribute to all, and I was pleased to be there for just a few hours. I commend this first ever event—there was a small pilot run, so to speak, held last year—that will go from strength to strength in years to come.

NICHOLLS CASE

The Hon. H. ALLISON (Mount Gambier): My question is directed to the Premier. Did the Minister of Transport Development participate in the informal Cabinet discussions about the Chris Nicholls case, and why did the Minister tell the House last Tuesday that no such discussions had, in fact, taken place?

The Hon. LYNN ARNOLD: It may be that the honourable member is referring to my answer to the Deputy Leader's question last week. I know I cannot quote the *Hansard* of this session back into the *Hansard* again, but I will just remind members what the Deputy Leader was actually saying. He asked, 'Did we consider the question of penalty in the event of a conviction?' The answer is 'No.' He asked, 'Were any representations made to the Director of Public Prosecutions, formally or informally, by the Attorney-General or any member of the Government?' The answer is 'No.' Then he goes on to say in his explanation that—

The Hon. JENNIFER CASHMORE: I rise on a point of order, Mr Speaker.

Members interjecting:

The SPEAKER: Order! There is a point of order; the Premier will resume his seat. The member for Coles.

The Hon. JENNIFER CASHMORE: The Premier himself has just identified the fact that he cannot quote *Hansard* from the present session, yet he appears to be reading from the record.

The SPEAKER: Order! I do not uphold the point of order. I believe that the Premier is certainly referring to

it and paraphrasing, but I do not think it was a direct quote. I will refer to the *Hansard* and listen closely.

The Hon. LYNN ARNOLD: He is not having to change his mind at all, Mr Speaker. Then in the explanation to that question, there was the reference that the Government considered the Nicholls case before the jury gave its verdict and reached a conclusion—in other words, the Cabinet reached a conclusion that a four-year sentence—

Members interjecting:

The Hon. LYNN ARNOLD: Well, that's what it says, and the answer is 'No.'

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: Then we have this question now about whether—

Mr S.G. EVANS: I rise on a point of order, Mr Speaker. Is it correct that an answer to a question is part of a debate and that we are not to refer to a previous debate in the same session?

Members interjecting:

The SPEAKER: Order! That rule could be applied to this. However, members should not ask repetitive questions. If members want the question allowed, I will have to allow the answer. The question is repetitive because a question of the same substance was asked last week. Given the loose application of the question, the same rule will apply with the answer. However, I ask the Premier not to refer to the previous debate. Yes, it is correct that any question is a debate of the House.

The Hon. H. ALLISON: I rise on a point of order, Mr Speaker. I would simply like to say that I made no reference to the Leader's question last week: I simply asked whether the Minister had taken part in the discussion.

The SPEAKER: Order! The Chair does accept that no reference was made to the question. However, the record does show, I am sure, from memory—and I have not found it yet—that the question is very similar to a question that was asked last week.

Members interjecting:

The SPEAKER: If there is a dispute with the ruling of the Chair, members all know the procedure. That is my ruling, and I will apply it in that way.

The Hon. LYNN ARNOLD: The honourable member did, in fact, make reference to a question last week and, since he was clearly trying to draw the imputation that I misled House, I am simply trying to help the House in its deliberations. They are trying to stop me. But the blatant fact is that I have not—

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD:—misled the House on this matter. The point is that, as I have said before—

Members interjecting:

The Hon. LYNN ARNOLD: I take exception to that, Mr Speaker. The word 'lie' has just been used, by interjection, and I take exception to that.

Members interjecting:

The SPEAKER: Order! The Chair did hear the word but, because I am still trying to find the question in *Hansard*, I did not see who said it. However, the word is definitely unparliamentary; I cannot identify who used it, but it will not be allowed in this House. If the

honourable member, whoever he or she may be, uses it again and if I can identify the honourable member, I will take action.

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: These matters were not discussed in Cabinet. Before Cabinet, which is the decision making body, takes place, we have lunch together, and we discuss a number of things, such as the events of the week and events that affect individual members of the Cabinet, and we discuss the football scores and other such events.

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: I did not actually say that. If the Leader reads my answer, he will see very clearly (and I am not allowed to read it into the *Hansard*, but I suggest he read it very clearly) that I did not say that and, if he has a problem with that, he should take the appropriate action. The fact is that there was no action—

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD:—taken by Cabinet to seek to interfere in the legal process, and that would never be the case.

EXPORTS

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Business and Regional Development advise the House whether the Government intends to support its recently announced export assistance schemes with any other initiatives, including trade fairs and export conferences specifically aimed at assisting South Australian companies to export into Asia? Many of my constituents have shown considerable interest in the two export schemes which have received wide media attention as a result of the Leader of the Opposition's assurance last week that his two local companies, AACM and H. and R. Marketing, did not receive one single dollar under similar Commonwealth schemes aimed at bigger companies.

The Hon. M.D. RANN: It is interesting that the member for Kavel, who is no longer in the Chamber, asked a question about the Jakarta office, which I hope that my ministerial colleague will be able to open next month in Jakarta. I can announce today to this House that, in the week leading up to the Australian Formula One Grand Prix, we will be hosting a major Asia export event as part of a bid to double South Australia's exports to Asia over the next five years. The event will centre around an Asia trade conference involving international, interstate and local participants and will include a South Australian trade fair to showcase the State's industry to Asia. Certainly, business and perhaps political leaders from South-East Asia will be invited to address the trade conference on how to do business with Asia and to identify export opportunities for the State.

We already know what the Leader of the Opposition thinks of these exports schemes. I have been informed and I have seen documents which show that companies in which he was involved, including AACM and H. and R.

Marketing, have received some hundreds of thousands of dollars on programs on which our assistance schemes are directly modelled. Indeed, other exports schemes are modelled on two Austrade programs: the international trade enhancement scheme and the export marketing development grants scheme. Of course, there is nothing wrong with export companies in South Australia applying for these schemes, but it does need some clarification, because the Leader of the Opposition was a director of these companies at the time.

I understand that in 1987-88 AACM received a grant of more than \$116 000, and in 1991-92 H. and R. Marketing received a grant of almost \$96 000. There needs to be some clarification. If they are good schemes that we are modelling on—and they are aiming at the big exporters and we are trying to help small business, and obviously there is some contempt for small business on that side of the House—I do not believe that the Leader of the Opposition would want at all to mislead the House or the media when he said that he did not receive one dollar on similar schemes. So, let us see whether he can clarify the matter and whether he thinks those schemes assisted his companies.

SITTINGS AND BUSINESS

The Hon. FRANK BLEVINS (Deputy Premier): I move:

That Standing and Sessional Orders be so far suspended as to enable:

- (a) Government business to have precedence over private members' business today;
- (b) Notice of Motion: Government Business No. 1 to be taken into consideration before grievances; and
- (c) Private members' business to take precedence over Government business for the periods described in Sessional Order 111(b) tomorrow.

Motion carried.

The SPEAKER: Order! Before continuing with the business, I point out that it is not the intention of the Chair to apply the grievance debate today. There will be long debates on the Economic Statement and, given the business on the list, we can dispense with the grievance debate today.

ECONOMIC STATEMENT

The Hon. LYNN ARNOLD (Premier): I move:

That the Economic Statement of Thursday 22 April be noted.

The Hon. DEAN BROWN (Leader of the Opposition): The Premier's Economic Statement is entitled 'Meeting the Challenge'. We are told it will be a turning point for South Australia. In reality, it is yet another glossy publication with even more rhetoric. Last year we had the Arthur D. Little study—\$40 million for economic recovery and 'a new course and vision for all South Australians and a turning point in establishing a new vision for South Australia'. That was the Premier last year. But what has happened? The economy has actually got worse.

In March 1991, Labor released another grand plan. It was a nine point plan to develop the State's industrial base. We were promised that it 'focuses on increasing our export potential'. It promised microeconomic reform and new infrastructure, but what has happened? The economy has actually declined. At the last State election in 1989, Labor released a glossy booklet called 'Securing the Future'. It identified export growth as the highest priority in economic development. Labor promised that 'within reach is the goal of becoming a prime economic centre in Australia and the Asia/Pacific region' and said that 'we need to lift our export performance and tap the growth areas of the world'. At the 1985 election, Labor promised the establishment of 'South Australia International' which would 'tap the potential of our diverse rural industries—as well as our established manufacturing base—to send products to international markets that will return wealth to South Australians'.

The people of South Australia are tired of Labor's rhetoric. We are disheartened by its lack of performance. We have lost all confidence in Labor as economic and financial managers. Labor has promised so many turning points and new directions that we have been going around in circles and making absolutely no headway whatsoever. South Australians fear for the future of their children. They want a change of Government. They want a Government that understands economic and financial management and the development of industry and jobs.

This Economic Statement starts to bring to reality for South Australians the unsustainable level of public debt; the deterioration of our State's finances; the weak position of our State economy; and the consequences of Labor's mismanagement. The real cost of more than 10 years of Labor is now entrenched, double digit unemployment; cuts in essential Government services in our schools, hospitals and public safety; and the loss of confidence in our State's future.

With this Economic Statement, the Public Service will be paying, in more job cuts, for the excesses of executives who earned hundreds of millions of dollars a year to perform in quite outrageous ways because this Government encouraged them to do so. While this was going on, Government Ministers eulogised those executives while they were losing hundreds of millions of taxpayers' dollars. The people of South Australia do not trust this Labor Government. Labor alienated the private sector a long time ago. That is why it has stopped investing in South Australia.

In looking at how a Liberal Government will put these tragic Labor legacies behind us, I first make the point, without fear of contradiction, that we would not have created a mess in the first place, as this Labor Government has done. It was the last Liberal Government that reduced our State taxation to the lowest level in Australia so that we could make our business competitive again. While we were doing this, people like the present Premier were encouraging our public servants to march in the streets against our policies. Yet, since 1990, under Labor, public sector employment has been cut at twice the rate applied by the previous Liberal Government. Our policies involved a carefully managed strategy to reduce public sector employment without affecting the key services of Government. Under a Liberal Government, we did not have massive hospital

queues as we have at present. We will not have a serious deterioration in standards of education, as we have under this Government.

Whilst we have been in Opposition, we have also called for the future policy directions which this statement now acknowledges at the very last hour that it has in office. At the 1985 election, the Liberal Party released an economic statement spelling out how we could achieve an export led diversification of our economy. An important element of that policy was more flexible work practices through a genuine partnership between employers and employees to encourage our businesses to become more productive. In 1985 it was the Liberal Party that had the courage to put the issue of asset sales on the agenda. At every opportunity, Labor misrepresented our policies. Labor has wasted eight years in facing the challenge of economic reform in South Australia. Now, all South Australians must pay a very high price indeed.

South Australians hoped that this Economic Statement would give a new confidence in the economic future of our State. To do this, it had to achieve three things: it had to stimulate economic activity and start creating jobs; it had to reduce the State's debt significantly; and, finally, it had to ensure that the essential Government services to the community, such as education, health and community safety, are not diminished. This statement has failed on all three objectives. South Australia's fundamental problem is that our economy has sharply declined over the past three years. To the end of June 1992, the real decline was 10 per cent in two years alone. At the same time, our State debt has risen dramatically, due to the State Bank and other disasters. These two key elements, the economy and our debt, must now be the focus of our policies for recovery. However, the proposals in this Economic Statement designed to stimulate the economy will not reverse the trend of continuing decline.

The desire to expand exports is commendable, but the two programs listed are superficial compared with the more fundamental problems. It is just unfortunate that the Minister of Business and Regional Development, who raised this matter a moment ago, is not in the House to hear my response, because he will be acutely embarrassed when he hears the detailed facts.

Members interjecting:

The Hon. DEAN BROWN: Yes, they have all left. They are embarrassed by what their Government has laid down in the Economic Statement. The Government must have policies which encourage all existing companies to be more competitive, especially for export markets, and to ensure they are viable. Instead, under this Government, they pay the highest business taxes in the whole of Australia. A company struggling to survive under the burden of rising Government taxes and charges and unnecessary Government regulation does not have the opportunity or resources suddenly to turn to export markets. More must be done to lift productivity, to reduce Government taxes and charges, and to remove the burden of Government regulation. With the across-the-board reductions in Government employment and the real reduction in budgets for hospitals and schools next year, essential services in South Australia again will be cut. The community will suffer even more.

We will not tolerate even longer hospital queues and a further lowering of standards of education.

This afternoon I want to set out the parameters for an alternative approach which the Liberal Party believes should have been taken. The borrowing which pushes up our debt is deferred taxation. Governments that borrow too much, particularly when it is to pay for day-to-day operations, simply push responsibility for their funding as far into the future as possible. The point of desperation has been reached when you borrow to pay the interest on your debt, as this Government has been doing since 1990 and proposes to continue doing until 1996.

This Government has deliberately attempted to obscure the implications of its 'spend now and pay later' strategy. However, the size of our debt now means that people readily understand it is a burden which will haunt their children for a long time unless it is brought under immediate control. We spend almost \$2 million a day on interest payments on our State debt and, by 1996, despite the Economic Statement laid down by the Premier, that amount will increase to almost \$3 million a day in interest payments, yet this Premier stands up and says that he has the solutions to our debt problem in South Australia.

An honourable member: He is the problem.

The Hon. DEAN BROWN: He is the problem. This Government's Economic Statement fails to meet the objectives of controlling debt. It proposes to leave South Australia with a public debt of \$7 000 million dollars in 1996. The Government estimates this level of debt will be equivalent to about 22 per cent of the gross State product. This remains too high to achieve a lift in South Australia's credit ratings. Those ratings are important to regenerate investor confidence in our State, and they are important to attract new investment to our State. We will not regain the highest credit rating unless we can reduce our public debt below 18 per cent of our gross State product.

This will be the aim of the next Liberal Government. To achieve it we will do two things: there will be some additional asset sales, and we will have the policies to stimulate export growth and economic recovery to accelerate economic growth. The combination of these policies will significantly reduce the drag of public debt in our economy. Any program of asset sales must be carefully managed. Assets, like the State Bank, have been built up by the people of South Australia over a very long period. I was one of those who had their piggy bank with the State Bank and it is very dear to the heart, as I know it is to so many other South Australians. We cannot afford to burn them in a fire sale: to allow them to go at prices much below what could be realised with a properly managed approach.

The Liberal Party is concerned that this is what is happening in the so-called bad bank at present. We do not believe that the Government has had sufficient expertise to manage and sell the assets of the bad bank to achieve the maximum return. A Liberal Government will take a new approach. We will establish a South Australian recovery program, under which we will appoint a specialist group to advise a Liberal Government on a program of better management and rationalisation of our Government assets.

Under our South Australian recovery program we will, first, maximise benefits to South Australians from the use and sale of suitable Government assets; ensure that any asset sale program is directed towards accelerating debt reduction and encouraging economic recovery, which is the other key component; ensure that the Government receives maximum benefit from the assets it does own. For example, there are considerable real estate and other assets in the bad bank which could be more effectively managed to ensure that the ultimate loss to South Australia is reduced.

Under our program it will be the target of the next Liberal Government to reduce State debt to approximately \$6 000 million dollars by the end of its first term through careful asset management, sales and realisation. Any additional assets sold would be three or four years from now and would occur only after consultation with the broad community. Can I add, before this Government tries to go out and create a fear campaign, that Housing Trust tenants would not be affected by this program. Through this—

Members interjecting:

The Hon. DEAN BROWN: I hope that the Premier has heard that assurance. Through this we would aim to regain the State's AAA rating by 1997. In turn, this will significantly reduce the cost of our borrowings and, in addition, reduce our interest payments funded by the budget by about \$110 million dollars a year at present rates of interest.

Ironically, in addressing the issue of debt and asset sales, a policy of more asset sales and accelerated debt reduction by \$1 000 million dollars could achieve all of the Government's proposed savings on recurrent expenditure with a further 3 000 jobs in the public sector. In other words, the Premier has said his job cuts will save about \$100 million a year and yet, if they had adopted another approach of cutting our debt by \$1 000 million dollars a year, they would have achieved exactly the same savings through the savings on interest payments. In reality a mix of these two policies is needed to achieve the strategy of debt recovery and to stimulate economic activity.

A far greater program for assisting industry must also be a key part of this new policy mix. The Government's policy mix is clearly wrong, and just look at the reaction of the private sector to the Premier's Economic Statement.

Members interjecting:

The Hon. DEAN BROWN: And the public sector, too.

An honourable member interjecting:

The Hon. DEAN BROWN: As we all know, the private sector has been very cool in its reception of the Economic Statement—in fact, not only the private sector but also the unions, as well as the journalists, who have commented upon the Economic Statement. They all lost interest within one day. There was hardly any mention of it in the *Sunday Mail*, and quite clearly those who did comment upon it were very critical of it.

Immediately on taking office a Liberal Government will review all job cuts already in train. We are concerned that the Government has adopted a cut and slash policy. Labor's future budget targets are based on shedding a further 1 500 jobs in the next two months

with a further 1 500 jobs to go over the following 12 months. A Liberal Government will not go beyond the 3 000 jobs proposed under the present Government. We will place a priority on maintaining services in essential areas. Where cuts are proposed in core services, they will be immediately reviewed by a Liberal Government. This review will be undertaken in full consultation with public servants and their representatives.

I have said that the proposals in the Economic Statement are superficial. The enterprise zones will do little for the unemployed in Port Augusta, Port Pirie, Mount Gambier, the Riverland and other regional centres. The Government proposes allocating \$8 million dollars for export initiatives in 1993-94, and in allocating this money I suspect the same thing will occur as occurred in the current financial year: they will spend only about half the money, as they did with their promised allocation of \$40 million at the beginning of this year.

This \$8 million for export initiatives in 1993-94 includes the opening of the office in Jakarta. The strategic export development scheme—and I notice the Minister of Business and Regional Development has not yet bothered to come back into the House because I am answering very specifically the matter he raised in Question Time today—proposes grants of up to \$500 000 to individual exporters. It is clear that the number of companies to benefit from this proposal will be very limited. For example, it would only take 16 companies to successfully apply for the maximum grant to exhaust all of the funds available, without even allowing for the office in Jakarta.

A Liberal Government will fund a comprehensive program for export development which tackles more fundamental problems faced by all potential exporters. Full details of this program will be announced before the election. In developing its export policies this Government has attempted to copy certain initiatives of Austrade. I have drawn attention to this in describing the proposed strategic export development scheme as superficial. The Government says this will be complementary to Austrade's scheme, the international trade enhancement scheme, but this scheme has not achieved the anticipated success because it is too specific about the size and scope of projects which it is intended to help quite specifically and financially. For example, it requires the exporting company to put up something like \$100 000 towards a specific project before the company can qualify for assistance from the Government under the scheme. Only large companies have this kind of financial backing. It also requires the money to be repaid if the exporter is successful.

The export market development grant scheme (EMDG), which has been scaled down in recent years to make way for the trade enhancement scheme, allowed smaller companies to develop export projects to qualify for assistance. It was and still is a very good scheme. It was this Government which in 1984, I remind the House, actually abolished the export bridging finance scheme which complemented the Federal EMDG scheme. So, it was this Government which cut out the benefit provided under the State budget that enhanced the excellent EMDG scheme.

Under the EMDG scheme a small company could embark on export initiatives in any country and accumulate sufficient export credits to justify a payment from the Government, regardless of whether or not the export drive was successful. The companies with which I was associated did receive export development grants before and during the time I worked with them to assist with our successful export initiatives. I have no embarrassment about that whatsoever. What I said to the Minister was that those companies had not received a single dollar from the scheme that he is now mirroring at a Federal level—not one single dollar. As I pointed out last week, they did not receive any assistance whatsoever under the trade enhancement scheme, for the reasons I have just outlined.

Yet the Minister still does not have the courtesy to come into the House and face the truth. The State Government has based its initiative on that trade enhancement scheme, much to the embarrassment of the Premier, who obviously has been misled by his Minister. The Government's personal attacks on me and its misrepresentation of my statements about export assistance programs highlight its acute sensitivity to its failures in this very vital area.

Earlier I read out what the Government had claimed it would achieve in terms of expanding exports ever since about 1985. In the private sector since 1986 I achieved more in expanding markets for South Australia in China and North-East Africa than this Government has done with all the resources it has at its disposal. In Ethiopia alone I was personally involved in securing at least 10 contracts, while this Government lost its only potential contract, worth more than \$5 million, involving the failed remote sensing venture. What an embarrassment that is to the Labor Government of South Australia! A client says, 'We want to award you a contract', yet the Government absolutely stuffed the negotiating stage. Even though our company offered to help with the negotiations, they turned down that help. That is the sort of embarrassment that this Government now faces on the export market.

In China I established a number of contracts which are ongoing and very successful. Two of those alone were worth \$9 million. This Government's attempts in China since 1985 are yet to secure it a single major contract, despite its huge resources and the hundreds of thousands of dollars that it has spent in that country.

Members interjecting:

The Hon. DEAN BROWN: It does not have one major contract in China yet. I would be happy to have my record in exporting over the past six years compared with the record of this Government, with its almost 100 000 employees and the millions of dollars worth of resources it has pumped into export. While I was achieving export growth for South Australia, with a very small company, this Government dithered. For example, the Economic Statement mentions the Riverland. The fundamental problem for that region is the failure of the Government to rehabilitate the irrigation areas. Detailed plans for such rehabilitation were put to the Government a long time ago but it failed to act. In addition, the Government has been slow to act on a strategy to strengthen the citrus industry. It has had for more than a year a regional marketing study with a massive number

of recommendations for it to adopt for the South-East horticultural industry, but only one or two of those so far have been implemented.

It is very important that the primary industries of South Australia play a key role in the economic recovery of this State. The present Premier was the very Minister, from 1985, who was directly responsible for assistance to industry and exporters. The facts stand that he has clearly failed, and Labor has failed. Labor has failed to maintain an economic environment in South Australia that is conducive to private investment and job creation. A Liberal Government will give South Australia this very environment.

Other policy directions we will take will include: fairer and quicker zoning, planning and environmental approvals; and a comprehensive program to remove regulations that are not necessary or can be simplified, including streamlined and less burdensome licensing of industrial activities, professions and occupations. The Economic Statement proudly boasts that the Minister of Business and Regional Development will open a one-stop shop for business licences on 19 May this year. That will be almost eight years since this Labor Government first promised, at the 1985 election, that one-stop shop—almost eight years to open just one shop for business licensing in South Australia. Here is the man who is responsible for economic development in this State and he cannot open a one-stop shop in eight years. That is why this State is falling well behind the other States of Australia.

Members interjecting:

The Hon. DEAN BROWN: It is one of the few achievements that it has made, after eight years. What has happened to the MFP? After three years the Government has just appointed the Chief Executive Officer of the MFP. It took the Government 21/2 years to appoint a board. Having bungled that project so badly, it now has lost the confidence of the major companies that were looking possibly to invest in the MFP project. That is how serious the situation now is for South Australia. I could go on, hour after hour, about the economic failures of this Government and in particular about the economic failures of the Premier, the man who has had this role for the last eight years and who has let South Australians down so badly. The 90 000 who are unemployed hold this man, our Premier, fully accountable for the lack of economic development in this State and the fact that we are lagging behind the rest of Australia.

Members interjecting:

The Hon. DEAN BROWN: The policy directions to which I have referred so far are long overdue and are now essential in this State.

The Hon. LYNN ARNOLD: On a point of order, Mr Deputy Speaker, the member for Victoria has made an allegation by way of interjection to which I object.

An honourable member: What was it?

The Hon. LYNN ARNOLD: He made an allegation that I burned the flag. As I have said in a previous personal explanation to this House, that is a totally untrue allegation, as members on his own side can confirm.

The DEPUTY SPEAKER: Is the Premier asking the member for Victoria to withdraw?

The Hon. LYNN ARNOLD: Yes, I am.

The DEPUTY SPEAKER: The member for Victoria.

Mr D.S. BAKER: No, I won't withdraw, Mr Deputy Speaker.

The DEPUTY SPEAKER: I am afraid that I am not in a position to force anyone to withdraw. But if the allegation was made—

Mr D.S. BAKER: No such comment was made about the Premier, Mr Deputy Speaker.

The Hon. DEAN BROWN: The policy directions I have referred to so far are long overdue and are quite essential for this State. At the same time the Government must have as its unshakeable foundation an approach to governing this State which recognises that the problems we have are firmly rooted in the processes of Government itself. Labor's abysmal standards—

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: Labor's abysmal standards, Labor's lack of accountability, have encouraged unethical behaviour by others as well. We have to look no further than the performance of the State Bank to see that. This has occurred because Executive Government has refused to be accountable. A Liberal Government will free Parliament from domination by the Executive. A Liberal Government will free the people of South Australia from the threat that Executive Government can mislead them and maintain secrets about what it is doing in their name and with their money. To be effective in holding the Government to be accountable, Parliament must be fully informed at all times about the Government's policies, about its financial and other targets, and about its performance in meeting those targets. A Liberal Government will ensure that this occurs.

Immediately on coming to office, a Liberal Government will appoint an audit commission. The Auditor-General will be invited to be one of the members of that audit commission. This commission will establish and explain the conditions of the State's finances. It will further examine targets and options for long-term debt reduction, enhanced by the role of the South Australian recovery program in ensuring effective management of assets and their sale. The full terms of reference for our audit commission will be announced, I assure the House, before the election. Within a year of its appointment the commission will report fully to the Parliament and the public, as well as to the Government. Nothing will be hidden. A Liberal Government will, within a year of taking office, present the Parliament with a three-year financial plan for Government activities. This will take into account the immediate findings of the Audit Commission about the State's financial position.

The plan will be updated annually by the Government and released at least three months before the introduction of the budget so that Parliament and the public are better informed about the State's financial outlook. This process will allow the public and members of Parliament acting on the public's behalf to make sensible suggestions about budget priorities while at the same time giving them an understanding of the constraints within which the Government must operate. The plan will incorporate realistic commitments to control spending, taxing and borrowing so that, ultimately, we achieve a truly

balanced budget. We will announce a full policy on these and other parliamentary reforms before the election.

In this process of reform, the role of Cabinet must become more open and in touch with the community. A Liberal Government will institute arrangements to allow outside input into the highest levels of Government decision making. This commitment acknowledges that sound government requires a much broader input of management and other skills. These moves will be designed to further free the people of South Australia from secret, unaccountable government. They are also designed to ensure a strategic approach to policy across the whole of government. In developing this, we want to enhance the performance of the public sector.

A Liberal Government will lead by example in encouraging South Australia to become more internationally competitive. We will work with public servants to set the benchmark of best international practice in the provision of all services. I have raised the issues of parliamentary and Cabinet reform in my response to the Economic Statement because these reforms are essential to ensure that South Australians are never again faced with the unnecessary challenge of cleaning up gross Government financial incompetence and mismanagement. South Australians must be able to impose on their Government the discipline to be continually accountable and to avoid making massive financial mistakes.

A Liberal Government wants to give many more South Australians the freedom to participate in the political process and to seek to influence the decisions which affect them in their daily lives. Ministers will be required to consult with community groups much more broadly than this Government has done before legislation is introduced into this place. It is time we established a genuine partnership between the community and Government to put this State on the broad road to recovery. This is essential if we are to restore respect for the important role of the Government in our lives. Labor has destroyed this respect because it has breached its trust with the people of South Australia. I propose to illustrate that point by showing in more detail how none of Labor's economic plans has worked.

At the 1985 election, Labor told South Australians that our recovery is a reality, that it is all coming together. In its policy speech, Labor listed as its first key initiative the creation of South Australia International to spearhead a new drive for exports. All this was also detailed in a glossy report, which was paid for by the taxpayers. However, South Australia International was never established. It became yet another Labor broken promise. At the 1989 election, there was another glossy booklet from Labor. It was called 'Securing the Future', and it again identified export growth as the highest priority in economic development. That rhetoric must sound familiar to even you, Mr Speaker.

The SPEAKER: Order! What did the Leader mean when he said 'even you'?

The Hon. DEAN BROWN: I was not trying to reflect on you, Mr Speaker. I was highlighting the fact that to all of us—and I was appealing to you—this rhetoric sounds so familiar. There was more talk of new directions in 1989, but nothing else. In March 1991,

Labor released another plan—a nine point plan—in which it promised:

The Government has a nine point plan to develop the State's industrial base. It focuses on increasing our export potential.

It promised microeconomic reform, on which South Australia now lags behind the whole of Australia. It promised new infrastructure with an information utility which, it has just been announced, has failed. It promised to give greater priority to the MFP 'as a vehicle for attracting overseas investment capital', but as we all know not a single dollar of investment has been made in the MFP. Labor promised a review of State taxation, but all Labor has done is to further increase taxes and charges, and we have seen that again this year and more particularly last year. It promised to reduce workers compensation premiums to nationally competitive levels, but we retain the highest premiums in Australia. Last year, we had yet another plan from Labor. In June 1992, Labor announced 'a major strategic program of initiatives to set a new course and vision for all South Australians'. The promise was:

Today's initiatives are not a quick fix for this State, but they are major and mark a turning point in establishing a new vision for South Australia.

I ask members to note that expression 'a turning point for South Australia'. That very comment is made again in this Economic Statement. In following up the 1992 so-called economic plan, the present Premier made an announcement in August last year that 'the South Australian Government has committed itself to implementing major changes to transform the State's economy by the year 2000.' Yet another grand announcement and yet another grand plan from Labor. He said that a crucial element of the strategy was the appointment of an Economic Development Board, and he promised it would be in place by September last year. The fact that the Government dithered for a further six months before appointing this board is typical of its performance in economic management. If Labor had put more energy and enterprise into developing and implementing sound economic policy and less into publishing glossy reports full of promise, South Australia would be much better off.

Just as the former Premier was dazzled by Mr Marcus Clark, this Government has been dazzled by its own rhetoric, but the people of South Australia are not to be fooled. This Government has been very long on setting perceptions but very short on performance. The present Premier must accept a major share of that responsibility. He has been a senior economic Minister since 1985 and he was the Minister responsible for establishing South Australia International. Ill-conceived as that promise may have been, the Government's failure to do anything about it shows just how much it has been about perception rather than performance. The present Premier, when Minister of Industry, Trade and Technology, said in August 1986:

South Australia's economic survival rests on two broad requirements: a widening of the economic base away from heavy reliance on any one sector and an upgrading and revitalisation of South Australia's existing manufacturers. Both of these thrusts must be linked to export markets in order for any real economic growth to be achieved in South Australia.

In December 1986, the present Premier said:

Australia's balance of trade position was critical and each State had to adopt a more aggressive attitude to break into and develop export markets. The establishment of a program solely to rev up the State's export drive, together with a substantial increase in funding, should give South Australian export industries extra impetus to go out there and sell. The Department of State Development had identified 13 separate export industries for priority assistance under the program and was using expertise from private and Government sectors to develop marketing strategies.

More than six years later, the Premier is saying exactly the same thing. In the latest Economic Statement, the Premier said:

The new international business development initiatives resulted in the conclusion that the State was far too inward looking and needed a dramatic improvement.

The Minister who was responsible for that area is now admitting that he has failed this State for the past six years. Under Labor, we have wasted years in achieving economic diversification through export growth. Members do not have to accept my word for this, they need only read the Arthur D. Little report, which was commissioned by the Government. I ask members to read what it had to say about the Government's performance in economic development. It said that Labor:

...has not seen the need to implement an industrial policy that fundamentally addresses economic restructuring...by and large, the policy has been one of 'shooting any bird that flies past', rather than planning for the future economic well being of the State—which gives thought to both attracting strategic industries as well as to nurturing and fostering local businesses.

Now we have the Premier promising yet another new start and another new direction. Under Labor South Australians have had so many false starts that they have run out of patience. Labor has driven our economy backwards. We have lost our national reputation for being an enterprising and creative State, because we have had a Government that has believed that words, promises and rhetoric are the fuel of economic growth—not sound policy. Labor does not deserve another start. It must be driven out of office.

Labor's failures in economic policy are reflected in the fact that on virtually all the leading indicators South Australia is falling further behind the rest of Australia. We have 8.3 per cent of the nation's population, yet we currently account for only 7 per cent of the gross national product. Our share of Australia's exports is now only about 6 per cent. We attract only about 5.3 per cent of private new capital investment. These grim trends raise serious questions about the assumptions the Premier has adopted for meeting the financial targets in his Economic Statement, which assume real growth in revenues generated by accelerated economic recovery.

The Premier assumes that employment growth will almost double, despite the further significant public sector work force reductions. He is expecting the growth rate and the gross State product to increase by 50 per cent next financial year compared to the increase this year. At the same time the Economic Statement admits that any South Australian recovery will be sluggish and that unemployment has not yet peaked. Asset sales of \$2 billion are necessary to meet the debt reduction target.

However, based on market values in the latest Auditor-General's Report the Government stands to receive at most \$600 million for those assets it has identified for sale other than the State Bank.

This means that the Government must be able to achieve a sale price of \$1.4 billion for the State Bank. Where is the banking or financial analyst who would support such an assumption? Otherwise, there is a \$400 million hole in the asset program that the Premier has put down. The budget targets for 1993-94 and the following two years are based on a reduction of 1 500 Public Service positions by the end of this financial year—in just eight weeks—with the rest to go next financial year. It is highly unlikely that there will be such a swift take up of the new voluntary separation packages being offered, putting in immediate doubt the Government's ability to achieve its spending reduction targets for next financial year. Other serious doubts arise from the declining trend in SAFA's contribution to the budget, and increasing uncertainty about Commonwealth revenues to the States.

As I pointed out last week, there is a difference of more than \$430 million between the revenue the Government estimates it will receive next financial year and the spending levels for 1995-96. The Government has failed to explain how it will make up this gap, which will require a rise of almost 11 per cent in revenue over the next two years. While it has published forward estimates of spending, the Government has failed to provide forward estimates of revenue even though the Auditor-General has been urging that since 1987.

The failure to provide this information and the uncertainties about future revenues lead to only one conclusion: the debt and budget targets for 1995-96 cannot be achieved without a further significant increase in taxation. That is where we come to the ogre of death duties being reintroduced by the Labor Government as soon as it possibly can. We heard only about a week ago the industrial arm of the Labor Party advocating the reintroduction of death duties.

In 1990-91 net interest payments in the budget for the State's debt were just over \$465 million. This was 12.4 per cent of departmental spending. By 1995-96 net interest payments will be \$942 million, about 21 per cent of departmental outlays. This increase of almost \$500 million equates to the amount of spending the Government is cutting out of hospitals, schools and other services. Members can see that the Government is transferring money directly out of those essential Government services straight across to pay the additional interest bill due to the increase in debt.

Standards of service are now being cut to pay for this Government's financial mistakes, and yet another mistake is highlighted in these trends on interest payments. The Government has locked in borrowings at high rates of interest. The common public sector interest rate will be 11.75 per cent next financial year according to the Economic Statement. This is the highest interest rate payment of any State in Australia. By comparison, in Victoria statutory authorities can currently borrow for as low as 6 per cent short term and 8.5 per cent longer term. I remind the House that here in South Australia we are paying 11.75 per cent.

Even if the Government's targets were met, it would mean that the recurrent budget would have to be in deficit from 1990-91 until 1995-96—for six years. Over the next two years the Government will be borrowing another \$400 million to pay wages, interest and other day-to-day costs, bringing total borrowings since 1990 to fund recurrent expenditure to almost \$1 000 million. The Auditor-General warned against this practice in his annual report last year, stating:

...any Government that consistently borrows to finance its recurrent expenditures will create a financial burden for the future thereby reducing flexibility to manage existing programs and constraining its capacity to introduce initiatives.

This Government cannot be trusted to meet its promise to balance the recurrent budget by 1995-96. Over the past three years the recurrent deficit has exceeded budget targets by almost \$200 million. Already, almost \$600 million has been borrowed to fund the day-to-day costs of running Government since 1990-91. This Government has given South Australians no reason to believe that it can reverse this trend over the next three years.

This Government asks South Australians to believe that the State Bank debt is the only reason for the budget crisis. However, the Government has failed to contain spending on its budget targets. The Economic Statement indicates that, once again, more planned capital spending has been scrapped this year to balance recurrent expenditure. Over the past three years Government spending has been growing by 11 per cent in real terms. Only one-third of this can be attributed to increased interest payments on account of the State Bank.

The failure to control spending imposes further pressures for tax increases. During the second half of the 1980s the Government made windfall gains from stamp duties and land tax. However, when the property market bubble burst four years ago the Government failed to manage its spending and, instead, resorted to higher taxes and borrowings. The Government claims in its Economic Statement that 'South Australia has traditionally been a relatively low taxing State.' This Government started from a low base. The last Liberal Government reduced State taxation in South Australia to the lowest in Australia without any of the massive dislocation to the public sector now being imposed. However, since 1986-87 State taxes, fees and fines in South Australia have risen by 23 per cent. This is the highest increase of all the States: almost 9 per cent above the average for the States and more than double the rate of Western Australia.

As a result of tax increases imposed in the 1990 and 1992 budgets, the Government is taking from the private sector an additional \$340 million a year in taxation. This equates to the loss of 9 000 jobs in the private sector. Despite these tax increases, despite the loss of the State Bank and despite the cut of more than 8 000 public sector jobs since 1990, South Australia's debt position by 1996—under this Labor Government's plan—will be no better than it was at the beginning of this financial year. This underlines the magnitude of the Government's financial failures. The Economic Statement is all pain and, frankly, no gain for South Australians. It represents just a further instalment on the Labor legacy of financial incompetence and mismanagement.

South Australia's recovery depends on having a Government that gives priority to policies to regenerate investment and create jobs in South Australia; to reduce the burden of taxes, charges and regulations, particularly on business; to limit the burden of Government borrowings and other liabilities; and to contain debt and taxation in a way which does not reduce the quality of essential Government services—in fact, we should improve those services. A good Government must be able to pass one test that is as simple as it is fundamental, and that is, surely, to leave the people of South Australia and the State much better off. Labor, overwhelmingly, has failed this test. Once again, this statement does not meet the challenge. After more than 10 years of Labor Government, most South Australians are asking themselves this question: is there any hope for our State to get out of this mess? Let me assure them that the answer is 'Yes', provided the State has a Government of capable economic and financial managers. Only a Liberal Government will meet the challenge to give South Australia a realistic recovery program through honest and caring Government and lead us from the bleak past into the future.

The Hon. T.H. HEMMINGS (Napier): I must confess that I did not listen to all that the Leader of the Opposition said, but I did hear the past 15 minutes and I saw every member opposite listening to his speech. I was not able to distinguish those who sat there looking at him with adoring eyes, those who looked at the Leader with complete loathing and those who were unable to keep their eyes open. In fact, the only time—

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

The SPEAKER: Order!

The Hon. T.H. Hemmings interjecting:

The SPEAKER: Order! The member for Napier has been speaking for only one minute. However, I remind him of the need for relevance in his speech. There is a point of order by the member for Hayward.

Mr BRINDAL: Sir, you have anticipated my point of order. I was going to ask you to rule on relevance.

The SPEAKER: I take it that the honourable member is satisfied. The member for Napier.

The Hon. T.H. HEMMINGS: As you correctly said, Mr Speaker, the clock shows that I am only one minute into my speech. I would like to ask all members in the Chamber how much of the whole of the Leader's contribution actually dealt with the Economic Statement. I suggest that there was only about 15 minutes; so, if the member for Hayward wants to question me after one minute on whether I am actually talking about the Economic Statement, I suggest that he sit down and listen, because I now have 18 minutes in which to talk about the Economic Statement, and I urge all my colleagues to speak for the same length of time. Most members opposite were either comatose or embarrassed about the position in which that man—their Leader—has placed the Liberal Party at this precise time. What the Premier has said in his Economic Statement, in his message to the people of South Australia, about meeting the challenge is exactly what the Leader of the Opposition and other members have been urging.

Mr S.J. BAKER: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

The Hon. T.H. HEMMINGS: What the Premier said last week in his statement to this State about meeting the challenge is exactly what the Leader of the Opposition and his cohorts have been urging this Government to do for the past 18 months. So, I would have expected the Leader to say something in his speech that recognised what the Premier is asking the community of this State to accept. But, no, everything that he said was negative, from start to finish. I go back to what I said at the beginning: we saw full benches on the other side with members opposite having to cop it and listen to it when every one of them is smarting under the latest Kennedy epistle which talks about the state of the Liberal Party under Dean Brown.

Alex Kennedy has said exactly the same thing as I am saying: that one would have expected that, as a result of what the Premier outlined to the House last week, there would be at least some tacit agreement that the Premier was at least doing the things the Liberal Party wants. But, no, the Leader was completely negative, and that negativity is reflected in the polls. We have seen the Labor Government go from a low of 27 points to a situation where it is quite possible that it can win the next election. I am not saying that that is a fact, but it is quite possible. What is more important, we have seen the Premier in seven short months come back to being in front of the Leader of the Opposition. In fact, the over 55 age group, which traditionally has followed the Liberal line regardless of the state of the economy, now prefers the Premier to the Leader of the Opposition.

The SPEAKER: Order! The member for Napier has been speaking for six minutes. Enough time has been allowed for him to make his case. I now draw his attention to the need for relevance.

The Hon. T.H. HEMMINGS: I take your point, Mr Speaker. I will sit down quickly because I know that when I do the Deputy Premier will have me in his office. So, I must make sure that what I get on the record is relevant. But, if I can prove to the Deputy Premier that I have got the Alex Kennedy article into *Hansard*, there is a good chance that I will get off scot-free. However, I bring my remarks back to the Economic Statement. What I would have liked to see from the Leader of the Opposition—and what he should have done was to applaud the 3 000 cuts in the Public Service—was his trying to pin down the Government on where those cuts will take place. Time and again the Opposition has requested this Government to cut Public Service numbers while at the same time it has asked it to increase the number of teachers, nurses, policemen and doctors. That is what I would have expected to hear from the Leader of the Opposition in his statement.

What has happened today has proved yet again that what the Liberal Party has to offer in terms of policy is nothing. What the Liberal Party has to offer in terms of leadership is nothing. All it has is a kind of blinkered thinking that, because of the State Bank and other economic difficulties that have not only befallen this State but the whole of the country and, in fact, the world, it will win the next election. What we should have had today from the Leader of the Opposition was

the Opposition's own economic statement—where it intended to go and what it wanted us to do.

Mr S.J. Baker interjecting:

The Hon. T.H. HEMMINGS: The member for Mitcham interjects (and I know I should not respond to interjections) and says that we will have to wait. The people of South Australia will not be fooled by that answer. The people of South Australia were not fooled by that answer on 13 March when the Federal Liberal Party said, 'You'll have to wait.' I hope that, when I sit down, the Deputy Leader will stand up and give us the Liberal Party's economic statement—although I very much doubt it. The way the Premier has given his Economic Statement is a sign that at last we know where we must go in order to get out of this morass that we are in. Eventually, by the time the next election comes around, the people of South Australia will endorse that Economic Statement and endorse the policies of the South Australian Labor Party.

Mr S.J. BAKER (Deputy Leader of the Opposition): Now that we have had 10 minutes of light relief from the parliamentary joker, we can get back to the matter at hand. I will take up the challenge in terms of what is wrong because, if we understand what is the wrong, we may be able to implement policies to fix it. I would like to congratulate the Leader, because he has outlined what it is has meant to live in this State over the past 10 years of Labor mismanagement. We do not need to recall that, but the Labor Party needs to be reminded just how much it has failed. It would do the Premier and the Treasurer of this State good to read the Leader's speech, take it in and then take a whole new policy direction to achieve the changes we believe are necessary in this State.

I suppose we can give only one level of congratulation to the Government, that is, that at last it has woken up to the fact that there is a problem: it has come to fruition in the past three or four years, but it has been coming for the past 10 years. The Government has now woken up and said, 'We've turned the corner; we are making a new start; we will have a change; we will challenge the future.' Of course, it does other than that. I suppose that the Government should be belatedly congratulated for, after more than 10 years, realising that it has a problem, and it has now set about some form of rectification. I suppose if one were a member on the Government side, one would suggest that the Government had done a particularly good job of smudging at the edges or of putting forward a credible statement, but that is far from the case. As the next Treasurer of this State, I have some extreme concerns about the strategy adopted, and I will outline those concerns to the House.

I intend to look at the document that has been presented and point out to the House the grave flaws in it. I will deal first with what is assumed in this document, and it is important that we understand the underlying assumptions of the document. The first assumption is that there will be growth of 3 per cent in 1993-94, sustained by 2.5 per cent thereafter. That does not happen to agree with the national forecast: it is at least 50 per cent higher than the national forecast on what is achievable in the forthcoming year. The national forecasters also indicate that South Australia's future has

not been absolutely setting the world on fire, and our future growth potential has been downgraded to about 2 per cent. So, the first assumption in the document, which reflects on a number of items, importantly the capacity to raise revenue, is inflated.

The second assumption involves inflation itself. I note that the document indicates that for 1993-94 there will be an inflation level of 2.9 per cent—that is the best estimate—and that is deemed to be below the national level. In the Parliament today, we have heard that our inflation rate is about 50 per cent higher than that of the rest of the country. The national average is 1.2 per cent and we are on 1.9 per cent and heading into the sunset, yet the document suggests that South Australia will have a lower inflation rate than the national average.

I now refer to the more important assumptions, because they are the ones that will have a critical effect on the final outcome. After the briefing I was granted by the Treasury, I have done a few calculations; I found out that that document indicates that there will not be any diminution at all in the Commonwealth grants to this State. We know what pressure is being placed on the State Government now; we all know that the Prime Minister of this country is now heeding the request of New South Wales and Victoria on the issue of equalisation; and we know that there will be a reduction in revenue of about \$21 million from the Commonwealth next financial year as a result of changes recommended by the Grants Commission. Even if those changes do not come about because of the parlous state of our economy, there is no doubt that the stone is rolling; it is gathering moss. It has been in the system for a number of years, and it has not been recognised by the Government. So, let us be quite clear—

Mr Atkinson interjecting:

Mr S.J. BAKER: The member for Spence might as well go back to sleep, given the contribution that he has made to the Parliament over the last few years. However, if we must put up with him, at least he could be sensible about it. The issue of Commonwealth grants is absolutely critical to the future of this State, as we all recognise. Without those moneys, we do not have the capacity to survive any shocks. If we look at the estimated receipts from the Commonwealth for 1992-93, we see that, from the beginning of the year, we had \$1 579.4 million in the general purpose category and \$453.8 million in the specific purpose category. So, in other words, the Commonwealth is supplying \$2 billion to this State. Any change in that critical level of funding will have a detrimental impact on the State. I note that on page 75 of the Economic Statement there is a change in the accounting procedures. A number of specific purpose payments have been made to particular agencies and not recorded in the budget figures. So, the forward budget is very vulnerable on the issue of Commonwealth grants, and we are already seeing the slide.

The issue of SAFA has not been addressed, and I ask, 'Where is the SAFA report?' I can understand why the Government wants to keep it hidden; and I can understand why it does not want the conclusions of the GMB group to be made public, because I believe that the GMB group, the group that was hired to do the job on SAFA, will make some observations which will make the task of raising \$4 million a year from SAFA particularly

difficult. That is why we are not seeing revenue estimates beyond the 1993-94 financial year. That is why we have said, 'There is a \$430 million black hole which has not been explained. Despite Treasury briefing, it still remains to be explained.' We would like to have a look at the critical assumptions in relation to the Commonwealth grants and to the contribution from SAFA.

The fifth assumption is that the net capital contribution by the year 1995-96 will be the largest on record over the past 10 years, given the changes that are taking place in the recurrent budget. That is not a sustainable position, and the figures have obviously been fudged. With regard to the Government's record, even if the assumptions were wrong but there was a willingness on the Government's behalf to come to grips with the challenge and start right now, we would have to say, on past record, 'Fail, fail, fail!' Members may recall that the budget deficit that was forecast for the 1990-91 year was \$37 million. The actual overrun in the recurrent expenditure was \$116 million that year. In 1991-92 the budget forecast for the deficit was \$102 million; the actual outcome was \$282 million of recurrent deficit; and this year the Government has admitted that the \$158 million forecast recurrent deficit would blow out to \$183 million, even after a few sleights of hand with the capital budget which reduced the deficit further than expected.

The second issue that I will take up is the structure of interest rates in this State—I mentioned it briefly last week. The 11.75 per cent that, it is suggested, will be the prevailing common public sector interest rate for the 1993-94 year is the highest rate prevailing for any Government in Australia. The questions really remain as to how Treasury and the Treasurer of this State have managed our finances. Not only did the Treasurer count the \$3.15 billion loss of the State Bank but he made sure our debt structure was so high that there would be a legacy for future budgets. We now have the highest debt structure and the highest interest rate structure on our debt of any of the States, and that is nothing to be proud of.

Mr Ferguson: It is not as high as in Victoria.

Mr S.J. BAKER: At least in this area, the Victorian structures on debt are much lower than ours in relation to interest rates. I make the point that, if they are going to the marketplace today for short-term funds, they can obtain it for about 6 per cent. If they are going to the marketplace for 10-year borrowings, they can get it for 8.5 per cent. Even the average borrowings undertaken by the Government on behalf of the non-public trading enterprises are down to 10.2 per cent. From our point of view, it has been a disaster. The Premier's management of the State Bank has been a disaster, as has the Treasurer's management of the financing of this State.

The third point I would make about the strategy is that there is an assumption that there will be a \$220 million saving this financial year, and that will come about because of a number of changes that have already been placed in the system. There is a suggestion that between \$60 million and \$80 million will be saved because of the voluntary separation packages, even though the cost of those is estimated to be at least \$250 million, if not \$260 million. There is an assumption that the departments can absorb the increase in the superannuation guarantee, that

they can absorb any wages and that any inflation effect on the cost of goods can be absorbed. The final contributor to this \$220 million saving is a reduction in capital expenditure of about \$70 million.

It is not a credible package. There is no way in the world that that \$220 million can be met in the next financial year for obvious reasons—and they are apparent. If the Government has failed in the past three years to meet budget, with the enormous pressures on it today, how can it be expected to meet this year's budget or that of the forthcoming year? The point has been made already about the allocation of \$263 million to voluntary separation packages. I was somewhat bemused to find out that the Government intends, in the next two months, somehow to entice 1 500 employees to leave the Public Service at a cost of \$134 million, or about \$90 000 per head. That \$90 000 is probably 2.5 times the average amount that has been paid so far in voluntary redundancy packages. So, the costs of redundancies are increasing dramatically. The other \$129 million is to be spent in the next financial year involving another 1 500 employees, an average of about \$87 000 being the price of public servants leaving the public sector.

The fifth item I wish to take up concerns the State Bank and what it owes. The Economic Statement suggests that the \$450 million indemnity will be met this financial year, and for that we are grateful. However, there will be a liability of \$230 million this year and another \$170 million in the 1993-94 financial year. So, in total, we will have \$400 million in additional debt created as a result of the losses sustained by the bad bank—the GAMD. There is no provision for those. On questioning during the briefing, it was pointed out that this \$400 million would be met from the profits of the State Bank or from the tier one capital of the State Bank. Immediately we have a conflict. Part of the \$2 billion which is supposed to come off our debt is predicated on over \$1 billion being raised for the State Bank, and we know that some of the figures in here show quite clearly that the \$400 million loss has to be met out of the capital of the bank. That means its net sale price will not meet the expectations of the Premier or the Treasurer of this State.

Of particular interest is that, during the 1993-94 and the 1994-95 financial years, additional payments will be made on behalf of the State Bank package of \$150 million and \$234 million respectively. That money is going not to debt reduction but to pay for the blow-out in the budget. I did some estimations or guesstimations on what the budget position would be, given the limited amount of information that we had, plus the briefing material from Treasury. I estimated that, in each of the 1993-94 and 1994-95 financial years, we would be suffering a deficit of over \$400 million, and all the bail-out package would do is reduce the net financing requirement: it would do nothing at all for the debt program, although members could argue that, if the net financing requirement can be reduced, the money does not have to be borrowed, but that is a short-sighted analysis of the problem. The money that was to go directly to debt reduction is no longer going there, and the people of South Australia should note that the \$647 million, or \$600 million in current terms, will be frittered away on meeting the recurrent budgets.

I also point to the sale of assets by the Government, which simply failed to meet its targets over the past few years. It has fallen tens of millions of dollars short of the targets. I also draw the attention of the House to the extraordinary blow-out in the costs of servicing the debt from \$698 million to \$942 million, and people can look at that in terms of what our revenue estimates are likely to be; we are absorbing about 50 per cent of our self-generated revenue in meeting the net interest rate.

This economy is being strangled and suffocated by this Government. Whilst the Government has recognised that it has a problem, it simply has not recognised that the measures it is putting in place are basically flawed. To

give some dimension to the problem, I refer to a book produced by the IPA entitled 'Reform and Recovery. An Agenda for the New Western Australian Government'. In this excellent document, which I recommend as basic reading for all Parliamentarians, particularly given the challenges that this State faces, a table appears. I draw the attention of the House to the table on page 58, and I seek leave to have it inserted in *Hansard*.

The SPEAKER: Does the honourable member give the assurance that the table is purely statistical?

Mr S.J. BAKER: Yes, Sir. Leave granted.

Table 3.5: Key Credit Indicators, Australian States, June 1991

	NSW	Vic	Qld	WA	SA	Tas	Six states
Net Debt—							
Per capita \$.....	3 624	7 792	2990	5315	5 381	7 582	4 772
% of GSP.....	15.9	28.9	15.4	22.6	27.3	40.2	21.6
% of Budgetary Revenue.....	71.7	141.4	50.4	93.1	99.2	138.5	90.9
Net Interest Payments—							
% of Operating Revenue.....	8.9	18.2	5.7	11.8	9.6	13.4	11.0
Contingent Liabilities as % of GSP—							
State Financial Enterprises.....	14.0	5.5	7.7	24.2	104.0	13.7	18.7
Unfunded Government liabilities	11.4	18.6	0.0	10.6	11.5	12.0	11.6

Source: S&P Australian Ratings, *Monthly Ratings Bulletin*, April 1992

Table 3.6: Operating Budget Indicators, General Government Sector, 1990-91

		NSW	Vic	Qld	WA	SA	Tas	Six states
Operating balance*	\$m	218	-806	957	74	-76	17	384
per capita	\$	37	-183	326	45	-52	37	23
% of op. expenditure*	%	1.1	-5.9	11.7	1.3	-1.5	0.9	0.7
Own—purpose op. expenditure*	% ch	10.6	5.7	8.9	6.8	7.7	5.0	8.2
Own—source op. revenue*	% ch	6.5	-0.1	6.6	2.1	10.1	9.4	4.7
Net interest coverage	X	1.2	0.4	3.7	1.2	0.7	1.1	1.1

Source: S&P Australian Ratings, *Monthly Ratings Bulletin*, April 1992

* Note: excludes extraordinary transactions

Table 3.7: Financial Indicators, PTE Sector, 1990-91

		NSW	Vic	Qld	WA	SA	Tas	Six states
Cost recovery ratio	%	218	-806	957	74	-76	17	384
Net interest coverage	X	37	-183	326	45	-52	37	23
Internal financing ratio	%	1.1	-5.9	11.7	1.3	-1.5	0.9	0.7
Debt payback period	yrs	10.6	5.7	8.9	6.8	7.7	5.0	8.2
Dividends/operating revenue	% ch	6.5	-0.1	6.6	2.1	10.1	9.4	4.7

Source: S&P Australian Ratings, *Monthly Ratings Bulletin*, April 1992

Mr S.J. BAKER: I would like to take some of the more important items out of that table because they are quite stark. If we look at the key indicators and the details of the net debt in 1991—and it has just ballooned since that time—we see that South Australia's net debt *per capita* was \$5 381 compared to \$4 772 for the six States. Its percentage of GSP was 27.3 on debt compared to 21.6 to the national average.

It goes through a large number of other pieces of information which shows the dramatic decline that has

taken place in this once proud State. It also stresses the level of commitment necessary in Western Australia, which has got a strong growth economy, to put its economy and finances back on the rails. If we look at the Western Australian document, and then look at this flimsy attempt entitled 'Meeting the Challenge' that we have just seen by this Government we realise that there is no hope for South Australia unless we get rid of the Government.

Mr OLSEN (Kavel): It did not take me long to decide that 'Meeting the Challenge' is a very interesting document indeed. The Premier claims that it sets his agenda for the State for the next three years. Well, he is only half right. It definitely sets an agenda but it is not his agenda. It is a Liberal Party agenda and ideology, and in that context it is an absolute admission of Labor policy failure.

The Arthur D. Little report said last year that the Bannon decade had been a wasted decade: a decade wasted of opportunity for South Australia and South Australians. The Government failed to succeed in what it promised to this State, and that legacy of failure is an \$8.1 billion State deficit. I do not actually believe the Premier went to sleep one night, worrying about his Party's mountain of failures and the deficit, and woke up a Liberal but forgot to tell his Party he had changed his views. It is far more cynical than that.

The scenario is that with John Hewson's policies not electorally successful, and therefore consigned by some to a cupboard somewhere, this Labor Government has lost the use of what it desperately needed and what it had planned as one of its best weapons for this coming election campaign: fear. It has no GST and no industrial relations policy on which to generate a fear campaign. The Premier has lost the teeth from the campaign—his scare tactic election campaign. So what does he do? He cannot have an original thought; that would be almost too complex an undertaking. That is cancelled out immediately. So he tries some recycled thoughts, and they are mainly Liberal ones, given that none of Labor's have been found in this State to have worked. It is clear his view has been that, if he walked straight down a centre policy path, he could force the State Liberal Party off to and away to the right.

If he was not prepared to move to the right, which he can hardly be surprised to hear (and we are not), he can at least attempt to neutralise us by embracing our traditional policy domain, and with both Parties seeking central ground he is probably attempting to make sure similar policy directions mean that we will cancel each other out in the electorate's mind, especially in the media blitz of an election campaign. This is what this document is about. It is clearing the decks for the election campaign; it is setting the strategy for the election campaign.

I actually believe that a few years ago he could have got away with such a cynical opportunistic plan, but that was before the South Australian electorate stopped listening to Labor's hollow, discredited ideology. There is only so much pain a State can take at the hands of a Government, and I have no doubt that South Australia has suffered more than enough under Labor. That is why the opinion polls on voting intention clearly keep indicating a very significant win for the Liberal Party come next election day.

The electorate will not be at all deluded into believing that bad Government is suddenly good Government because the Premier has released a statement called 'Meeting the Challenge'. Labor has been missing meeting the challenge for the past decade. It is a bit much to expect anyone to believe that it has stumbled across it now. The Premier may have changed; that is true. We see a new Premier sitting in the seat, but it is mainly the same tired, old faces in Cabinet, and they have not had many success points of which to be proud in their report cards.

If one makes an assessment of the decisions made and the policy direction in which this Government has taken

South Australia, one sees that there are not too many points of which to be proud. They have sat around that Cabinet table for more than a decade together making the wrong decisions, pushing the debt, State charges and unemployment up and business and investor confidence down. Take the analogy of perhaps a criminal: time after time committing a crime, he learns no lessons, despite the evidence of his mistakes, being obvious to every one, including himself. Do we really believe him later, after years of compounded mistakes, when he claims he has seen the light and that he will now meet the challenge of going straight, or are we entitled to be more sceptical at his sudden supposed new found wisdom?

It would hardly be surprising if the electorate were not feeling the same way about Labor's conversion and sudden interest in getting it right. Let us take some of the points in the statement of which the Premier is so proud. I must tell the Premier that I was proud of many of them, too, when as Liberal Leader I released them in policy documents on behalf of the Liberal Party in the 1985 and 1989 State election campaigns.

Nick Greiner was rather attached, too, I am sure, to those of his policies that the Government has borrowed, as are Jeff Kennett and John Fahey. Collectively I am sure. I can speak for my friends and colleagues interstate and say that we would do anything we could to help in a crisis, but we would have liked to receive a bit of credit where it was due. I assume that the plan the Government borrowed from John Major in the U.K. to develop a citizens' charter he was happy to lend to the Government also. Interestingly, I had difficulty finding anything that the Government has borrowed from Wayne Goss, Joan Kirner or Carmen Lawrence. Isn't it interesting that it is the conservative Governments around this country and overseas from which the Government has borrowed policy initiatives, but they remain absolutely silent on any of the policy initiatives of Wayne Goss, Joan Kirner or Carmen Lawrence. So forward goes the South Australian Labor Government pinning its election hopes on many policies of its Opposition not just here but interstate and overseas.

Did the Government really consider no-one would notice? We will take the Premier's Meeting the Challenge speech to the House a page at a time, so that the Labor Party can all follow it and see not only what they have borrowed from those whose policies they pretend to despise but also how many admissions of guilt and bad administration it actually contains. It is an admission of your failure of 10 years of administration in South Australia.

Not only do we have the bankruptcies, the high level of unemployment and the Arthur D. Little report and most other economists pointing out the wrong policy direction for South Australia, but this document tabled in this Parliament by the Premier clearly admits that they have had it wrong for 10 years. I did especially appreciate the second sentence about restructuring the economy. That is another expression which allows Labor to avoid saying, 'Everything we have tried up until now pulled all the wrong levers, so what we have had to do is an about turn.' It then goes on to echo the 1985 Liberal Party policy speech. So, the new document Meeting the Challenge starts off with an eight-year-old policy which this Government ridiculed when it was released the first time around. Way too late, eight years too late, Labor wants to cut

Government expenditure, bring a positive new economic direction, reduce the tax burden on business, protect families, improve the business climate and boost exports.

Where on earth has the Government been for the past decade? These were obvious policies when I used them, yet members on the other side abused them back in 1985. The statement even uses my privatisation policy at which all Labor members jeered. Now they change the words and dress it up a little differently to avoid plagiarism and union abuse by using the term 'carefully targeted asset sales'. That is what they now call it, using the new terminology to distance it from the past—'carefully targeted asset sales'. I ask you, Mr Speaker, should we be disappointed that it has taken Labor eight whole years to see what should have been done back in 1985—

Members interjecting:

The SPEAKER: Order!

Mr OLSEN:—or should I take it as a compliment that the Government had to dust off a Liberal election policy speech for inspiration to find what it did wrong and how to put things right? On the following page, Labor takes yet another 1985 Liberal policy promise with its reduction of the financial institutions duty. The Labor Government introduced that tax—the first new tax by a Government in many years which was against its 1982 specific election promise 'No new taxes'. George Bush would have been proud of John Bannon. We said, in 1985, that that tax had to go; that it was an impediment to small business in particular; and that people were avoiding paying the tax by banking interstate. Members opposite ridiculed that—and not only did members opposite ridicule it but the Government kept jacking up the tax rate. Not only was it an initial disincentive for business operating in South Australia but the Government compounded the problem by taking more tax out of the business sector and the economy in South Australia.

Dare I ask how often someone has to hit this Labor Government's head against a wall before it realises that it hurts? I am pleased that at least now, in this document, the Government realises the error of its ways of 1982-83 and is retreating from a debilitating tax.

Mr Atkinson interjecting:

Mr OLSEN: Members opposite must be deaf as well as blind. As we move on, so too does the date of Liberal policies which were borrowed. Fast tracking of regulation and approval processes for business and development was a 1989 policy initiative which I recall Labor dismissed in that year as being something that was possible with the policies that it said were already in place. Well, if that was so, why did it seek to change it—because it was not working. It denied reality in 1989 yet it has been forced through economic necessity to face up to facts now. It is good to see that the Government has changed its mind, even if it is three years too late, a further three years down the track, a further three years without development and stimulation to the economy in South Australia.

The Premier has had the audacity to call all this old policy material that he has either just found or learned to read 'charting a new direction with vigour and confidence'. If this Government were a company it would be done for false advertising! Here I have to mention the assertion about falling electricity tariffs which is contained in the Economic Statement. The Meeting the Challenge document avoids outlining 'falling from what level'. The sins of

omission are here again. While it may be falling, it is falling from a high base—a base for which this Government is to blame. It is still far too high. Containing power costs was mentioned in the past two election policy statements of the Liberal Party.

With the State Government having the reputation of one of the slowest payers in town, it was an absolute insult to business to deal with that problem in Meeting the Challenge only by setting up a free 008 line for companies which have not been paid for work within 30 days. What absolute arrogance and insult to the business community to say, 'We are not paying on time but we will give you an 008 number that you can ring up.' What good is that? Where are the penalties that ought to be applied to Government for late payment?

That is far from 'meeting the challenge', Mr Speaker; it is an example of how out of touch with business the Labor Government is—the insult of offering only a free telephone call when the Government should be penalised for putting companies, small companies in particular, into cash flow difficulties. I guess one could be mistaken in that the Government simply does not understand—and it does not understand because, if you look along the front bench, the middle bench and the back bench and ask how many have actually operated a business, how many have had to pay a wage bill every week or every month, how many have had to pay financial institutions duty, payroll tax or a range of other tax measures that small business has to put up with in South Australia.

Mr Ferguson interjecting:

Mr OLSEN: Yes, you might pay FID on your parliamentary cheque going into your bank account once a month, but that is not what I am talking about. I am talking about the cost that small business people have to put up with as a result of this Government and its impost on the small business community. This Government has starved the cash flow of small business and, coupled with the Federal Government's high interest rate policies—for five years above 20 per cent—it has soaked up the liquidity of those small business operators and has not given them a fair go.

To add insult, the Government does not pay on time because it is cash strapped itself, yet all it offers the small business community is a 008 line on which it can ring and complain. What about a bit of interest penalty on the lack of payment to those people? That is what the Government ought to do. If it was fair dinkum it would be saying, 'If we don't pay in 30 days we'll pay the account plus interest to small business to compensate it for the costs it has to incur in financing the Government.' Why should small business operators in this State be the financiers of Government because it takes three and four months to pay its bills?

This Government has no idea how the real world operates. Allowing creditors free telephone calls to complain that they have not received cash that is rightfully theirs is hard to take seriously. How about paying on time instead? For the statement's rationalisation of forests and joint ventures in timber the Government can thank Jeff Kennett's Victorian election policies. The Main Street program is a direct lift from the New South Wales program of Nick Greiner and John Fahey. In both 1985 and 1989 we warned Labor about the State's mounting debt from Labor policies. Labor ignored us and now has a problem

that the Government describes in the statement as one of magnitude. To reduce debt, the statement announces Public Service reform. Again, the Government has been reading our old 1985 and 1989 policy documents, and page after page the statement contains more and more references to privatisation in many guises.

As such, Meeting the Challenge is one of the most cynical political exercises I have seen this Government execute; it is an indication of a Government that is desperate, a Government that is looking down the barrel with limited time in which to turn around the economy. To put politics aside for a second, if there is anything in it which can help the condition of our State—and we know that there is because they are policies we in the Liberal Party researched—those elements of the statement are to be welcomed. Piecemeal as they are, at least there are some signposts at last pointing in the right direction. It does seem to me, however, that the Government's cynicism in so blatantly embracing policies it has ridiculed over the past decade it can only heighten the cynicism the electorate has about the game of politics—and it should not be a game nor seen to be a game. The Arnold Government's Meeting the Challenge statement is pure gamesmanship. There is no vision for our State, no philosophical stance, no ideas and no commitment except to take anything it can find which may win it another term in office.

The Hon. B.C. Eastick: But they're good fudgers.

Mr OLSEN: They have been fudging for 10 years and unfortunately getting away with it. What this State needs is a comprehensive program of, first, debt reduction. Until and unless you can get debt down, you will not be able to save on the recurrent budget for debt servicing costs which will enable us to qualify for a top credit rating, thereby reducing debt servicing costs for the State. Until and unless the debt and debt servicing costs are reduced, no Government—this one or any future Government—will be able to meet the essential services that South Australians are requiring and are entitled to.

So, debt reduction and the consequential reduction in debt servicing cost is an absolute priority. We need business encouragement, wealth creation and encouragement for profitable business enterprises. We need to have a progressive program to generate new economic activity in South Australia, and that means giving active encouragement to the business sector and not shrinking away from the word 'profit' and the words 'to create wealth' but giving active participation and encouragement to wealth generation and wealth creation. Only out of wealth generation and wealth creation will job opportunities come. Only out of that will the economy of South Australia start to pick up and have a prospective future.

The document is basically silent on an aggressive regional development program. Sure, it picks out Whyalla, coincidentally the Deputy Premier's seat, but it is absolutely silent on other areas of South Australia. What about the rest of the State? What about primary industries in the rest of the State? Where does this document meet the challenge for them? People involved in primary production are facing enormous hurdles and difficulties, as are those who are in the small business sector in country towns, providing jobs for country South Australians. Where does the document meet that challenge? It does not. It fails yet again.

There is no circuit breaker for the economy in its downward spiral in South Australia. We are bouncing along the bottom, and this document will not break through that. Whilst there are signposts that at least after 10 years are starting to point in the right direction, it is a piecemeal approach. It does not give hope or prospect for business success, growth and encouragement. It does not give employment prospects to South Australia because it comes back to one fundamental thing: economic management. On any test, this Government has failed in economic management, and that is why South Australians will be looking for a major change to put in place good economic managers.

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

Dr ARMITAGE (Adelaide): South Australia, a once great State, unfortunately is on its knees. It is appropriate that we in Parliament should address this matter because Parliament House is a reminder to us every time we walk into it of what can go wrong in a State and how it can have an effect on a State's economy. If we stand in Centre Hall and look towards the end which houses the Ca amber in which we now sit, we note the grandeur of magnificent architecture, with its scrolls and so on, which were all produced when the State was wealthy. In the 1890s, South Australia suffered a depression, caused partly by a bank failure. How ironic! If we look to the eastern side of Parliament House, we see architecture that reflects building to a budget rather than to excess. The two halves of this building, which were built and opened 50 years apart, are a constant reminder to members of Parliament as to what happens in economies when things go wrong.

South Australia is once again a State in which the economy has gone wrong. We have more than 11 per cent unemployment and between 35 and 40 per cent of our youth are unable to find a job, with no prospect of a job. This Government is offering our youth nothing. The business community has a total lack of confidence. Many is the time when I, and I am sure other members of Parliament, have been confronted in my electorate office by business people who say that they have some money to invest which they have managed through diligence to put aside over the past 10 years. However, they will not invest it in a State in which the Government is so clearly anti-business. There is a lack of confidence in the business community which reflects on unemployment levels. Every single one of the 11 per cent unemployed and every single one of the 35 to 40 per cent youth unemployed can blame only one factor: a Government that does not encourage employment.

While saying that South Australia is on its knees, we know only too well that the hospital queues are at record levels and increasing. They stand at 9 400, and are increasing. We know that schools are closing, despite election promises on a routine basis for wonderful things in the education portfolio. The approach is, 'Who really cares? Let's fudge. Let's hoodwink the people of South Australia, and blow the end result.' Given that South Australia is on its knees, all South Australians had expectations of a new Premier. The former Premier, the failed former Treasurer, had moved on, ostensibly to much gnashing of teeth and hand washing in the Labor Party. I put to you, Mr Speaker, that this is nothing more than that

we have got rid of the organ grinder but we are now being ruled by the monkey. On a number of occasions we have seen notes passed from the middle bench to the front bench telling the monkey exactly what to say.

The expectations of all South Australians in relation to the new Premier were heightened because of the long delays in the preparation of the program, this 'Meeting the Challenge' squib, which we were given recently. There were numerous occasions when we were going to hear the solution to South Australia's problem. It is fair to say that South Australians were a people looking for light at the end of an unfortunately long and very dark tunnel. In Meeting the Challenge, it is my view that the Premier has tied South Australia to the rails merely to wait for the train coming out of the tunnel the other way to run over us. The only thing missing is the melodramatic piano rolls, which would heighten the tension.

As the member for Kavel mentioned, small business is probably more on its knees than any other sector of the South Australian economy, but what has the Government offered it? It has offered it a free telephone call. Whacko! Only recently I was contacted in my office by a private sector printer who had some small contracts around South Australia. However, State Print, with all its advantages, is taking business from that small printer. That is how this Government 'helps' small business.

As the Leader of the Opposition said, at the last election the catchphrase from the Labor Party was 'Securing the Future'. The Premier's program to save South Australia was called 'Meeting the Challenge'. South Australians have had enough of catchy, glitzy and kitsch phrases, which mean absolutely nothing on the bottom line. We had a wonderful example of that in Question Time today when, faced with a Dorothy Dixier, I think, the Minister of Education, Employment and Training suggested that we rename year 13. Instead of facing up to the problems of these young adults, recognising that there is a 40 per cent youth unemployment rate, that they do not even attempt to go into the work force so they strive to get better marks to get into the universities which, we read on a regular basis, do not even have enough money to keep the libraries open, the Minister suggested that we give it a different name. She suggested that we call it a pathway year—a pathway to oblivion.

This State has had enough of catchphrases and it needs action. Over 10 years of Labor have given us two digit unemployment and cuts in services. As I mentioned before, we all know about the schools that have closed and we wonder how many more will close. We all know of the litany of hospitals in the country that have closed and we wonder how many more will go. We wonder how many more South Australians will die because services are not available. We wonder how many South Australians will be put on lists waiting for operations which might take half an hour but they cannot get them because the Government has fluffed its economic responsibilities.

What does the Government offer South Australians? It offers them a program with a \$430 million black hole and expects South Australians to swallow it. We will not do that. The reason why South Australians will not swallow this notion of meeting the black hole challenge is that we all know that the UTLC is now calling in its favours. In the last Federal election Labor Party funds were used on a regular basis to campaign for the Federal Labor Party. On

13 April on page one of the *Advertiser* the pay-back was revealed: the pay-back is death duties in a big way to pay for the \$430 million hole.

One simply cannot budget for \$430 million not to come in unless there is some way of replacing it. This Government is not telling South Australians of the hidden tax agenda, but it is my view that South Australians are well alert to the problem. I was intensely annoyed by that page one *Advertiser* article on death duties because my very marginal electorate takes in suburbs like Broadview, Prospect, Nailsworth, Sefton Park and the west end of the Adelaide City Council area where people have worked long, hard and diligently, with great dignity, to pay for their own homes, to give their children an education and to build up some financial security in the face of obstacles put in front of them by this Government.

In what way does the Government repay them? It repays them by saying, 'We have made a mess; we want to get our dirty clutches on your money once again, and we are going to do it after you have gone to the grave.' Grave diggers and grave robbers. It appals me that this Government would contemplate turning back the clock when the Tonkin Government removed the tax which was quite clearly yet another grab at the hard working person who had worked for many years diligently and with dignity, as I said before, to build up an asset to pass on to their children. So much for respect for the working person!

This Government has wasted opportunity, but I do accept that now, 10 years down the track, it appears in this supposed change of heart to have realised the error of its ways in adopting so many of the policies that the Liberal Party has been suggesting would at least be the way to go. The dilemma is that we were suggesting these policies eight, nine and 10 years ago and, in case the Labor Party does not know, time has flown and the economic circumstances are different, but at least the Government's dipping its toes in the water is a plus.

When I refer to 10 years of wasted opportunity, it is not political rhetoric. It is not me, the member for Adelaide, saying that: that is the absolute conclusion to be drawn from the A.D. Little Report, which was commissioned by the Government and paid for by the Government and hence by taxpayers. The result of the deliberations within the A.D. Little Report was that this Government had spent 10 years taking pot shots at any bird which flew past. What a way to run a Government. Is it any wonder that we are now in the unfortunate situation that we are in?

I mentioned service cuts in an earlier part of the speech and highlighted one of them in Question Time today. The Autistic Children's Association is now dealing with 188 children, whereas in 1990 it dealt with 126 children. Unfortunately, it has had a real income decrease in that time of 15 per cent. Hooke's law, which I remember studying at school and university, states that one can stretch a spring only so far until eventually the coefficient of expansion or the like is exceeded and the spring will not resume its previous form. That is where South Australia is at present: it is stretched absolutely to breaking point, as are the services within organisations such as the Autistic Children's Association.

Another example is Community Support Inc., about which the Minister of Health, Family and Community Services recently made a ministerial statement with great ostensible glee, saying that he was guaranteeing the funding

of Community Support Inc., after it had had disasters because of lousy financial management. The Minister was proud to announce that he was guaranteeing funding at present levels. I can tell the House that I received a rush of calls from people whose relatives rely on that support from Community Support Inc. Not one of them was thrilled that the support was being maintained at a level far below that originally offered.

The Government's way around this in adopting some of the policies we have been suggesting for a long time is, dare I say it, to look at a number of initiatives that should have been taken up ages ago. Unfortunately, the targets are based on assumed economic recovery. Any person who would say that South Australia is going to have a rate of employment growth that will almost double over the next financial year and hence make the statements within Meeting the Challenge have any validity would be the sort of person who would put \$1 million on 00 at the Casino when he has only \$100 000.

One of the main planks of the Government's plan to get South Australia out of the mire is to cut 3 000 Public Service jobs. A Treasury briefing indicated that these jobs were to go into quanta. The first one of those is 1 500 positions by the end of this financial year. From where will they come? Will they be nurses or teachers? If they are teachers, which schools will close? If they are nurses, how many more wards will go and how many services will be cut? What other areas will be targeted directly as an efficiency measure for this Government to provide more funds so that it can hopefully spend its way out of the financial mire based solely on the basis of spending for the next election, rather than for any long-term plans?

In talking about long-term plans I suggest that South Australia's debt in relation to its gross State product is at 22 per cent, which is the reason for our poor credit rating. We must increase our credit rating to a level where we do not have so many repayments, and every South Australian household knows that. I am saying that, instead of being at the limit of the bankcard and making another big repayment, we pay off just a bit. We must get our credit rating up so that our repayments come down. To get the most efficient credit rating our debt must be less than 18 per cent of our gross State product and, through the South Australian Recovery Program, which the Leader discussed earlier today, the Liberal Government would manage and rationalise South Australia's assets presently held in the bad bank and organise a plan of debt reduction so that our credit rating would improve and hence our repayments would decrease.

Meeting the Challenge is at best superficial. The most glaring and obvious example of that is the much vaunted one stop shop. Many South Australians believe that politicians say many things without a great deal of thought and that they also say them very often. I would love to have even \$1—let alone \$10—for every time I have heard the Labor Party talk about a one stop shop for business. It has been talking about a one stop shop for at least eight years. I put it to the House that it has spent eight years trying to open one shop while closing thousands of others around South Australia because of its policies which are anti small business.

The Premier, who presents this proposed saviour-type plan, is the Minister who was responsible for economic development in South Australia for many years, at a time

when slowly we went further and further into the mire. What was the response to this? 'Don't let's take any hard decisions; let's form an economic development board so that we can handball the decisions—so that anything that's tough we can get someone else to do.' That is a mark of this Government, and it is the reason why, unfortunately, South Australia is in the state in which it now finds itself. There is no quick fix for South Australia's problems, and it certainly will not be found in Meeting the Challenge. However, I put to the House that there is a fix, a light at the end of the tunnel—indeed, a light on the hill—and that light is one that will see confidence coming back to South Australia and responsible economic management; indeed, it is a light that 56 per cent of South Australians indicate they want to embrace, and that light is the election of a Liberal Government at the next election.

Mr MATTHEW (Bright): How ironic it is that the document we are noting today is entitled 'Meeting the Challenge'. I think it is important to reflect on what the challenge is that the Economic Statement put forward by the Premier hopes to meet. By June of this year, South Australia will owe the equivalent of \$9 738.65 for every man, woman and child in this State. This financial disaster is a direct result of the State Labor Government's financial mismanagement and incompetence. The record of this Labor Government over the past 10 years speaks for itself. It has cost \$2 million in interest every day to fund the debts accrued by this Government. Our total State liabilities—that is, including borrowings and liabilities that are unfunded—have now exploded to a massive \$14 000 million. In June 1982, our State debt stood at \$2 600 million; in June 1992, it was \$7 268 million—that is the burden of 10 years of Labor Government.

In the period 1982 to 1992, according to the Government's own figures, the State debt has risen by a massive \$1.279 million per day. That is the legacy that must be met by all South Australians and, possibly, by their children—and, if this Government remains in power, by their grandchildren and great grandchildren. As a result of this financial disaster, the Government has had no alternative but to start borrowing to meet day-to-day expenses. The recurrent budget's cash deficit totals \$398 million over the past two years and, with a further cash deficit of \$158 million forecast for this year, this totals at least \$556 million in borrowings to finance day-to-day operations. This means that this Government has now reached the stage where, through its own incompetence, it is borrowing money to pay the interest on its interest. It is something akin to a family having to resort to using their bankcard to be able to live from day to day-to using their bankcard to buy their groceries and then not paying off the principal but simply borrowing the interest and getting to the stage where they have to use another bankcard and take a cash advance on it to pay the interest off the first one.

Mr Lewis: That's when credit crashes.

Mr MATTHEW: That is the mess that we are in now and, as my colleague the member for Murray-Mallee interjects, that is when credit crashes. Indeed, the state of credit in South Australia is very poor. Today, the Liberal Leader outlined a strategy for taking South Australia back to the triple A credit rating. That will take until 1997, provided a Liberal Government is elected.

These horrifying figures—and they are horrifying, direct figures from the Government—undermine the economic fortune of our State, they undermine investor confidence and they are the reason why business leaders do not go to this Government any more. Business leaders come to the Opposition, because they see no future at all under this Government. It is interesting that, in the time that has elapsed since the Premier handed down his so-called document *Meeting the Challenge*, the Opposition continues to be approached in larger numbers by business leaders, who are now starting to refer to this document as ‘Arnold’s last stand’. We all know what happened to that infamous person in history when Custer took his last stand: the analogy is apt in many ways.

The Economic Statement clearly does not meet the challenge: it simply offers more pain and suffering to South Australians. The Economic Statement is not a debt management strategy, and that is what the Opposition and all South Australians expected to see. We expected to see a realistic debt management strategy that would take us out of that credit, borrowing spiral. All it simply means is that South Australia will return to the level of debt that it had at the beginning of the financial year. That is unsustainable and it will not reduce the debt. It will simply bring us back to the level we experienced at the start of the financial year. In other words, it has put us on a treadmill, not going forward but for once, perhaps, not going backward if, and only if, the Government is able to deliver some of the feeble promises that are made in this document.

Obviously, there is concern in the business community and amongst all South Australians over the lack of detail in the Premier’s document, for this statement provides no details of spending cuts or of how the Government will achieve its budget targets over the next three years. This Government is not game to spell out the human toll that will be the direct result of its mismanagement over the past decade. It will make the sick, the young, the disabled, the unemployed and the aged pay for its decade of disasters.

The statement gives no revenue projections for the three-year plan, because it is obvious that Labor has a hidden agenda to increase taxes after the election. Many of my colleagues have already put on the record in this place that one item on the Government’s agenda which has been revealed by the United Trades and Labor Council is death duties. There is no doubt that this Government, if it were to win the next election—and God forbid—intends to introduce death duties. That would make the Government nothing less than a Party of grave robbers. When a Government does to a State what this Government has done, there are no bounds to its immorality, and grave robbing is something that I would not put past it. Let us hope that it does not go to the stage of exhumation to see whether there are any wedding rings left on the corpses that have been buried during its time in government.

The Economic Statement provides no hope for the unemployed. Instead, it simply offers to chop a further 3 000 people from the public sector and thrust them onto the dole queue. Amazingly, 1 500 of those positions are to go in the next two months with a further 1 500 in the following 12 months. The Government has failed, despite continual questioning from the Opposition, to reveal from where those positions will come. In the House today during questioning of the Minister of Correctional Services I revealed just some details of the cuts that will have to be

met by that department. An internal Correctional Services document that has been shown to me reveals that Treasury budget guidelines have provided for significant cuts by that department. Indeed, the Department of Correctional Services is expected to come up with recurrent savings of \$4.3 million for 1993-94 and to reduce its capital works program by \$5.6 million. I am told that the reductions in the capital works program will come, in the main, from the reversal of the commitment to fund the upgrading of Cadell prison and also the reversal of the commitment to establish an upgraded community corrections facility at Port Adelaide. There is no doubt that that automatically starts the ringing of warning bells. That capital works cut follows expressions of concern by correctional officers to me that the Cadell Training Centre could be closed.

Indeed, given the \$4.3 million recurrent savings that are expected to be made, it is not unreasonable to assume that at least 80 jobs would have to go, and closure of one institution in the Government’s plan would help facilitate part of that. Should that occur, the end result would be more criminals back on our streets—and back on our streets earlier. That is something that neither I nor any member of the Opposition will stand idly by and watch happen. At this stage, we have the ludicrous situation where someone who is convicted of rape and sentenced to five years imprisonment with a two year non-parole period can be out on home detention after just eight months. I hope we never see the day when, through the Government slash and burn policy, we see rapists back on the street in an even shorter period of time. We have no truth in sentencing in this State, and there is a danger that our criminals will be back on the streets earlier.

In this House today, the Minister of Correctional Services sought to reassure me that he had the strategy for meeting those budget cuts. Staff from his department are running scared at the moment; they are worried by the magnitude of the cuts that they must make. They have told me privately that they believe that the cuts are unachievable. However, if the cuts are not to come from Correctional Services, where else might they come from? Could they come from the police? But, no, we are told by the Minister of Emergency Services, in response to a question in this Parliament just last week, that there will be no cuts to the Police Force and to public servants working within the Police Department. Someone is not levelling with this Parliament. Last week, the Minister of Emergency Services said that there will be no cuts to staffing in the Police Department. However, that is not what this Parliament was told by the Minister of Finance, who is also the Treasurer and Deputy Premier. Through his statement *Meeting the Challenge*, dated 22 April 1993, the Minister told this Parliament:

The first financial target is that net State outlays would decline in real terms. It would do so by 1 per cent per year. This is the Government’s measure of expenditure restraint. To achieve this in 1993-94, all agencies—

and I repeat ‘all agencies’—

will be required to absorb the full effect of wage increases, estimated at \$40 million, inflation estimated at \$35 million, and the additional cost of the superannuation guarantee levy estimated at \$11 million.

If there are to be no cuts in the Police Department in terms of staffing but if, according to the Treasurer’s statement, it will not be exempted, how is it that the Minister of

Emergency Services can tell this Parliament they are exempted? The simple fact is that one of those members is not being fully frank and open with this Parliament; one of those members has to be either deliberately or in a completely unaware state misleading this House. I will certainly explore that avenue much further.

This State cannot afford cuts to its Police Force or to its police public servants, because that will mean only administrative duties for uniform police officers, and it cannot afford cuts to the size of its prison population. The reasons are quite simple and have been expounded by me numerous times in this Parliament and in other public forums. In our society today, the level of violent crime is spiralling. Over the past 10 years, the incidence of violent crime in South Australia has increased by a massive 207 per cent; the number of rapes by 293 per cent; the incidence of motor vehicle theft by 128 per cent; the number of break and enter offences by 85 per cent; and the level of robbery by 277 per cent. Those are figures drawn from official Government statistics. Crime is increasing and will continue to increase during the Labor decade. We are not at a time when we can afford cuts to our law enforcement agencies or to our penal and rehabilitation institutions.

As well as the Police Force, the Department of Correctional Services is being put under pressure in many areas. I note that, as a result of the crime burden, of the number of prisoners in our institutions and of staff shortages being forced on the Department of Correctional Services, in this current financial year it has yet again already recorded a budget shortfall of \$2 million as a direct result of over-expenditure in call-backs and overtime and (I quote from its document) 'inability to achieve structural efficiency savings'. So, in the department's own words, it has not been able to meet the structural efficiency savings already required of it by the Government this year. It has already blown its budget, despite continual warnings by the Auditor-General of the need to do something about overtime and call-back. It has gone to the expense of implementing a new computer system to try to overcome the problem, and still there is a problem—neither department can afford the cutbacks forced on it by this Government's slash and burn policy.

The problems do not end there. I turn to another area of my shadow portfolio responsibility, that is, State Services. I have already outlined in considerable detail in this Parliament the failure of the Government's Information Utility—the information strategy that was once to be a cornerstone of the MFP but has now been relegated simply to being a cut-down computer system operated by State Systems under State Services. I have outlined the losses already incurred by the Government in its failing to implement and develop that strategy as well as the cost to the private sector. Some of the world's major computer consultancies have come to the Opposition and said, 'As long as Labor remains in government, we will not participate in the Information Utility strategy; we are reluctant to participate in information technology development in this State.' Is it any wonder, because private companies have wasted millions of dollars developing projects for this Government, and this Labor Government has not had the imagination, the commitment, the intestinal fortitude to get on with the job and develop information technology in this State?

What this Government has done, and has done in an appalling way through State Services, is to compete with the private sector. It has competed with the private sector through areas such as State Print. In the past financial year, State Print had a \$26 million turnover—much of that guaranteed business and, indeed, much of that guaranteed business through printing the stationery requirements for this Parliament, *Hansard* and other documents and Bills. Despite that guaranteed turnover, State Print managed to lose almost \$1.5 million. It is interesting to see how that has occurred.

I recently went to New South Wales and met with Government representatives. The New South Wales Government representative smiled and said, 'Please, don't stop State Print from dealing interstate; we love it, because State Print undercuts every printing organisation that tenders for some printing jobs in New South Wales. It can't possibly be making a profit out of those jobs.' In other words, this Government is underwriting the printing cost of the New South Wales Government and potentially many other Governments in this country. I find that disgraceful.

The disgrace continues further. A couple of weeks ago, I was in Port Pirie and I met with business representatives there. I was advised that this State Government, through State Print, is competing directly with printing businesses in that town for printing business of the private sector. That is disgraceful. Government has no business in that area—particularly when all it does is lose money. The Government competes with linen services in this State, through the Central Linen Service through which, again, it loses money. It competes with clothing manufacturers through the very heavily subsidised State Clothing Corporation in Whyalla, and through that it continues to lose money. Some Government members might turn to me and say, 'In the last financial year, the State Clothing Corporation actually made a profit. We know it made a loss for five, six or seven years before that, but it actually made a profit in the last financial year.' Not so.

Mr Lewis: Guess how!

Mr MATTHEW: The member for Murray-Mallee knows how. As he said, 'Guess how!'—quite simply by forcing the Police Department into a situation where that department pays the Central Linen Service to administer its police uniforms. I will get onto police uniforms on another occasion, because there are some further disgraceful revelations to come out through that. In other words, through a Government paper chase or paper manipulation exercise, this Government is making one arm of its losing monopoly seem profit making when it is running at a loss. At the end of the day, this statement does not meet the challenge. It fails, and it fails miserably. All the Meeting the Challenge document stands for is Arnold's last stand.

Mr LEWIS (Murray-Mallee): I take up right where the member for Bright left off. During the time I was responsible for State Supply matters as spokesperson for the Liberal Party, I drew attention to the comments made in the Auditor-General's Report and the practice in which the Government was engaging to force its agencies, not just the police, to buy their uniforms and other requisites from State enterprise. In this case, the State enterprise was the Government Clothing Factory at Whyalla. It was a very

creative way of securing the re-election of the member for Whyalla by—

Mr Matthew: Immoral!

Mr LEWIS: It is as corrupt as giving the State Bank \$2 million prior to the last election as a bribe to hold down interest rates, and any one of several score incidents to which I could refer. It was quite corrupt, the kind of thing for which Labor Governments across the length and breadth of this nation will go down in history as being infamous in seeking to retain political control by such deception and corrupt practice.

It disturbed me to learn about that. Is it any wonder our policemen complained about the inferior quality of the material? The same applies to the Metropolitan Fire Service as regards the quality they have to take from the clothing factory. The day when we can certainly find figures which that clothing will fit is 5 November—Guy Fawkes, to be burned!

In the document *Meeting the Challenge*, the Government is administering valium to the State's economy, because the effect of this Government is otherwise perhaps better described as a slow working dope. Members opposite certainly have no other aptitude and have anaesthetised the body politic of the people of South Australia with the horrific impact of the consequences of their policies on the future of the State and the present poor condition of our State's economy. One only has to look at what happened when the Government came to office in 1982. In the following three to four years, it borrowed and spent over \$1 billion. There was \$300 million, then \$400 million, and then a further \$300 million in the next budget. All that went into recurrent expenditure. It did not go into the establishment of capital infrastructure; it did not go into capital works but into the recurrent expenditure budget, and the Government deceived the Parliament and the public of South Australia by constantly changing the form in which the accounts of departments and the consolidated accounts of Government were presented to the Parliament.

The Government did not provide the Auditor-General with adequate staff to analyse what was happening and describe adequately for the people of South Australia in his report to the Parliament on that pea and thimble trick. The Opposition was not fooled. Most of what we saw to be happening was drawn to the attention of this House by the present member for Kavel as our Leader at that time. We were aware of the deception that was occurring in the course of that \$1 000 million injection of borrowed funds into the expansion of the public sector without any enduring benefit to this State. Then came the big mess, against which this Government now says, 'Trust us: we can save you.' That is the big mess created by the deliberate indifference—indeed, conspiracy—to allow the State Bank off the leash to do as it pleased in return for book profits entered into the State's books of account from the bank. That again was gross deception.

We have seen these taxes and borrowings all go into recurrent expenditure. The only capital works which expanded major infrastructure in this State have come from grant funds from the Commonwealth, and even then less than the total amount available. It is not just silly or irresponsible but downright stupid for anyone to pursue such policies. The reason the Government did it was to expand the number of people in the economy whose jobs came from its profligacy. It expanded its natural electorate

base where people found themselves employed as a result of these policies and beholden to the ALP for their place in the work force and, therefore, compelled to vote for the ALP and hold it in office against what should have been the wiser, better judgment of the electorate at large. These are the sorts of things to which I have tried to draw attention in the past.

Let me now turn in particular to an aspect referred to in the document relevant to the State Bank's management at the present time. We have the good bank and the bad bank. The bad bank is otherwise known as GAMD (Group Asset Management Division) where bad or doubtful debts are involved. This is being managed as badly as the bank overall was being managed previously in that bank officers not only agreed to provide the funds sought by those enterprises but encouraged them to take the funds at the time because it expanded what they called their asset base, and they were paid commissions upon the transactions involved.

A number of businesses have been involved in such borrowing practices from the State Bank, and they fall into two categories: first, the group comprising those outside the South Australian economy; and, secondly, the group comprising those within the South Australian economy, or substantially so. Of the first group, there are those that are presently being badly managed, (and that is most of them), and incapable of being managed in any better way. It is legitimate for us to cut the painter on them—let them sink. It will not affect our employment in South Australia at all. They continue to be a drain on the taxpayers of South Australia whilst they are allowed to lose more money and run down their asset base.

What the bank should do with such bad debts is simply get out of it as quickly as possible and be done with it. Those enterprises with profit centres outside South Australia, which could be better managed than they are and generate profits at least equal to or better than the profits being obtained from the trading operations of the good bank, should be identified by consultants who tender for the right to do the analysis and, as part payment of their fees, guarantee to produce a profit result. At least half of their income from the tender ought to be obtained only after they have produced the results that they claim they are capable of producing from better management of such enterprises. Then we would see some better management of those so-called assets, which are currently an albatross around both the State Bank's neck and more particularly the necks of South Australian taxpayers.

In addition, we have those businesses operating wholly or mainly within South Australia which are currently judged as being miscreant, involving delinquent or bad debts of the bank. At present the management policy is to simply cut off all lines of credit—take away the cheque book, as it were—and that has a devastating and detrimental effect upon most of those enterprises, because it does not discriminate between what is possibly profitable and what is definitely unprofitable. To these enterprises I believe we should apply the same principles as I have just suggested for those enterprises outside South Australia in the form that I have just described, namely, get rid of the staff in the bank. They are blood suckers off the State's taxpayers; they are not accountable. They continue to be paid high salaries by the bank, the bank runs at a deficit and the

South Australian taxpayers are picking up the Bill. We ought to get rid of them; they are overpaid, anyway.

We therefore ought to return those profit centres back to profitability by a formula determined through advice from a consultant who takes some management responsibility, after having been awarded the contract for the consultancy, and whose payment therefor is based on those outcomes. By that means we can ensure that those enterprises will quickly return to profitability or otherwise quickly be identified as unprofitable and unlikely to become profitable in spite of the expertise being applied to them.

There is no real incentive for any State Bank staff, charged with the responsibility of managing those bad bank assets, to make them as profitable as possible and/or get rid of them. So, what those officers are doing is saying, 'Well, we are good credit managers for the bank. We are not going to let this go any further. We will simply cut off all credit, take away the cheque book, and unless you can produce profits out of thin air, we will kill you off', and that is stupid; it will destroy a large number of firms and enterprises that are otherwise capable of recovering profitability, at least in some part of their operations. Those bank officers have not taken the trouble, or at least if they have they have not reported it anywhere, not even to the board, to analyse which parts of those enterprises could be made profitable. So we continue to lose money, and with it we are losing businesses and jobs. There is a double whammy of bad news.

Let me draw the analogy that I see happening in the State Bank at the present time. If we had gone to the Changi prison camp during the Second World War and told all POWs in that prison to prove their worth without giving them any resources whatsoever, to engage in enterprise—such as was the case within that prison (they had no credit or anything else; there was nothing they could do)—and judge them by the results they produced, then, of course, they would all fail, and that is where we have put all these so-called bad assets of the bad bank: we have put them in prison. Yet, if we were to take those enterprises out and allow them to develop what they have had effectively and sensibly, leaving aside the way in which they were encouraged to behave just prior to the public acknowledgment of the collapse of the bank under the high interest rate regimes, and so on, which were inflicted on the Australian economy in general and the bank's operations in particular by the Keating Government, we would find that they could be returned to profitability. This is something, I hope, to which somebody will pay attention.

My Leader has drawn attention to the necessity to better manage those assets in the bad bank than has been the case to date and to apply a more sensible framework to the way in which such management of those assets is undertaken to get the kind of result that will benefit the taxpayers of South Australia. It would be worth hundreds of millions of dollars to the State's taxpayers if we adopted this formula instead of one of slash and burn and attrition, prevailing in the mentality of those people managing the bad bank at present. Hundreds of millions of dollars are at stake. That is why I stand here and plead with the House and the Government to take a closer look at an approach which could bring those assets back to profitability for sale. We would not have to raise so much money then as taxes from the public if we did the job more effectively and properly than it has been done to date.

At present, dealing with the income we will get from the Commonwealth Government—turning to another aspect of this package and the State Bank—if we take that money and use it for debt retirement we will save interest payments amounting to \$110 million per annum at present interest rates. But these interest rates in this country will soon increase again as long as we have a Federal Labor Government pursuing the policies it has been pursuing. There has to be a change of policy undertaken by the Federal Government. Keating and Dawkins must do better than they have been doing. If they do not change their approaches to policy, right across the board as it impacts upon our economy, but continue to allow the current account deficit and our national indebtedness to blow out even further, we will find in late 1995-96 that we will run into hyperinflation.

I am talking about 8 per cent to 15 per cent per month, not per year—that is 100 per cent to 180 per cent per year, the sort of thing which occurs when an economy collapses, like it did in Argentina over 25 years ago, in Brazil just after that, in Mexico 12 to 13 years ago (or a bit longer than that now) and in the USSR barely three years ago. That is what we are heading for: the warning bells are ringing yet no-one is listening.

The international banking fraternity, the gnomes you find in Zurich, Singapore, Tokyo and elsewhere—the bankers' bankers—are saying, 'You are going in the wrong direction. You are paying yourselves more than you are worth. You are living beyond your means. You cannot afford to continue doing that. You must change direction and bring your costs of production into line with what of the consumers within your own economy can afford. You must ensure that your exports equal or exceed the value of your imports; get your economy back into kilter and get rid of the real wage overhang.'

But that is not being heeded. Unless it is we will be in real strife, and this State's budget, under that sort of interest rate regime, will collapse. There will then be even greater attrition of Public Service jobs than we are seeing now. There will be ruined primary industry left to try to pick up the tab and there will be poor export performance. Not only will jobs in the public sector go but so will our health and our standard of living. There will be poorer education and altogether an economic collapse of a kind that we have not seen in this country, even in the great depression of the 1930s. This State has only 8.3 per cent of the population, we have less than 7 per cent of the gross national product and less than 6 per cent of the exports, and private capital investment is below 5.3 per cent. That bodes ill for us all. It is a pity that the Government cannot come clean and admit that it has a \$400 million gap in this document in its figures. It does not add up. It is crook.

Mr VENNING (Custance): The Opposition has been criticised inside and outside this House for our negative reaction to the Premier's Economic Statement. There have been many suggestions that we should have been applauding this document because it steals a lot of Liberal policies. As the member for Kavel said earlier, none of this document is new. In fact, I sat in this House as a visitor in 1985 and heard various speakers saying just that. In 1985—eight years ago—and now we have it dished up to us in the Government's statement.

Mr S.G. Evans: It's an entree.

Mr VENNING: As an entree. That is what really makes me so cross—

Mr Matthew: Solutions to yesterday's problem.

Mr VENNING: Yes, as my colleague the member for Bright just said, solutions to yesterday's problem. It is a very sad day when it has taken all this time for the Government to wake up to sound, common economic sense. There have been many suggestions that we should be applauding this. We do applaud the fact that it has eventually happened, but it is frustrating that it has taken eight years for it to come into place. We see the damage to the State in the meantime. It is a very sad day. I make it quite clear that we make no apologies for attacking this statement. It is too little, too late—as I said, eight years too late. Where is the justice in all this? My colleague the member for Kavel has run two election campaigns, and all the policies the Liberal Party put up have been stolen and called Government initiatives. I recall the privatisation debate. What do we have now? We call them 'carefully targeted asset sales'. It is a very cynical exercise that this Government is undertaking, and who is paying the price? The Opposition is, but more importantly the people of South Australia also have to pay a huge price.

The statement does appear to endorse many of the policy directions of the Liberal Party in 1985 and 1989, and that is a flat out admission that the Government failed abjectly to give the right directions for our State's economy and finances in the past. It still does not have a clue how to fix it. All the policies in this paper are borrowed—straight out borrowed, or pinched if you like—not only from the previous policies of the Opposition in 1985 and 1989 but also from other Governments. The Main Street scheme came from the Greiner Government. The Government's policies are somebody else's ideas, and it is easy to see why—because there is not one business or economic head amongst the Government members opposite.

The State of South Australia is small; it is small enough to know what is going on. This Government has hidden many of its activities for years, but now all is revealed as we see the parlous state of our economy. It is a shame to see what has happened to this State, because it was a tremendous State. To get it back on the rails will take many years, and this document will do nothing other than stall it. We are still going down the same old track. The basic flaw is the Government's failure to explain how many of its proposed initiatives will be funded beyond next year. No matter how you cut it, there is a clear gap of \$430 million in this statement. There is no getting away from the fact that the Economic Statement provides spending estimates through to 1995-96 but no revenue estimates for the years after the next financial year.

The people of South Australia will make their own judgment about how that shortfall is likely to be made up—but I have my own ideas about that. Obviously it will be by taxes, all sorts of taxes that we do not like—and one tax I have a horrible feeling will be reintroduced is death duty, as I have said before. The taxes that will be brought in to try to get this State back into some sort of financial condition really worry me.

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

Mr VENNING: It still comes down to the fact that this Government has pitched South Australia into a huge pit of debt, and it will call on the ordinary people to dig it out.

There are hopeful assumptions—and I underline the word 'hopeful'—in the Economic Statement that do not stand up to scrutiny. It assumes a rate of economic recovery that cannot be justified even on the grounds of the Government's own figures. In the statement itself the Premier admits that unemployment may not have peaked yet. I think that is a great understatement, particularly when we look at the facts today. Pasmenco in Port Pirie today laid off 140 people, and one can imagine the devastation that has caused in that city. The Commonwealth Bank is laying off almost 8 000 workers across Australia, and I calculate that South Australia's share of that would be about 800.

Let us look at the proposal to cut 3 000 jobs from the Public Service. I will not use the term 'separation'; that is a mealy mouthed way of trying to hide reality—it is a ridiculous way to pay people to stop working. No doubt the wrong people will go. I do not know how the Government will encourage the right people to go, but no doubt it will be the workers, and many of the higher paid people will end up staying there and others will get the golden handshake. It is quite obvious that that money ought to be targeted towards debt reduction. Anyone with any business acumen or noun would know that. All efforts should be made to get the State debt back to below 18 per cent of GDP. Then we would have a better credit rating. That, in itself, would save us \$100 million per annum, the exact amount that the Government is trying to save by laying off 3 000 people.

We must set goals in a bipartisan manner and achieve them, and then this State will slowly but surely claw its way back. The Premier proposes to spend \$263 million in the first year to pay for these targeted job cuts; that is, the Government plans to use the Prime Minister's pay off to get rid of the State Bank to hide these job losses from us in the statistics for as long as it can. That is misleading and dishonest, because this money is being provided for a certain reason—to pay off the debt—and we will blow it in this way.

During the break I went across the road to the Grosvenor Hotel and I met with the South Australian Farmers Federation commercial pig section. I did some extra homework on the facts relative to what Federal Minister Crean said today. This is relevant to the argument, because it involves the State's finances. Federal Minister Crean has offered \$49 million for exceptional circumstances for wool and \$11 million for exceptional circumstances for the drought, but that is only in Queensland and New South Wales. This State Government will be asked to put up approximately \$2 million to activate approximately \$5 million, that is, South Australia's proportion of the wool exceptional circumstance money. I hope that the Government will not have any hassle with doing that because 5,000 woolgrowers in South Australia need this assistance. I hope that when the Government looks at the equation (\$263 million to lay off 3,000 or \$2 million to help 5,000) it will see that that is not too difficult and it will have no hassle in finding that money.

I refer to the proposal to sell off assets in the State left, right and centre. On the face of it, the intention to sell the State's bulk grain loading facilities looks like a good idea—we have been pushing for this for a long time—but why did we have to wait until now? The Minister is here in the House, and I spoke to him not long after I entered

this place 2½ years ago. No way could we have these belts. They were part of the State's infrastructure and that was how they were going to stay. We have to come to a crisis such as this before the Minister will see the light of day. Perhaps the belts have worn out. I rang the CBH authority today and I was told that not all the belts are worn out but that some are getting to the end of their life. It is gratifying to see that there is something positive in this, but why did we have to wait so long?

CBH has been quietly seeking this for four years, and for four years South Australia's grain growers have been denied the potential efficiency of this arrangement. To have made this move four years ago would have been sensible privatisation, a policy for which the Liberals have always stood. If members check the Liberal policy in 1989 they will recall the ridicule and the problems that we had with that, but when we look at the election manifesto we can see quite clearly the hypocrisy of the Government, because when we read this document we see that it is a mirror image. Now it is another case of doing the right thing for all the wrong reasons. My fear with much of the Government's plan is the manner in which cuts in spending will be achieved. The headlong crash or crash through nature of this statement makes me worry that the country centres, already doing it hard, as you, Sir, would know, will be made to suffer far more than their share of the pain without their fair share of the gain.

I now refer to the ETSA and E&WS merger. What will happen to the country depots of these departments, some of which are important parts of the economic and social structures of their smaller communities? Look at agriculture. Time and again we see that this Government regards the farm sector as an easy target. These are the reasons we attack this Economic Statement because, despite its promises, if we look closely at it we see that it gives no confidence that it will achieve them. Debt reduction, as I said, should be the key area; it certainly is in a bad way. Despite the fact that 8,100 public sector jobs will be thrown out with lower standards of Government services and despite losing our State Bank, public debt by 1996 will be no less than the position at the start of this financial year. So we really will not gain anything. Why—because we are paying out almost \$2 million every day in interest. That is the debt line; that is the time bomb; that is our State debt.

The Government proposes to maintain the standard of services. Many essential services have already declined, as I have said many times in this House, and they will get worse under these targeted separations. How can services be maintained when people in one or two person groups in a department are told that every group has to come up with one targeted position that can be cut. That is very difficult—the fact that 3 000 people are to go. What were they doing before? Who will cover for them? Should they have been there in the first place? These questions must be answered. If those jobs were properly structured in the first instance, they should earn Government money—that is, they should be revenue positive. I believe that the E&WS Department was doing that, and I know that other departments were heading that way. None of these departments have been given a fair go. Who in these departments will leave? I bet it is not the right ones. There is discrimination against people aged 55 years and over

who will go out on a pension—they will be the ones to lose in this exercise.

As to encouraging economic growth in the private sector, the hidden taxation agenda will simply add to the disincentives confronting business in this State. FID is a major component of the document and, in response to this change, all I can say is that it is about time. Other States were getting our banking: many of our companies in South Australia were banking interstate, particularly in Queensland, and I welcome the Government's recognising this problem and seeking to bring the business back. I hope it will eventually abolish that duty altogether. I hope that the BAD tax will go the same way.

Turning to subsidised growth areas as mentioned in the statement, these are a good idea, but why specifically nominate Whyalla and the MFP? Why not include Port Pixie and Port Augusta, two key cities? I would like to hear from the Government why Whyalla was chosen and why Port Augusta and Port Pixie were not, because these cities are in almost the same situation. The potential is there—all it needs is some Government attention and businesses in those areas will return to the old days when they were really booming.

Mr Oswald: It might have something to do with the Deputy Premier's—

Mr VENNING: Yes, as the member for Morphett says, Whyalla is the Deputy Premier's seat, but I would not have thought that his majority was so weak that he would have to worry about it. It is a cynical move and, on behalf of Port Pixie and Port Augusta in particular, I make a plea to the Government to include these cities in the scheme because they could do with that assistance as well.

At the same time, why not help primary producers? If we are about assisting people, surely primary producers are a group who can get us out of this trouble. To its credit, the Government has obviously seen the light—someone has turned on the lights—but it has taken eight years and where have we gone in that time? If members think back eight years, they will realise how far we have gone. The situation is an absolute travesty. Where is the justice in all this?

The Liberal Party had this plan for years but lost two elections with it—even having the correct plot. I hope the media will accept its share of the blame for people getting the situation wrong twice. Although there is not much going for this economic statement, at least it is a turn in the right direction, albeit eight years too late. In the name of fair play, the Liberal Party ought to be given some credit for the outline of this paper. Apart from the rest of it, as I said earlier, the statement has been plagiarised from elsewhere, whether from New South Wales, Victoria or the Liberal Party policy here in South Australia.

The Economic Statement will not solve our huge problems and it will not save the Government in a few months time. I am confident that the people will do what an honourable Government ought to have done here in South Australia—resign—and give the State some hope for the future.

Mr OSWALD (Morphett): I would like to make a small contribution to the debate tonight and, after discussing the Economic Statement, I would put on the record a few areas of concern that both I and many of the sporting associations in this State have about the reorganisation of departments.

I have been in this House for the whole 10 years of the Labor Government and, during those 10 years, I have seen dished up to this Parliament, either in the form of policy speeches or announcements made from time to time, a progression of promises about what it is going to do with the South Australian economy—a progression of promises about export drives into Asia and about bringing employment and investment back across the border into South Australia.

We have seen a continuous stream of promises culminating last week in another string of promises presented to us in the form of the Economic Statement. The method by which the Labor Government has gone about delivering those promises has never changed. It started 10 years ago and gathered momentum in the mid 1980s, when South Australia started to falter. The point is this: each year, whether it be in a policy speech or in the budget, we have seen South Australia set on a new direction or new hope, but we have never gone anywhere.

When we analyse the statements made each year, we see that they have been recycled and plagiarised frequently from Liberal Party policy speeches or they have been statements that never go anywhere. At the end of the day, we have a State which is technically bankrupt and which is in this position because of the Government's incompetence, inability to manage and inability to see the warning signs presented to it, whether presented by the Opposition through 200 questions asked about the State Bank or other warning signs put up to the Government over the years.

I do not disagree with many of the hard decisions taken by the Government in the Economic Statement but, if the Labor Government had been a responsible manager, as I said, it would not have got South Australia into this predicament. In the 1985 election policy speech we were given some of these familiar promises to which I have been referring. The Government said:

Our recovery is a reality—it is all coming together.

The Government then produced a glossy called 'South Australia International' and it was listed as the first key initiative to spearhead this new drive for export. That was in the 1985 election policy speech. All these glossies were paid for out of taxpayers' funds. What happened to those initiatives? Like most others, they failed and they joined the litany of broken promises that this Government has dished up to South Australia to keep hope alive in the future of a Labor Government.

In the 1989 policy speech we were again subjected to more of these glossy productions and pamphlets at taxpayers' expense. Members will recall the pamphlet that came out 'Securing your future'. What absolute and unadulterated nonsense! With the benefit of hindsight, we can look back at the contents of that document. Within three years of that document's coming out and being heralded as the new future direction of South Australia, we saw this State slip into technical bankruptcy.

In 1989 the policy speech was just full of platitudes about the new direction. New direction is right—a new direction to the highest youth unemployment that this Commonwealth has ever seen occurring here in South Australia. This is a State which once upon a time enjoyed low cost status and which attracted industry from across the border. It attracted industry to this State, because people wanted to come to South Australia to establish their

investments, to set up their businesses and to enjoy our lifestyles.

Now such people are flocking away from South Australia across the border into New South Wales and Queensland, not just for the lifestyle but because the economic investment opportunities are far better, more secure and more predictable, and they know that down the track, if they do invest in those States, there is safety in those investments. This has all been brought about through the incompetence of an incompetent Government devoid of the ability to manage this State. Even when the warning signs were shown to the Government, it was incapable of doing anything about the predicament it was leading the State into.

The year of 1991 was a significant year if we are reminiscing about statements put out by the Government. It was in 1991 that the Government produced its famous nine point plan to develop South Australia's industrial base. The 1991 plan came straight on the heels of the plan put out in the previous year. The plan was put out to increase our export potential. This was the pitch, but does it sound vaguely familiar? We had reference to export potential, just as we had in 1985-86, again in 1989 and again in 1991—we were out there promoting our export potential.

Suddenly the Government realised that we had the large vast markets of Asia. The Government said, 'Let's look to Asia. Let's produce a pamphlet and put it out; it will be called the "nine point plan". We will let the State know that we are looking to Asia as we have suddenly found this vast number of people.' Someone must have told the Government about Singapore alone, with a population of three million, not much more than the combined South Australian and Western Australian populations. What was happening there? The Government saw what was happening in Singapore and Malaysia, and it suddenly realised that South Australia would be left behind the eight ball. The Government realised then that the New South Wales and Victorian Governments were already slipping people into Asia.

Word had already got around that Vietnam was becoming a vast potential market and that we should be doing something about it. In 1991 our quick thinking Labor Government set to and produced a nine point plan to increase export potential for South Australia. Full marks to it. We are pleased to see that but, by that stage, the Government had been in office since 1982. At last we had a nine point plan directed at the vast markets of Asia. Well done!

Suddenly the priority of the MFP surfaced and it was to be a top priority. The Government was to review State taxation, because it realised that, if it did not review State taxation, potential investors in South Australia would not come across the border. The Government promised to do something about that. It then produced a level of State taxation sitting up amongst the top rates in the Commonwealth, yet the nine point plan was to redress this situation and bring State taxation back to a level where it would act as incentive to business to come to South Australia.

The Labor Government promised an influx of overseas capital. Certainly, I do not know from where it has come or where it is being hidden. In fact, there has been a flood of capital out of South Australia—pouring out over the borders and overseas—yet the Government promised us this

flood of overseas capital back into South Australia. The Government promised the Information Utility, and we are still waiting to see something happen about that. It was to be one of the salvations and saviours of this State. Has the Information Utility appeared? Is it up and running between 1991 and 1993? There has been plenty of time, but we have not seen the Information Utility, and I believe that it really is a failure.

There was supposed to be a new deal on workers compensation. We have seen some legislation, but we cannot really say that we have a new deal on workers compensation that has reduced the levies in this State to a level whereby employers are flooding back into South Australia to take advantage of the workers compensation premiums: rather, they are heading the other way. Yet we are supposed to have faith in the Government's nine point plan that came out in 1991. In 1992, Labor entered into its tenth year in office and celebrated it with the following major announcement:

... a major strategic program of initiatives to set a new course and vision for all South Australians.

One has to laugh. After the 1991, 1989 and 1985 plans, along came 1992 and, suddenly, to celebrate 10 years in office, we had a new plan—a new plan to produce a major significant program of initiatives to set a new course and vision for all South Australians. Anyone in South Australia would just collapse and laugh at that after having already gone through the exercise some five times. It was to be a major program, and it was to be the turning point in establishing a new vision for South Australia.

The Premier has probably had the same speech writer (who sits up in Victoria Square) since 1982, because the same terminology, direction and statements have been used over and over again. They worked on the theory that what was good enough and what worked for the 1985 and 1989 elections is good enough now. It is now 1993, and what do we have? We have a technically bankrupt State; we have a new 1993 Economic Statement, which was brought down last week and which we are debating at the moment, to add to the other statements; we have a Government that has now been forced, through its own incompetence, to start selling off the farm—and it has never missed the opportunity to criticise another State Government for a similar practice. It has insinuated that the Liberal Party might have some hidden objectives to start selling off the farm. However, it is now selling off the farm.

I well recall that when John Olsen, the now member for Kavel and the former Leader of the Opposition, raised this spectre of privatisation in 1985, all hell broke loose. Given the present time span, within months the Labor Party embraced the issue Commonwealth-wide. The Government is out there, as hard as it can go, selling off the farm. It is not just running a clearing sale—and a clearing sale on a farm involves the clearing of implement sheds and perhaps some of the vehicles around the place—but selling off the whole of the farm as hard as it can. To cap it off, the industrial wing of the Labor Party is starting to flurry its wings, bearing in mind that the industrial wing of the Labor Party is as powerful as the parliamentary wing, because they are all part of the one organisation, and the industrial wing on South Terrace is starting to talk about the need for death duties and a wealth tax.

I have never seen a Premier move so quickly to try to put out the fire—to hose it down, to back off from it and

to say, 'No, it will never happen.' It is the one body that is talking about it and, whether it calls them death duties or whatever, I would say to the people of this State that they need to be very careful about the wording of any document that comes out over the next year (not after next year because the Labor Party will not be in government) or at its next State convention that it does not slip in death duties under some other name. I do not think it would be silly enough to bring it in under the name of death duties, but I would not put it past the Labor Party to bring it in in some form or other.

The tragedy of the Economic Statement, which we have had tabled here and which we are debating tonight, is that it is about shedding jobs, not about creating them. It is about desperation economics. It is a statement which contains a black hole that is large enough to give concern that the Government will still be unable to contain the debt and reduce taxation. It does not guarantee the retention of essential services and, over the course of the next few weeks and during the budget session, we will analyse it carefully to make sure that no reductions will occur in essential services, such as in the hospitals, the schools and in the Police Force. The Government is denying that at the moment: I heard it denying it in the area of police but not in the area of hospitals, and I know that my colleague the shadow Minister of Health will be following that matter carefully. It has yet to guarantee that it has the will to reduce its borrowings, particularly in the light of the fact that it is still the slave of its master, the trade union movement, which at the end of the day will not let it get away with much of what it has said in its initial statements. It is no wonder that South Australians are asking whether this Government will ever get them out of this mess.

It is interesting that there was not a heavy public response to this Economic Statement. I do not think the media responded in quite the manner that the Government expected; in fact, the statement went down like a damp squib. Even the media can see through it. It is desperation politics; it is desperation economics; it highlights a Government which, in its last gasp to try to save its political skin, is picking up many agenda items that have been used all over this Commonwealth. It also indicates that the State Treasury barrel is empty. During the rest of this year, particularly as we go into the budget debate, we will find that much less money is in reserve than any of us thought. It is no wonder that the Opposition is 19 per cent ahead in the polls—and, indeed, it could even go further ahead after this statement.

I refer now to the new super Department of Housing and Urban Development, which will include the former Department of Recreation and Sport. By that action, in one stroke the Minister has put offside the sporting community. People are very angry. Only last night I was at a meeting at Kensington of Sport S.A., which is an organisation of all the sporting associations, and there is no question that there is a lot of anger. Sport S.A. sees the amalgamation as a downgrading of the status of sport, and I believe it is correct. What the Government does not appreciate is that sport is a large employer of people. It is a large revenue generator, generating a considerable number of retail sales; it provides entertainment; the sales provide sales tax revenue; it provides accommodation and facilities as sports men and women travel around this State and people come to this State for the purposes of sport; it is a major staff

generator; and it is a very large part of our community. This measure is being seen—and I totally agree with the sporting community—as a move by the Government to downgrade it.

The Government will claim certain savings, and we would like to see what those savings are. The Departments of Housing and Construction, Urban Development and Recreation and Sport will be combined. The pay offices of the three sub-departments might be combined but, other than that, there will be no change. We still have the super CEO, Michael Lennon, heading up the whole of the parish; the other CEO is still there; and there is no change in the Department of Recreation and Sport at all in terms of personnel. If there is no change of staff in the Department of Recreation and Sport and if a highly paid CEO and other well paid public servants are heading up all the divisions because the staff will not be changed, I put to the Government: why make the change?

The Department of Recreation and Sport could have remained tacked onto the Department of Housing and Urban Development and sport and recreation could have been given its deserved status in the community without downgrading. If the Government had downgraded it and then reduced staff, there might have been some justification. It could have argued that it was to save money, but it has not even changed the staff. Whilst it is paying the high flyers—the expensive staff—and while the organisational chart has not changed, I put to the Government that it should revert to where it was.

Certainly, as the Minister of Recreation and Sport—and if I retain the portfolio of housing and urban development—I would strongly recommend to my Leader that we revert to a Department of Recreation and Sport and give it the status it deserves. We could then go ahead and use the Department of Recreation and Sport to generate employment and do more for the well-being of this State than it has ever experienced under a Labor Government.

Mr BLACKER (Flinders): If one looks back over the political spectrum for the past 30 years one can see quite a shift in the political philosophy that has run this State. If we go back to the Playford era we find that it was very much pro-development, and some would argue that it was pro-development at any cost, and sometimes to the social disadvantage of some sections of the community. Then we went through the era of the Walsh-Dunstan Government when we had a complete change of emphasis, from one of pro-development, seemingly at any cost, to one of social change which was to the detriment of the pro-development philosophy that had occurred previously. So, the shift of emphasis that occurred in South Australia during that lengthy period is now starting to take its toll. We now have a large section of the community that is very heavily dependent upon regulation and upon the Government coffers for its existence, by way of either pensions or payment of wages as employees of the Government, so to speak.

We are now seeing the Government of the day—and I do not think it really matters which Government of the day we are talking about—having to change direction. We have to get back to a situation where we are encouraging development, where we are encouraging businesses, and those business people who want to get off their backsides, to create a job, first for themselves and, secondly, for

somebody else if they can. They need the incentive to develop that idea they might have that might be able to create export earnings or further job opportunities. So, as a result of this Economic Statement the Government is doing a turnaround from the philosophy of only five or 10 years ago.

The political analysts will be able to look back at this time and say that there has been a shift of emphasis and therefore it is something that will be noted. I applaud the Government for recognising the need for the Economic Statement, because it was necessary. Maybe the Government was forced into the situation—I think we would all admit that it was—primarily because of the State Bank disaster, but whether or not it was forced into the situation, it is good that some recognition is being given to the need to change the emphasis whereby every Government department has now been asked to look at its particular role within society and make sure that its emphasis or targets are towards job creation and, more particularly, industry, wealth generation and export earnings. That is the logical thing to do: cut the costs and increase the manufacturing and producing sectors, by way of renewable resources such as in either the farming sector, with the growing of stock and crops, or the mining sector, where it is extractive and non-renewable, but nevertheless income earning, particularly when we know there are massive deposits of some of our mineral resources. That is the direction we need to take.

The Economic Statement presented by the Premier last Thursday targets 3 000 jobs. That has an unfortunate spin-off effect which has been developing since the ODR report and the internal inquiries by the E&WS and Road Transport Departments, but it is creating uneasiness within the work force at all levels. Middle and senior management are not too sure of the security of their jobs. Some of them know that with this amalgamation that will take place with various Government departments their positions, which were very secure under the older regime, are now at risk. If an opportunity arises for them to take another position elsewhere, even at the same or a reduced level, many of them are saying, 'I had better grab it because I might not have a job in the near future'. Unfortunately, that filters right down through the work force. So, this move to try to restructure at this time is creating uneasiness within the work force and is to a degree reducing its efficiency. It is something that the Government has to watch, but it will be a penalty and a cost that the Government will have to bear as part of this restructuring.

One then asks what is meant by the targeted voluntary redundancies, voluntary pay-outs or whatever we might like to call them. That is something the Government has not yet identified. I assume that every Government department has been asked to look at areas where they can reduce, but when the Government talks about a targeted area of voluntary retrenchments or voluntary retirements we must ask: will that be at the expense of services? Coming from a country electorate which has usually been the target of many reductions in services because of the lack of numbers, where the services provided per 1 000 head of population are in many cases reduced, I am looking at what will be the likely impact. We know that the ODR has resulted in severe cuts in the Government departments involved in the agricultural sector; we know that the E&WS has been going through its restructuring exercise;

and we know that the Department of Road Transport has been doing the same. What other Government departments and services will be cut in country areas and what will be the net effect of those cuts on those particular communities?

We know that there are no guarantees of job security within the Public Service. We know that everything is up for grabs, hence that uneasiness I just mentioned. Are the directions the Government is taking the correct ones? Certainly, it is recognised that we need to get into the export earning arena: I applaud that because it is the right direction to take. Only time will tell whether the decisions that have been taken during this next few weeks and months will in fact achieve the desired results. I venture to say that it is possibly too little far too late. One could argue that this should have taken place at least five years ago, when the rural communities in particular were reasonably buoyant, except those that were affected by drought, but certainly when wool prices and some of the other export earning ventures were doing reasonably well.

The Government, by targeting economic zones, has been selective within the community. One could argue that economic zones have been created in other States and countries of the world; however, why should a particular area be targeted as an economic zone when equally as many other deserving communities could benefit, and in many cases benefit much more from an overall State point of view, creating more job opportunities than the few mentioned in the Economic Statement?

I am suggesting that the Government should not necessarily have hard and fast rules, but select those communities that have the ability to demonstrate that they can provide the results that the Government is seeking. I am sure that in my own area, which has been pushed from pillar to post, partly as a result of droughts, commodity prices and exorbitant interest rates just a few years ago—and which is still trying to get out of it—the community is probably in the best position to respond to the needs of the Government and the community at this time.

The situation is serious, and those members who watched this evening's television news would have seen how serious it is. One of the safest farming communities in this State, if not Australia, had a forced land sale today and we could see from the television report what actually happened: there was no bid, no offer. Hence, what is the value of land? We all know that the land must have some value, but if we are going to use the market forces to determine that we have to say that on today's experience that land has no value at all. We know that that is wrong, so what are the outside influences that are causing that lack of interest and lack of investment in the farming community? The question is complex and one that I really do not have time to take up now.

In the Economic Statement, reference is made to South Australia's bulk loading facilities. I have no objection to those facilities being sold, with one proviso: the only organisation that can take over those loading belts in the interests of South Australia and in the interests of the grain producers of the State is the South Australian Cooperative Bulk Handling. I could not tolerate the fact—nor, do I believe, could any other person involved in the grain growing community—that those conveyor belts should be held by any authority other than the grain handling

authority itself. It would be untenable to have the grain storage and receival facilities owned and managed by the South Australian Cooperative Bulk Handling, which effectively is the farmers of South Australia, with an intermediary that could hold the entire industry to ransom in that way. It is not on, and it cannot be tolerated. Although it has not been mentioned in the Economic Statement, I hope that the Government will make it mandatory that proper negotiations will be held with the South Australian Cooperative Bulk Handling to make sure that our grain growing industry cannot be held to ransom by any other authority or any other private person whatsoever.

Mention has been made of the current slaughterhouse debate, and reference was made to this matter today during Question Time. It is an unusual industry. However, I support what the Government has done. Whilst I recognise that it will attract a little criticism elsewhere, it would be utterly untenable for the rural community if a producer of good, prime stock in, say, Cleve had to send that stock to Adelaide, for that stock to take the buffeting that would occur during road transport and be processed here and then for them to be taken by refrigerated van all the way back to Cleve. Everyone—including the stock producers—in the community loses, because the stock deteriorate during the travel, and produce from prime stock never gets back to the rural communities. All the prime stock are hand picked by the butchers in Adelaide and only the ones that those butchers do not want are sent by truck to the outreaches of the community. It is a natural thing to occur; it has occurred in the past and will continue to occur unless something is done to change it.

The Government is looking for ideas to attract employment and industry. I will raise the issue of the Gulf Link ferry proposal, to which I have referred previously in the House on many occasions. I fully support that proposal because enormous spin-off effects can occur for the benefit of South Australia. I am extremely disappointed that my contact so far with Government departments clearly indicates that Eyre Peninsula is not in an economic zone that the Government is prepared to support. The departments have clearly added to the view that Eyre Peninsula stops at Gepps Cross. I have been told that the zones in which they want to invest include the Barossa Valley, the nearer outskirts of the metropolitan area, Kangaroo Island and maybe the South-East, but Eyre Peninsula is way down at the bottom end. How short sighted that is, because there is enormous potential over there if greater access could be provided. Were that ferry proposal up and running, it could raise the bread and butter costs by way of interstate transport.

South Australia does not get much spin-off from interstate transport, but transport to and from Eyre Peninsula would be of enormous benefit: it would make Eyre Peninsula a weekend destination. It would enable regular freight services to Eyre Peninsula to take only five hours, or even less from Port Lincoln to Adelaide. People could leave Adelaide after work and be in Port Lincoln by 10 p.m. or earlier than that in other places. As to the spin-off on freight savings and job creation, there are 500 jobs just waiting to be picked up. Building contracts would carry on from that, because Eyre Peninsula would then become a retirement centre. That in itself is an industry.

The near regions of the city area have far outpriced themselves. It is now almost impossible for retired people to buy a block at Victor Harbor or in the Barossa Valley, within a reasonable distance of Adelaide, because it is outside their financial reach to do so. If the Government projected the figures 15 or 20 years down the track, it would know full well that it is an impossible aim for such people. So, they have to look further afield. The tourism industry would benefit incredibly by that proposal because it could bring in hundreds, if not thousands, of extra people to the area and open up some of the attractions that Eyre Peninsula does have. Many people drive all over Australia and go overseas to find them yet, quite frankly it is all really on our own doorstep.

Numerous other industries are on the point of taking off if given half a chance. The tuna farms in Port Lincoln have the potential to raise enormous amounts of money if given half a chance. I heard the member for Morphett talk about overseas money coming into South Australia. Let me quote one example that worries me about the tuna farming industry. The banks of Australia, for some reason or another, have a set against tuna, not because of the tuna industry here but because of the one operating north of Australia. Money has been lost on those mother ships in which some of our local people have become involved. If they looked at the figures for our own industry and for southern bluefin tuna farming (and Port Lincoln is the only place in the world where it occurs), they would realise the enormous potential.

I was contacted by some promoters of this industry who have a small tuna farm and were looking to expand, but not one Australian bank would touch them. That has meant that many other tuna farms there are now virtually owned by Japanese interests, and that worries me. We are supposed to be giving confidence in relation to our own banking infrastructure and banking fraternity, but they are not prepared to look at some of our own industries. It can go on and on.

The oyster industry has seen a massive number of leases and is now getting to the stage of producing for export, and no doubt it could do that. The ostrich and emu farms are new industries. It is hoped that the emu farming Bill will be passed by this place next week if not this week, allowing emu farming to get under way. I have been invited to open an ostrich/emu farming field day next Sunday, and that clearly shows the interest in this industry. I know of a considerable number of people getting involved in the emu farming industry. There are not so many wanting to be involved in the ostrich farming industry because of the high capital costs involved in setting up. Industries involving other exotic animals such as alpacas are taking off and no doubt will have the ability to be successful. We have other interests there.

People probably do not know about the graphite mine: some of the best grade graphite in the world is found at Port Lincoln. It is a smaller mine, battling to get under way, and needs that incentive. It is quite a considerable employer at the moment and has potential, if given half a chance. BHP is about to commence further test drilling on anticipated oil sites just south of Port Lincoln. That has enormous short term potential, with most of that rig being provided from Port Lincoln. There are opportunities there. The Government must be in the frame of mind and have the attitude that it is prepared to support those industries

and give them half a go, to get them up and running and then to back off.

The classic example of that would have to be the Lincoln Cove marina development project. The Government dug the hole for the marina development and leased out the berths. It had a 20 year lease on all berths before construction commenced. That having been done, all the other infrastructure was completed by local government and private enterprise. The Government was then able to back off. It has sold out its interest, effectively not costing the taxpayer one dollar, yet the Government received all the kudos for that project. I have no objection to that. I believe that it is the role of Government to be the facilitator, to get in and get a project up and running, to get it viable and then to back out and go onto something else. I would like to think that the Economic Statement would achieve that objective. Whilst I believe many people hope that it will achieve it, I doubt that it will. I hope, for South Australia's sake, that it goes some way down that line.

Mr BECKER (Hanson): Last Thursday 22 April the Premier delivered his Economic Statement, probably one of the most important documents that has been delivered to this Parliament in the past 10½ years. I am disgusted to see that on this side of the House the only other member present is the member for Flinders, the National Party member—not one of my colleagues is present—and there are only four members of the Government present, plus yourself, Mr Speaker. That makes seven of us in this Chamber. I would have thought that any political Party, any Government that is so concerned for the future of the people of South Australia and so concerned for the future employment opportunities of this State, particularly the young people of this State, would be here in force this evening to ensure that this was a most vigorous debate and one that would hold the Government accountable and offer the opportunity to get the State moving once again. I am very disappointed. There is nothing I can do to demonstrate to members that they should be here. I hope that they will certainly get the message in the future because, if anybody wants to win Government in this State, they have to pay attention to the activities and the workings of this House.

I see the document as a pea and thimble trick, not because I have been in Opposition for so many years but because in the past 10½ years I have seen the State gradually going down into a financial situation where we are almost insolvent. I do not know how we are paying the day-to-day bills. I worry about what the financial situation will be in July this year when, after the end of the financial year, very little money will be coming in and the cash flow of the State will be in a perilous situation.

When you have such heavy borrowings and when you have such high taxes upon a very small percentage of people who must meet those taxation commitments, the cash flow within the State suffers. In fact, the State has suffered by having very repressive taxes that are forcing industries to send their money outside of the State. What annoys me is that we had to accept a bribe from the Federal Treasurer—some \$647 million—to sell the State Bank. The State Bank is our children's heritage. The State Bank is nearly as old as the State itself. If you look back at the amalgamation of the Savings Bank of South Australia and the State Bank of South Australia, the Savings Bank of South Australia served the State extremely well.

The member for Flinders has just highlighted the problem in his own area on the West Coast—the town of Port Lincoln, where the banks will not finance tuna farming. What a tragedy. What an absolute disgusting situation. Twenty five or 30 years ago, when I worked in the Bank of Adelaide in Port Lincoln, we made a lot of money; we gained millions of dollars of deposits from the West Coast. I cannot remember how many Port Lincoln fishermen were banking with us. The fishing trawlers would come in and not only would we get plenty of money from them but we used to get a few fish as well. We were proud to help out in the town of Port Lincoln and the whole of the economy on the West Coast was extremely valuable, not only to the city of Adelaide but to the whole of South Australia. And to let these centres run down, to let the decentralisation of industry in the State run down, is an absolute tragedy and no Government should be allowed to remain in office if they allow those sorts of situations to occur.

As I said, all of this has been caused because our heritage, the State Bank of South Australia—the Savings Bank of South Australia, as I would prefer to call it—has been poorly managed. It was set unrealistic goals, and there is no doubt about it. The wish of the Government was to expand and develop; it was to create a banking situation, to expand it interstate and offshore and to bring the big profits back into South Australia. Every time I tackled the then General Manager, or the Managing Director, whatever he called himself, Marcus Clark, he always said, 'We are doing our best. We are expanding offshore to bring back the profits to benefit the people of South Australia.' I have a message for Marcus Clark: you did not bring any profits back to benefit the people of South Australia. All you have given us, Marcus Clark, and your board of directors, is \$3 150 million worth of debt, and now we have to solve that problem by meeting the guarantee given by the State, and we have to settle those debts. That is the tragedy of the whole situation.

It is a tragedy that the State Government went ahead and guaranteed the bank. It is a tragedy that we have a Reserve Bank of Australia that acts as a watchdog over all the Australian banks. No bank in Australia can set up, apart from State Government owned banks, without certain guarantees and without certain Reserve Bank controls. I blame the Reserve Bank of Australia, as much as I blame the South Australian Government, for not acting responsibly enough and supervising the operations of the management of that bank. But the Reserve Bank of Australia must accept some of the blame because it knew what was going on; it knew from the statistical data that was coming through that this bank was heading for trouble and, if the bank continued the way it was going, the State would have to bail it out; and, if the State could not do it, it would have to be the Federal Government. That is why we received this bribe during the Federal election—\$647 million to sell the bank.

The Premier has simply said that the State Bank will be sold. It does not matter who buys the State Bank, it will be sold. He does not care whether it is owned overseas, interstate or wherever. What an absolute tragedy, to think that we are going to sell off the best part of the bank. The people of South Australia may have little say in it, but the Federal Government is already dictating the terms as to what we will do. The disappointing feature that annoys the

people of South Australia, the point that makes the people very angry, is that the \$647 million that was to come off the \$3 150 million debt is not going to be used for that purpose. The first \$263 million will be used for separation packages.

We have to get rid of 1 500 public servants between now and 30 June. Unless the Government has been secretly working on this figure and has secretly been working on removing these public servants, I consider it to be almost a physical impossibility. The statement says that there will be no retrenchments; there will be voluntary retirements; and the separation packages will be completed by 30 June. I personally believe that the finances of this State are so poor that the Government had to get this \$263 million in to prop it up, and whether 1 500 public servants are made redundant or not is another matter.

Mr S.G. Evans: The package may have a big enough incentive.

Mr BECKER: The package may have a big enough incentive, as the member for Davenport says, but the point is this: why get rid of another 1 500 people on top of the huge unemployment pool that we have in South Australia, along with all the wasted resources? We read in this statement about the skills of the tradespeople in the State. We had the greatest workshops in Australia: the South Australian Railways and the Engineering and Water Supply Department. We had some of the best skilled tradesmen coming from Europe to work in those workshops and to train South Australians. We are losing all of those skills. We do not have any good engineering skills anymore. How can we expect our manufacturing industries to develop and export if we do not have the skilled toolmakers and the tradesmen to manufacture the exports that are necessary? We are letting it all go; we are letting it all slip; we are losing the whole jolly lot.

At page eight of the Premier's Economic Statement, he says:

The recession and industry restructuring that South Australia has experienced in recent years followed a period of generally strong economic growth during the second half of the 1980s.

That was false; it was inflated; it was the most crooked period we have ever seen in this country. He also says:

In this State more than 110 000 jobs were added during the decade to the end of 1990, a 20 per cent expansion in the number of employed South Australians.

But there was not enough, and Billy the goose could have seen that. The creation of 110 000 jobs in that period—and it is a pretty washy sort of statement—was nowhere near enough because we have some 70 000 unemployed. On page 9 (third paragraph) the Premier goes on:

The recession that has gripped Australia and most other industrial nations during the past couple of years, together with major restructuring forces, has seen a severe impact on South Australia. The loss of 29 000 jobs over the past two years and a double digit unemployment rate attest to that. The fact that a large proportion of the goods and services that South Australia produces and are exported, either overseas or interstate, means the State cannot insulate itself from events outside its borders.

We knew that; everybody knew that we would have a problem. So why did not previous Governments do something about it? Here again the Governments of the past must take the blame for not taking action to prepare South Australia in case there was ever a run down.

Everybody knew that it would occur. You get your highs and lows. We have these so-called experts employed in the Public Service, in the universities and in commerce and industry, and some were warning the Government, but the Government took no notice. It was all too easy to just plod along and have a good time—let's enjoy it while we can and tomorrow will look after itself.

That is what this statement says. It tells us that we have had a few problems, but now we are going to follow a three year plan. We do not want any three year plan; we want something that is very positive now and puts everything in place. There are no long-term projections in respect of the situation we have at the moment. We have too many unemployed people out there; we have too many wasted resources; and of those who are working we have too many under-employed. Also, those who are employed at the higher echelons, be it in the Public Service or industry, are paid such enormous rates that no wonder we have this pool of unemployed.

That is what really irks me: it really annoys me to think we have to import people to run SGIC, the State Bank, the multifunction polis and all sorts of other organisations. We are paying salaries of \$200 000, \$300 000 and \$400 000 with all the lurks and perks that go with it. It would be very nice to be able to do that; it would be very nice to be there with the high-fliers of America, Europe and perhaps Sydney—the Chicago of Australia. We cannot afford that.

South Australians have always had to be street smart and work harder. South Australia has always been the cheaper tax, land and housing State. South Australians have always had to be hard workers, keen workers—effective and efficient. That is how we have survived and that is how we have built, developed and grown. We cannot afford to fall for the greedy mentality and the greedy society. However, we have done just that because, under the separation packages, we are going to pay out \$263 million to get rid of 1 500 public servants. We are going to pay people to go. We are going to get rid of them. But what will happen in the future? What will happen to some of these Government departments? We have already seen what will happen, because there will be, for example, a huge Education Department—although I cannot fault that in some respects. But what really does annoy me—and the member for Morphett drew attention to this towards the end of his speech—is how we can have a Department of Housing and Urban Development that incorporates the Department of Recreation and Sport, the South Australian Urban Lands Trust, the Office of Planning and Urban Development and the State-local government relations function.

Let us look at streamlining administration and at cutting costs, but let us look at the human factor as well. Let us look at what it really means to create a situation like this. As the member for Morphett said, recreation and sport does create employment and opportunities. But what it also does is create opportunities for tourism. This statement says that the key to the future growth and development of the State will be tourism. Tourism is labour intensive—we all know that and we all accept it. Tourism perhaps may well be the future for the State in the short term. But you cannot have a short-term opportunity for tourism. It takes years to build it up. If we were to do any good in tourism, we should have been encouraging international hotels to come here and build, we should have been giving them the

land and we should have been giving them tax relief—the tax holidays that are now proposed.

We should have been looking at hotel chains—the Holiday Inn group and so on—that put together tourist packages in conjunction with overseas airlines so that when a jumbo jet flies into Adelaide Airport—even if it is at 5 o'clock in the morning—at least we know that it will fill two or three hotels. But you cannot have these sorts of facilities; you cannot expect to have these sorts of operations if a handful of passengers get off a plane at 5 o'clock in the morning. That is ridiculous—absolutely unheard of.

There are few places in the world I have got off a plane at 5 o'clock in the morning and expected to walk straight into a hotel and get a bed. The check-out time is 11 o'clock. You are lucky to get a bed before 12 o'clock. What will people do for seven hours after an horrific flight from London via Singapore to Adelaide? You have to add on the additional cost of a night's accommodation and reserve that room for that night, and it adds to the cost of the holiday. Australia is not a cheap destination. Compared to Asia, our hotel accommodation is not that good or cheap. The opportunities that we have to look after tourists are not all that good when compared with countries that are in close proximity.

We have some outstanding features. We have caves, opal mines and extremely good wine growing districts—but they are spread throughout the whole of the State. We should be developing tourism and having a very hard look at countries that have progressed and developed in the tourist area and consider their proximity to the market. When you compare Adelaide to the Mediterranean and look at the population of the cities so close to those tourist destinations—be it Malta, Cairo, Tunisia or wherever—you are looking at hundreds of millions of people. The closest region to us is Asia. The tourists that now come here in their droves are the Japanese, but they prefer Queensland. We do not have the climatic conditions Queensland has. So we have to be smarter and sell South Australia in an entirely different way and as an entirely different holiday package. But you cannot do it unless you have the hotels and overseas airlines bringing in the people. They have to be committed.

Of all the international flights coming into Adelaide, 90 per cent fly on to another destination. We are a convenience. Ask Qantas what it would like to do as far as Adelaide is concerned—it would fly over Adelaide. It is not viable for Qantas to drop down here and unload a handful of passengers. We had the opportunity when we had direct flights from Tokyo, but that did not do any good. We are getting a better response from Cathay Pacific which flies from Hong Kong. We got an increase to two flights a week, but back in 1988 when I saw the Sales Manager of Cathay Pacific it took a lot of talking and hard work, and the State Government spent a lot of time and effort, to convince Cathay Pacific that it should come to Adelaide. But, as I said, there is no Chinese population here, so all its bookings are made generally by people from Hong Kong buying tickets up to 12 months prior to their travel.

If we are serious about doing something for South Australia and developing employment and employment opportunities, extending the runway at Adelaide Airport is not the way to go. That will only help to gain another 2 per cent or 3 per cent of tourists. To extend the runway

and fly the people over Thebarton and Hindmarsh will mean more votes for us. We must learn from the experience of other countries, but at the same time we must look at our export opportunities and industrial relations policies. That is the key to the whole issue: we must tackle some of the industrial relations problems that we experience in South Australia. I do not like this document: I think it is false; I think it is a fabrication. The leaking of the tax increases to the media by one of the senior Government Ministers a week before the document came out was dishonest and mischievous, and it has caused a lot of anger and heartache to certain people in the community.

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

STATUTES AMENDMENT (FISHERIES) BILL

At 8.41 p.m. the following recommendation of the conference was reported to the House:

As to Amendments Nos 1 to 4:

That the House of Assembly do not further insist on its disagreement to these amendments.

ECONOMIC STATEMENT

Debate on motion resumed.

The Hon. P.B. ARNOLD (Chaffey): My listening to the Premier deliver his Economic Statement has only heightened my sense of despair for the economic future of South Australia. It convinced me beyond any doubt that the Government has lost the plot—that is, if it ever had it in the first place. We have to go back only to the basic economic philosophies of people such as Sir Thomas Playford, Sir Henry Bolte and Chifley to see a sensible economic approach. We as little primary producers on this side of the House know perfectly well that we cannot spend more than we earn, and that was the basic philosophy of those great Premiers and Prime Ministers of Australia. Until the Government gets its feet back on the ground and does not rely on economists with high flying economic theories that have now been absolutely discredited, there is little chance of not only South Australia but Australia getting out of the economic mess it is in.

The situation now from a Federal point of view is that, if our monthly deficit is below \$1 000 million, the people of Australia and the media seem to think that suddenly we are doing an incredibly good job. I would hate to try to run a small primary producing property or any small business on that philosophy. We have to look only at the massive increase in the national debt since the Federal Labor Government came to power a few years ago. However, tonight we are dealing principally with the statement issued by the Premier and with what he anticipates it will do for South Australia. Unfortunately, when we analyse it, we see that there is little light at the end of the tunnel.

There is a number of reasons for that. Principally, the State or the nation is dependent on its export industries, those industries that can create and bring new money into this country. The other money that we are talking about—that created by the vast majority of the people of

South Australia who are not involved in export industries and who are not creating new money—is only being recirculated within the State. Unless we introduce new money—actually create new money—and unless our exports are well above our imports, it is not long before we have a massive problem. That is exactly what has happened in this country, particularly in South Australia: too little emphasis has been put on our export industries. Whether they be primary or secondary industries, there has been an absolute lack of positive support for those industries in the past 10 years by this Government.

A good example of that is the splitting up of available moneys that the Government receives annually and just where those moneys go. I have said in this House on numerous occasions that only 30 per cent of the State's population lives outside the greater metropolitan area but, by the same token, that 30 per cent generates 50 per cent of South Australia's export income. I reiterate: that export income is the new money that is being created by primary producers who produce goods that can be exported and bring in new money to this country from overseas—30 per cent generating 50 per cent of the export income of South Australia. However, when it comes to the splitting up of the moneys received by the State Government and what the Government does with that money, we find that it is using, allocating or spending about 80 per cent in the greater metropolitan area and 20 per cent or less in country areas, which actually generate 50 per cent of the State's export economy. That is why South Australia is in its present mess. If the Government had enough wisdom to spend at least 50 per cent of its resources in areas that actually generate new income, new money and new export earnings for this State, we would not be in the mess we are in today.

One has to look only at the crisis in the rural areas, even though they are still providing 50 per cent of the economy. We have to look only at the 1991 census to find that, in an area such as the Riverland that contributes significantly to the export earnings of South Australia in terms of hundreds of millions of dollars annually, family income levels were more than 30 per cent below the State average; 51.7 per cent of those aged 15 years and over had a yearly income of less than \$12 000. It is an impossible situation, but the point I am making is that, even with that very low income that is being received by the residents of the Riverland, they are still generating hundreds of millions of dollars in export earning income for the benefit of South Australia, even though they receive very little of it themselves. As long as that sort of situation exists and the Government does not have the wisdom to spend money in the areas that are actually producing the wealth of this State, there is little future for South Australia.

The reason why the Government has been spending 80 per cent of its available income, received in the form of taxes and charges from the people of South Australia, in the metropolitan area is that that is where its seats are—where its vote is—and to maintain that vote, to keep itself in government, it has had to spend 80 per cent of all the moneys available to it in the metropolitan area by way of handouts, give-aways and every other form one can think of.

An honourable member interjecting:

The Hon. P.B. ARNOLD: That is buying votes—buying government—and that has been going on for the past 10 years. Of course, what it really amounts to—and one can only go on the statistics—was verified by Malcolm Newell, who wrote an editorial about 18 months ago. His analysis of the situation was that the position was even worse than I have stated. In fact, he claimed that only 27 per cent of the population lived outside the greater metropolitan area of Adelaide and that, of the 50 per cent of the economy generated by those people out in the country, only 15 per cent was actually going back into country areas. With that sort of wisdom and philosophy, we had no alternative but to be confronted with the disaster now before us.

Only a few days ago I think I heard the member for Ross Smith—the former Premier of South Australia—who presided over this Government for most of the 10 years say in this House, ‘If there is going to be an economic recovery in South Australia, it is going to come from the rural area.’ Unless there is a great change in the philosophy presented to this House by the new Premier, that just will not happen.

If we are to continue down this path where about 50^c of every dollar in income received by the Government goes towards paying off loans—in other words, interest on debt—of course there is no future at all. If I or any other person was running a small business where 50^c, in every dollar earned went in paying interest on our debt or overdraft, the bank would close us up the next day, because we would be regarded as bankrupt, totally insolvent, and that would be the end of it.

Unfortunately, in this situation before us, the hapless taxpayer has to continue to prop up the Government. Unfortunately for South Australia, the statement issued by the Premier certainly gives little room for encouragement for members on this side of the House or for the people of this State.

Mr GUNN (Eyre): In taking part in the debate on the Government’s economic strategy outlined in Meeting the Challenge, one has to look carefully at the past performance of this Government. This document is the result of 10 years of Labor Administration—10 lost years. Why is it that this document is put before us, because it reflects a situation which is nothing short of financial incompetence and mismanagement? Why is it that out in the community there is such a great deal of heartbreak, concern and despair about what is going on? There is not confidence in industry and commerce. There is not the incentive there to encourage people to invest or commit themselves to go forward—

The Hon. Jennifer Cashmore: It’s a bit late to be talking about that now.

Mr GUNN: It is a bit late—because everything possible has been put in the way of these people, whether it is the mining, construction or great agricultural industries that have built this country—

The Hon. Jennifer Cashmore: Or small business.

Mr GUNN: Or those people who have provided the services, whether the corner shopkeeper, the small computer business or the machinery sector of this State. One of the great problems facing the people of South Australia is that there are too few people outside the metropolitan area. In a little town like Streaky Bay, the one Massey Ferguson agent in 1972 sold 32 new headers in one

year, yet today there is no machinery agent at all in Streaky Bay. That highlights the problem in this State: everything has been contracted. That agent employed mechanics and people engaged in service and looking after spare parts. That agency was a source of employment. The other important aspect is that all those 32 headers were Australian made.

I do not think one can buy an Australian made header today, and that is a topic about which I know a little. One might get a new Horwood Bagshaw header, but this highlights the problem in Australia: we have taken incentives away. Australia developed in the 1960s and early 1970s because it had a taxation system that encouraged people to invest and to improve their businesses, and they were supported by Government. As to the taxation system, the 40 per cent investment allowance and the income equalisation deposit scheme was an encouragement to people to use the best technology available, and that is why the agricultural sector laid the framework in Australia for a high standard of living.

Jobs were created. Australia exported, and the standard of living was becoming increasingly higher. We built new schools and hospitals and people were out in the rural areas. Today that situation does not exist. Why is that? It is because the Government has lost its sense of direction, and this Government in particular did not seem to understand, care or want to understand that one cannot continue to put barriers in front of industry and still have industry employing people.

Not only is that of detriment to all South Australians but it is detrimental to all Australians. What concerns me about this document is that selective areas in South Australia will get special assistance. I do not have any problem with assisting industries to go to Whyalla, but I do have problems with selective support. If the District Council of Murat Bay at Ceduna or the Corporation of the City of Port Augusta or Port Pirie, or anywhere else, can put together a package to assist a business to establish or develop in its area, financial assistance should apply equally to that package.

There should be an equal opportunity so that all organisations can go out and sell their districts, attract business to their areas and create long-term employment. There is an urgent need to attract people outside the metropolitan area, and the Government has missed a great opportunity. Therefore, I appeal to the Premier and his Ministers to extend that incentive to all of South Australia, particularly to the Iron Triangle and to the north and the west, where there are great opportunities. I am sure that those councils and communities would strongly support initiatives to get industry and commerce to those areas of the State. I do not believe that the Premier’s plan is reasonable, fair or just.

As the member for Kavel rightly pointed out, we have seen a change of policy and attitude by the Government. I recall the 1985 election campaign when we were treated like lepers when we talked about privatisation. Certainly, we did not have anything in mind of the magnitude of the Government’s actions—nothing at all. The Government’s action has exceeded all our expectations and gone further than we considered possible. I suggest to the House that, when the Government runs out of money again in a few months, other areas will be added to the list. I suggest that the Government will start selling the Housing Trust’s rental

stock to private entrepreneurs and not to individual or long-term tenants.

The Hon. T.H. Hemmings interjecting:

Mr GUNN: I do not object to the selling of rental stock to individual tenants, but I believe the Government will go further and start selling to developers. It will do that because it will run out of money. It will sell to investors because it will want the money. The Government will be selling Tom Playford's birthright in the Housing Trust. That is what the Government will do. It has torn up everything else and, in my judgment, that area is next on the list.

It will take more than a few press statements from the Minister for propaganda—the member for Briggs—to talk his way out of those activities. The Minister for propaganda will want to be quicker than Fred Astaire to get out of that, because there is obviously much more to go on the hit list than we have seen in this document. Today we saw the enlightened Minister of Primary Industries in his usual way wanting to make out that he has the answer to all the problems—

Members interjecting:

Mr GUNN:—that well-known legislator who currently represents the eastern suburbs and who is trying to get out onto the plains, but I do not know how he will get there. He engaged in some skulduggery today. He was insulting, rude and mischievous in the way he carried on. Some months ago, I took to the Minister a deputation of butchers, producers and local government representatives in relation to the problems caused by the Meat Hygiene Authority. We had an extensive interview with the Minister, who, in line with requests made by the Meat Hygiene Authority, did not have the political guts to direct them in the manner in which he now says he intends: he wanted consultations and submissions. In good faith, those people prepared very detailed submissions. I understand the Minister received submissions back, and he has eventually coaxed the Meat Hygiene Authority to go some of the way.

Yesterday, one of those butchers said to me, 'What a nice situation we're in; we had a telephone call from the ABC saying that it had a press statement, and the Minister didn't even have the courtesy to let us know what he proposed.' However, he gets the hapless member for Stuart to ask a Dorothy Dix question. The member for Stuart knew nothing about it—she probably does not even know where Melrose, Booleroo Centre or any other such places are, let alone know anything about slaughterhouses. The Minister goes on at great length to make out what a good fellow he is.

The greatest attribute a Minister can have is the courtesy to give those people with whom he or she is dealing the opportunity to know first. The Minister has failed. It was nothing more than a slick political trick which will backfire on him. He ought to do better than that. He has made out that he is this independent Minister, that he wants to treat everybody equally and fairly, and that he will not engage in the political nonsense and skulduggery that goes on—he is above all that. He has proved today that he is not, that he really is nothing more than a pale pink version of the Labor Party. He has taken the white car and traded his independence.

An honourable member interjecting:

Mr GUNN: The honourable member has described him in a term which I will not use. I am not uncharitable: I am just a simple country lad who wants to defend his constituents. That in itself proves that the Minister has a fair bit of groundwork to do to catch up. With regard to the amalgamation proposal for the Electricity Trust of South Australia and the Engineering and Water Supply Department, I want to know from the Minister and from the Government which depots in rural South Australia will be closed. I want to know whether backbench members and Labor Party candidates support it, because obviously many jobs will be involved. I want to know from these erstwhile Labor candidates who race around the country—the born again socialist from Port Pirie, the man from Clare; where does he stand on closing some of these ETSA or E&WS depots in various parts of the State that he hopes to—and fortunately will not—represent? What will happen at Ceduna and at Port Augusta? Which depots will be closed? Obviously, jobs will be lost, because there are not enough jobs in rural South Australia now. Who will end up administering the Electricity Trust? Will it be someone with experience in that area, or will it bring people from the Engineering and Water Supply Department?

No wonder there has been a box-on at the board. They got rid of the Chairman when he wanted to appoint a new chief executive. We now know why. Obviously this plan was secretly formulated; when the members of the board, in their wisdom, wanted to appoint a new executive, they said, 'We couldn't have that; we'll have to get our hatchet men on the board to shift the Chairman.' They shifted him all right; he is on his way, and his deputy went, too. So, we do not know who will be the chief executive or whether the new organisation will have a power and a water section. I ask the question: what effect will this rationalisation have on the future of Leigh Creek?

Mr Ferguson: If you put the electricity in the water, you get electrocuted.

Mr GUNN: Well, the honourable member has excelled himself with that comment. I ask the question, quite simply: in some of these isolated rural communities, if there is a power blackout and a water main bursts, which will get priority? Will the town be flooded or will it be left in darkness? The honourable member can laugh, but I want to know where the priority will lie. Will you flood the people in darkness? The people are entitled to know.

Mr Quirke: They're going to freeze in the dark.

Mr GUNN: Well, the people have certainly been frozen. This Government has been freezing them for 10 years; for 10 years nothing has happened. Those sorts of interjections clearly indicate that the Government does not know, does not care or is not interested in anything in the area outside Gepps Cross. What is the future of electricity generation in this State? Will it use this exercise as an opportunity to downgrade the northern power station? Will it use it as a step to downgrade the mine at Leigh Creek? I am of the strong view that we should not have all our energy needs tied up in one source; we should not be relying on gas; we should give a clear undertaking that we will maintain that operation at Leigh Creek so that we have some opportunity to diversify. I want to know the position, because it is very important for people whom I represent and for the future of this State.

Further, we are entitled to know how long this amalgamation exercise will take. I understand that they are

already having meetings about the matter, discussing it and drawing charts and maps. Who will finally make the decision? As I understand it, the Engineering and Water Supply Department has just moved into a new building. The Electricity Trust is based on Anzac Highway. Where will the headquarters be? How much will all this duplication cost? Will the Engineering and Water Supply Department move out or will it build a new building? What will it do? We are entitled to know, because at the end of the day the long-suffering taxpayers are the people who will have to pay.

Mr Quirke: You've got your E&WS tie on.

Mr GUNN: No, I've got my ETSA tie on. I'm told, Mr Speaker, that these will be a collector's item.

The SPEAKER: Order! First, the member for Eyre will direct his remarks to the Chair; and, secondly, the member for Playford will not interject. I do not care what tie the honourable member is wearing.

Mr GUNN: I am a very modest fellow; therefore, I was somewhat sidetracked by the member for Playford. It is unusual for me to listen to interjections because they normally put me off. I want to know exactly what the management structure will be, because it is so important to the future of this State. We have had a good electricity supply in this country and, if it had not been for the actions of the Playford Government, people in rural areas would not have had electricity. Playford was far-sighted when he decided to provide for the State the generation and distribution of electricity. We should be cautious in interfering in what has been an excellent South Australian institution. ETSA has been through a difficult restructuring, and a great number of efficiencies have been put in place. At the end of the day, what effect will the decision have?

The other matter which I have been concerned about and which I talked about earlier involves incentives. There has been no incentive to get people into rural areas; no guarantees have been given about the future of rural hospitals. I want a clear undertaking of what will happen to the chief executive officers. Will they be shunted out? Will another attempt be made to shut hospitals as the pressure increases on the budget? Given that the Select Committee on Rural Finance has looked at the matter, why has an initiative not been taken similar to that taken in New South Wales to exempt family transfers of agricultural land to assist young people to stay there and to go into agricultural enterprises?

We want young people involved in this area, but nothing has happened; no incentives have been given. That would be a sensible policy to pursue but obviously the Government does not want to do so. I believe that the only one way for this State to again move forward so as to give some confidence and security and to look after the interests of the people of this State—and so that their children will have a future—is to change the Government. The quicker there is a State election so that that can take place the better. Therefore, I look forward to the responses of the Ministers regarding whose administration I have indicated concern.

The Hon. B.C. EASTICK (Light): The document to which we are referring tonight is an attempt to cover up blindness, deafness and doubletalk, and it has not achieved its aim. Why do I say deafness? Because for years the dogs were barking in the street and members of the Opposition

were drawing attention to the difficulties with the State Bank, but neither the Premier nor any person sitting behind him was prepared to follow up the information being given to the House. Why do I say blindness? Because the Premier did not want to see the reports that were coming to him from a number of sources, and that has been proven by the information contained within the royal commission report thus far. Why do I say doubletalk? Because we were constantly having the economy of the State talked up when it was obvious to everybody that it was not performing or functioning as the Premier would have had the House believe.

But what do we have in this document? We have doubletalk again. Let me take two examples from the information given to the House last week by the Deputy Premier, the Treasurer of this State. On the very first page of this document he states:

We are now emerging from the recession.

There is a very heavy question mark over that, both in this State and elsewhere. Then he goes on to say:

Demonstrating that the State's debt can be and is being reduced...

There is no real evidence of that in this document. The debt is not being reduced by the \$200-odd million which has been made available by the Federal Government. That is going directly into redundancy payments. Whilst that might reduce the recurrent accounts in the future, it is doing nothing to reduce the debt of the State. In the next paragraph he says:

Everyone understands that if debt is allowed to accumulate the interest cost will eventually become unmanageable.

What doubletalk is that? At the present time the debt is unmanageable; it has been unmanageable for months; it has been unmanageable ever since the Premier admitted to this House that he should have been other than blind and deaf—he should have been listening to what was being stated and he might well have curtailed the activities of the State Bank, SGIC, Beneficial Finance and others long before the Government made any attempt to do so, so that South Australians, their children and their grandchildren would not have to suffer the problems which will be with us for years in the future. A little later in the statement the Treasurer said:

After a decade of responsibility we would have been well prepared financially to weather the recession if it were not for the losses of the State Bank.

Who is responsible for the losses of the State Bank? Not the people of South Australia, not the members of the Opposition, but every member of the Labor Party who has supported successive Labor Governments in this House since 1982. That is a situation we all have to recognise, and we should not allow doubletalk, such as that used by the Treasurer on this occasion, suggesting that it would be all right if it were not for the State Bank.

I want to draw attention to a couple of other statements which have been made. There is a muffled attack—and I use the term quite deliberately because it is not a full onslaught by any means—that the nigger in the woodpile in the South Australian situation now and into the future is this dastardly Commonwealth Government, which is not making as much money available to the States—or, more specifically one might say, to this State. Why is South Australia not getting the same percentage of the cut now as it received in the past, whether for local government or in

a number of other areas? It is because the percentage of the total funding from income tax and other criteria is not as great as it used to be, and that is because of the stranglehold this State Labor Government has had on business since 1982, resulting in the number of bankruptcies that have occurred, together with the number of people who have been put out of work and the number of businesses that are marking time and are not able to function correctly to produce wealth and pay taxes to the Commonwealth to be fed back to the States.

We need to look very closely at the damage caused to the people of South Australia by this repressive socialist Government which has put a dampener on business and enterprise. On page 2 of the document the Deputy Premier made this statement:

To achieve this in 1993-94, all agencies will be required to absorb the full effect of wage increases, estimated at \$40 million; inflation, estimated at \$35 million; and the additional costs of the superannuation guarantee levy, estimated at \$11 million.

Those three admitted costs of \$86 million, to be taken up within the 'fat' of the working costs directly associated with the agencies, will mean a major reduction of service at the coalface. It is hypocritical of the Minister of Education or Minister of Health and the other Ministers who represent service departments to say that they have a stranglehold on them in relation to the services they would love to provide to the community when they in fact have been part of the cause. They have been a part of the debt and they have been responsible for this increased difficulty with which we are asked to live.

The Government claims that as a result of better work practices there will be a great improvement. What has the Government done in recent years in relation to suggested improvements in work practices, tendering or general business etiquette? It has been drawn to the attention of the Government that, in relation to the bus services directly associated with the Education Department, practices have been permitted to continue in certain offices where the number of people involved is double the need, yet none of them work a full eight hour day. Even when the effect that increased taxation has had on work opportunity has been drawn to the attention of the Government and made known to the union masters, they have not been prepared to accept the direction provided in that respect. The Government has dropped its bundle and allowed the unions to dictate what will take place in a number of these areas of improvement.

I hope that doubletalk is not to be the order of the day and that, in bringing down this statement in relation to improved work practices and reform, there is a will within the Government circles from the new Premier down to ensure that those effects will benefit the people of South Australia. On past experience, one would have to question whether that will happen. Quite early in the present parliamentary term, we were told by the then Premier of the State, 'We will govern with light and flair.' Might I point out that the position simply is that nobody remembered to light the flare. We have not seen any part of it. We have not had any light and flair directed to the benefit of South Australia. I would trust that the parts of this document which relate to fact will be effectively put into practice by the Government for the duration of this parliamentary session.

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

A quorum having been formed:

The Hon. B.C. EASTICK: Now that there is an audience of a large number of Government members, let me go back to the point that we are in this state in South Australia because of the blindness, the deafness and the double talk which has been the key note of the Labor Party in this State for the whole of the past parliamentary session.

The Hon. H. Allison interjecting:

The Hon. B.C. EASTICK: My colleague the member for Mount Gambier suggests it is typical of the three monkeys. They are deaf and blind. The trouble is that these three monkeys have been speaking but they have been speaking in double speak. That is where the real problem lies for the people of South Australia. Mr Speaker, I rest my case.

The Hon. LYNN ARNOLD (Premier): It was certainly interesting to hear the various comments made by members opposite during the debate this afternoon and this evening. I might say that it has been a very disappointing contribution from members opposite. We had the response to the Economic Statement from the Leader of the Opposition that started out looking as if it might be reasonably impressive as he went through a series of topics including public debt, business incentives, and parliamentary and Cabinet reform. I thought that at long last we might see a statement from the Opposition as to what it thinks should be happening, rather than the carping rhetoric that we hear endlessly from it. I thought at long last we might actually see a set of policies, a set of alternative ideas that it has been so lacking in. I thought at long last we might see a statement of the very promises that the Leader has made on so many occasions. He said last year he would be coming out with a statement, and that he was taking January off to work on his statement. I thought we would actually see these alternative ideas.

Some months ago he said he would come out with a 15 year plan for South Australia. I thought that perhaps this would be the day that we see this 15 year plan from the Opposition. Unfortunately, we have been sadly disappointed because what came out today was simply nothing other than the rhetoric of carp, the rhetoric of no new ideas and, in fact, when there were ideas, essentially they reinforced the very things we included in the Economic Statement last week. With respect to so many of the things, if you take out the carp of what was said by the Leader of the Opposition both today and since the Economic Statement was delivered last Thursday, he gives these ticks to what we have done.

With respect to the public sector work force and our proposal to reduce that by 3 000, he sort of comes in half way on that and says, 'We will not reduce it by more than 3 000.' Another way of looking at that is, if they were in Government, they would reduce it by 3 000. Just as an aside, I note that this afternoon he did not explain how he would rationalise his comment earlier on that he would cut Government expenditure by 15 to 25 per cent with his other comment that he would not reduce the public sector work force by more than 3 000. The two statements do not add up unless you are going to put under real pressure the working conditions of the public sector. They were his

words on the air some time ago, that he would cut the public sector work force by 15 to 25 per cent. He said also that public sector jobs would not be cut by more than 3 000.

The only way that those two add up is by reference to the conditions of those employed in the public sector. I would suggest that the public sector unions, who have made their own comments about what the Government is proposing, would do very well to consider what that would mean in relation to all their pay and conditions, for example, were a Brown Government elected. The Leader has given a tick to what we have done in respect of financial institutions duty and business incentives, although he has to nitpick away and make some criticisms of the export schemes we have introduced while recognising, at the same time, that they do have some value.

During his contribution the Leader made the comment that the export market development grant bridging finance scheme that we had in South Australia was abandoned. He got himself quite worked up about that. He would do well if he actually looked at what happened with that scheme and why we had that scheme in the first place. We had it to provide bridging finance to those who had applied to the Commonwealth export market development scheme. Whilst waiting for that money, they needed that financial assistance, so we gave them bridging finance. That turned out to be very important, because the delays facing those companies waiting for that Commonwealth grant were quite extensive. In some cases the delays were up to two years. Naturally, if they had been paying out money and had to wait two years to receive the grant, even though they had been given approval, that represented a financial problem for them.

What did this State Government do? We came into that breach and filled it by saying that we would lend that money on the guarantee that it was repaid when they received the money from the Commonwealth. The reason the scheme was then dropped was that the Commonwealth improved its performance in terms of the payment of these grants to people, so it was no longer necessary. It would be a bit odd to keep a scheme in place that was not going to be used, yet that was used as evidence today that the State Government has not been supporting export schemes within this State.

Then we come to other areas. He did not make much comment about the increase in the tobacco tax. I know that a lot of people have, and many people are very unhappy at the increase in that tax. I have to make the point that we did not have the option of South Australia saying, 'We have to get the recurrent deficit down; we have to get debt down; we have to do something to promote business growth in this State.' We did not have the option of increasing the deficit. You cannot, on the one hand, get the deficit down and on the other hand increase the level of expenditure or give away tax revenue. So, when we went for a reduction in the level of the financial institutions duty, it had to come from somewhere. There are various other options as to where it might come from. It might come from, say, petrol tax, except that, if petrol tax had been increased, it would have been a further impediment on businesses in various parts of the State. It is regretted that we have had to do that, but it had to be.

I know that many people are saying, 'Smokers always seem to bear the burden of Government taxation revenue.' That is not correct. When you consider the percentage of funds received from tobacco taxes I think it would represent something in the order of 3 per cent of the Government's total consolidated revenue. Nevertheless, it is certainly true that in this package they have borne a bigger burden than most. What does the Leader say about that matter? He says, 'If we were in Government, we would not reduce it.' That is really trying to hide behind the fact that what he is saying is, yes, they tick that as well.

What else did the Leader say? He said that he would resolve the problem of public sector cuts. He said that he would not want to reduce the public sector by any more than 3 000, and then he said that, if he did not like where some were going to occur, he would not proceed with those cuts. The way he would resolve the financial problems of the State would be to increase the asset sales. He attacked what we said about asset sales. He said that the \$2 billion figure does not seem to add up. Of course, he made a major mathematical mistake, because he failed to take into account the \$600 million compensation package from the Federal Government for the sale of the State Bank.

We will overlook his little mathematical inaccuracy there because that is what we are used to from him. He just failed to take that into account. But then he glibly said, 'And we will just add another billion on top of that.' He plays his usual equivocal game here and tries to have it all ways to all audiences, because some audiences, he knows, would be upset if he were to suddenly say, 'We are going to sell another billion dollars worth of assets.' So he says, 'Well, it's not all going to be assets. It's going to be some other things too.' When asked what those other things will be he says, 'We are going to improve the performance of GAMD. We are going to see that we get a better return from GAMD.' I think that that is quite ridiculous. GAMD is performing very effectively at the moment. It is a good management of those assets, and quite frankly—

Mr S.J. Baker: It's a fire sale.

The Hon. LYNN ARNOLD: It is not a fire sale. It is quite distinctly not that. It may be what the Deputy Leader would want, and if they are going to aim for an extra billion dollars worth of assets that may well be why they propose a fire sale sort of approach. GAMD is being responsibly managed to get the maximum benefit for South Australians out of the assets that it has under its control, and there is simply no more to be had out of the procedures that are being followed in the GAMD process.

Then came the classic, because the Leader said, 'Oh well, the balance of the extra billion will come from extra revenues.' Does this mean that we will have extra taxes if the Leader is elected Premier? No. The economy would grow and that would suddenly generate the extra revenues. I knew that I could not have come out with an Economic Statement that said to South Australians, 'And the way my figures balance up is that somehow or other the economy is going to grow and the figures will just come in, but I can't really tell you how.' I knew that that would not be an acceptable statement. I knew I had to come out with a detailed statement about how we were going to reduce debt; about how we were going to achieve a balanced recurrent budget. I did not have the gall, as the Leader has

the gall, to simply say, 'The way I balance my books is that we will somehow get the economy to grow and it will all work out on the day.' Frankly, that is simply not good enough.

Now we come back to the \$1 billion worth of asset sales, which is what it will end up mostly meaning. He does not give any details of what they are going to be. We saw one of his usual edifying performances on the *7.30 Report* tonight. A pretty terrible performance, as usual, but he is consistent. We saw his performance. When he was asked what these sales would be—well, nothing, except he assumed, 'Oh, there must be lots of land around the place.' I just do not know where he thinks all this land is around the place. Of course there is a lot of land. I forgot, there are schools. That is right, this is the Jeff Kennett approach. There are the hospitals. Jeff Kennett is making quite a good career out of this sort of thing. He is coming out with massive hit lists of schools. The Hon. Rob Lucas in another place tried to play it over there with us, but really there is nothing to his allegations at all in terms of this Government. He is saying, 'We are going to add in all these other—'

The SPEAKER: The Premier will refer to members by their electorate or the position they hold in the Parliament.

The Hon. LYNN ARNOLD: My apologies, Mr Speaker. The Leader—

An honourable member interjecting:

The Hon. LYNN ARNOLD: Yes, the temporary Leader says that he is going to have these extra asset sales. However, he overlooks the fundamental problem that a recurrent deficit is the result of recurrent expenditures exceeding recurrent revenues. You have to do something about that equation. The Leader gave us nothing about how he was going to do that except to say—

An honourable member interjecting:

The Hon. LYNN ARNOLD: He is also out of his place, I note. The member for Murray-Mallee has taken his position. The Leader just assumes that you can go on with what would amount to, in his kind of approach, selling the family silver and hoping that the recurrent budget works out at the end of the day. It simply will not work out at the end of the day. We have come out with an asset sales program, that is true. It is a responsible one and we have, broadly speaking, identified the areas that we will be targeting in that matter. Essentially we have identified what we would sell—the Opposition has not. It was suggested today that bits of SGIC could be snipped off, although he has not done any work as to exactly what benefits that would bring to South Australia—

An honourable member interjecting:

The Hon. LYNN ARNOLD: As we are not selling off bits of SGIC, there is no reason to do the work on it. Then, one of the other speakers opposite said that the Government has not actually had any successful asset sales over recent years. That is not correct. I think that in the 1992-93 financial year something like \$150 million worth of asset sales were built into the budget. So, his whole response to asset sales was very wishy-washy indeed. It is interesting to note that his grand response and grand statement today did not get much of a run if you watched the media tonight—in fact on some stations it did not get a run at all. It was totally overlooked; it was entirely forgettable. He got a bit of a look on the *7.30 Report*, but it was not the most complimentary look.

There are a number of other things where the Leader was, quite frankly, incorrect. He said that in South Australia we have the highest taxes in Australia. That is simply not correct. It is like the statement he made at one stage about highly paid executives earning hundreds of million of dollars. I would have thought that, if they had been earning hundreds of millions of dollars, that really was something for the Economic and Finance Committee to look at. But that is the kind of hyperbole that we have been subjected to today in his contribution. He was simply wrong on that, and he is wrong on his other statements.

Let us look at the taxes, fees and charges *per capita* in the various States of Australia. In New South Wales they amount to \$1 530; in Victoria, \$1 399; in Western Australia, \$1 209; and in Tasmania, \$1 190. Members will notice that I have not come to South Australia yet. I am getting there. The next figure is South Australia at \$1 141. Guess what? South Australia is below Tasmania, below Western Australia, below Victoria and below New South Wales. The Queensland figure is \$1 021. In other words, \$120 *per capita* less than South Australia.

Let us look at areas like payroll tax. South Australia already has one of the lowest rates of payroll tax at 6.1 per cent compared with 7 per cent in New South Wales, 7 per cent in Victoria, 7 per cent in Tasmania and 7 per cent in the ACT. Now our financial institutions duty is on a par with that in most of the other States of Australia. I would have thought that that point deserved some credit from the Leader, but it did not get any credit.

He then said that our public debt strategy will not be well received. Well, it has in fact been well received. As the *Financial Review* itself said, the document I came out with last week is a coherent and credible strategy for South Australia. One can look at such organisations as Standard and Poor's. One of the things the Leader based many of his comments on was the premise that he would somehow, were he the Premier, improve the debt rating of South Australia. Let us look at how Standard and Poor's assessed the statement I brought out last week. It happens to be one of the rating agencies, so its comments are vaguely relevant to this whole debate. It says:

The expenditure cuts announced today provide further evidence that the Labor Government's medium term budgetary strategy is to return the general Government sector's operating account to a surplus and to reduce the State's net borrowing requirements to levels typical before the State Bank experienced difficulties.

That is the assessment it gave, and they are not the sort of people who simply take a document at face value. We all know that. They are not the sort of people who take the words and say, 'It must be true because they said so.' They do their homework on it and look to see what the substance is behind it, and they came out and acknowledged the kind of strategy we are following. I have to say that it is not their business to make comments on economic statements of the Leader of the Opposition, but I guess that, if they were to have a copy of it, they would have a good laugh, because they would know that there is nothing in there at all—a lot of carping, a lot of blue sky, but no substance at all.

I do not want to keep the House too long tonight because there are Bills to be debated. There are many statements to which I could refer from the Leader's speech today, contrasting them with the Leader's own speeches on other occasions, because we have here somebody who, were he

photographed in the sky and were he sailing in water, would be doing a great yachting performance—tacking this way and then tacking that, and then tacking the other way—because he changes his direction every time he gets a bit of bad press. Every time somebody criticises him, he calls them to his office. A number of journalists in this State have been called up to his office to have a berating from him—'Why did you say that about me? Why did you do that? Why did you make this sort of comment?'

The next thing we see from him is a changed approach, so he tacks the other way. So, we have the 15 per cent to 25 per cent cut in Government expenditure, one day, tax back to mean a reduction of no more than \$3 000 in the payroll, and 'Maybe even not that, now that I come to think about it,' he says. There are so many other issues exactly like that as well. But we will save those for other days, because it will be a lot more fun noting these contradictions that he keeps on coming out with and letting members in this place come to enjoy those aspects.

Finally, I want to comment on what has happened over the 1980s. Again, there have been achievements that the Leader has not wanted to acknowledge. He made some comments about my previous role as the Minister of Industry, Trade and Technology, and he is quite right. I was Minister of Industry, Trade and Technology before becoming Premier. Let us look at what we have achieved in South Australia. Notwithstanding that we in South Australia and in other States have had a very hurtful recession—and it has been a deeply hurtful recession for South Australians and for all Australians, and there is no doubt about that—let us not overlook some of the achievements that still are substantially there. Nearly 100 000 more South Australians take home pay packets today than took home pay packets 11 years ago. Who has been in government for that decade? This Government has been in power for that decade.

Certainly, the Leader of the Opposition has overlooked the facts in terms of exports; he has wanted to belittle export achievements. He says the Government has not won any contracts when it was overseas on trade missions. Well, we were not actually selling our own products: we were enabling business to go out and do that. I do give credit to the Leader and the role that he played in the private sector in winning business for his company and for South Australia by using, very successfully and appropriately, the export assistance from Austrade, which he so damned in terms of the State Government's economic package, but things are different when they are not the same, and I accept that he wants to take that view of a politician—you can say one thing one day and do another the next.

Nevertheless, I give him credit that he did have successful areas of business. He was quite happy to use me when I was overseas once; he sought my intercession, and I was quite happy to give it to him. He acknowledged that later when he contacted me and thanked me for the work I did for him. But again, I know that things are different when they are not the same and, when you are not in politics, you are prepared to be more openly generous in the case of some politicians than when you are in it. The facts are that our export income in South Australia has increased enormously. We now run a trade surplus in terms of the goods and services exported out of South Australia compared with over 10 years ago, when the Leader was in

the Tonkin Cabinet; it had only a balanced budget. We have progressively seen this situation increase over the past 10 years.

Members interjecting:

The SPEAKER: Order! Only one member can speak at a time in this House.

Mr S.J. Baker interjecting:

The SPEAKER: The Deputy Leader is out of order. The Premier.

The Hon. LYNN ARNOLD: We have now found that 57 per cent of our exports are manufactured goods, and this State has done more to help manufacturing than any other State. That is acknowledged by other States which look to the work we do here, for example, the Centre for Manufacturing—a very impressive State and federally funded support initiative for manufacturing industry that has helped manufacturing industry reach these very impressive figures.

I could go on with many of these sorts of figures and will do so on other appropriate occasions, but I think it does behove the Opposition to exhibit some real honesty in its approach to this kind of document. I think it behoves it to acknowledge just how much the wine industry, for example, has publicly appreciated, to the Opposition's embarrassment, the support we have given to that very promising sector. Not to mention the Engineering Employers Association.

I was wanting to hear the Opposition say something about the comments of the Engineering Employers Association on the Economic Statement, because the Engineering Employers Association found that so many of the fundamental things it said we should include in our statement were, in fact, included in our statement. It gave us ticks all the way down the line, but not the Leader of the Opposition. I will not deal with the contributions of other members, because I do not think they are particularly worthy of being dealt with. Suffice to say that I thought the member for Kavel's comments were very interesting indeed.

Mr Hamilton interjecting:

The Hon. LYNN ARNOLD: Well, I thought Alex Kennedy's comments in the *City Messenger* were very interesting. I know that the Leader was not too rapt in them: he has the *Sunday Mail* editorial pinned up in his office upstairs. As people come in, he says, 'See that. See that. See that.' He does not have a photograph of himself with the Liberal candidate for Ramsay pinned up: that has now been taken off the wall, as he realises he has made a major *faux pas* on that.

The comments of the member for Kavel were particularly interesting, mainly because, while the Leader was seeking to carp and knock and say that the Government's Economic Statement was no good, the member for Kavel took an entirely different approach to that. While the Leader might have said on the *7.30 Report* last night, 'There are no leadership problems on this side; there are no tensions on this side,' it is interesting to hear the words—to hear what they say—and to know that the Leader sounded unsure because he has good reason to sound unsure.

Motion carried.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): I move:

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

Motion carried.

**ELECTRICITY TRUST OF SOUTH AUSTRALIA
(SUPERANNUATION) AMENDMENT BILL**

Returned from the Legislative Council without amendment.

**STATUTES AMENDMENT (ATTORNEY-
GENERAL'S PORTFOLIO) BILL**

Second reading.

The Hon. R.J. GREGORY (Minister of Labour Relations and Occupational Health and Safety): 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.

This Bill makes a number of amendments to Acts within, or relevant to, the Attorney-General's portfolio.

DIRECTOR OF PUBLIC PROSECUTIONS ACT 1991

The Director of Public Prosecutions Act came into operation on 6 July, 1992. The Director has pointed out a deficiency in the Act.

For some years there has been an agreement of mutual sharing between the States and the Commonwealth of powers to lay charges and powers incidental thereto, e.g. amendment, termination etc. These powers were formerly delegated by the Attorney-General to the Commonwealth Director of Public Prosecutions, the Deputy Director and his two senior officers in South Australia. The Director of Public Prosecutions is anxious for the arrangement to continue.

The Director of Public Prosecutions Act as currently worded only permits delegations to staff of the office of the Director of Public Prosecutions. There is no provision for the powers of the Director of Public Prosecutions to be delegated to those outside the office. Therefore the Director cannot delegate his powers to lay charges etc to the Commonwealth Director of Public Prosecutions. There is provision for the Director of Public Prosecutions to instruct counsel and these provisions have been utilised in the interim to enable him to instruct officers of the Commonwealth Director of Public Prosecutions to prosecute State matters but such an arrangement is not a satisfactory long term solution. Therefore Part 2 of the Bill amends the Act to enable a delegation to "any suitable person". The Bill provides that delegation must be in writing.

**JURISDICTION OF COURTS (CROSS-VESTING) ACT
1987**

The Jurisdiction of Courts (Cross-vesting) Act 1987 establishes a system of cross-vesting of jurisdiction between Federal, State and Territory courts. The Act is based on uniform legislation agreed to by the Standing Committee of Attorneys-General.

The Special Committee of Solicitors-General has recommended two amendments to the Act. Firstly that proceedings under Section 60 AA of the Family Law Act, 1975 be included under the definition of "special federal matter". Secondly, that the rules concerning the transfer of special federal matters from State Supreme Courts to the Federal Court of Australia be varied.

Section 60 AA of the Family Law Act, 1975 was enacted in 1990. Under this Section, the Family Court, the Family Court of

Western Australia or the Supreme Court of the Northern Territory (which both exercise family law jurisdiction), may grant leave for proceedings to be commenced in the appropriate State Court for the adoption of a child by a step-parent.

The Solicitors General recommended that proceedings under Section 60AA should be included under the definition of "special federal matter". The Commonwealth amended its legislation in 1992. The definition of "special federal matter" in the Commonwealth Act is automatically picked up by the South Australian legislation.

The amendment made by the new Section 6(2) is consequential on the Commonwealth's amendment to the definition of "special federal matter". It provides that where proceedings are to be transferred, those involving existing special federal matters are to be transferred to the Federal Court, and those involving the seeking of leave for step-parent adoptions are to be transferred to the Family Court, the Family Court of Western Australia or the Supreme Court of the Northern Territory, as appropriate.

The second issue raised by the Solicitors-General also relates to Section 6.

Section 6 of the Cross-vesting Act currently provides that a State Supreme Court shall transfer a proceeding in which a special federal matter arises to the Federal Court, unless the State Supreme Court orders that it should continue to hear the matter. Before making such an order the State Supreme Court must be satisfied that it is not appropriate that the proceedings be transferred to the Federal Court and that it is appropriate that the proceedings be heard by the Supreme Court. In addition, the Supreme Court is required to notify the Commonwealth Attorney-General of the proceedings in order that the Commonwealth may consider whether to request that the proceedings be transferred to the Federal Court. The Supreme Court must transfer a proceeding to the Federal Court if a request is made.

In the few cases in which an order under Section 6(1) has been made the Commonwealth has been concerned that Supreme Courts have not given appropriate consideration to the policy considerations favouring transfer to the Federal Court. Also, the Commonwealth considers that a request by the Commonwealth Attorney-General to request the transfer of proceedings can be misconstrued as interference by the Attorney-General in the judicial process.

The Special Committee of Solicitors-General has recommended that Section 6 of the Cross-vesting Acts be amended to provide, first, that reasonable notice of a matter involving a special federal matter be given to the Commonwealth Attorney-General, and the Attorney-General of a particular State or Territory, to allow them to consider whether to put submissions on the question of whether a State or Territory court should transfer a matter. Secondly, that the Acts should require State and Territory courts to have regard to the general policy that special federal matters be heard by a federal court, and that a proceeding should not be transferred only if the State or Territory court is satisfied that there are special, or exceptional, circumstances for the proceeding remaining in the State or Territory Court. Thirdly, that the Commonwealth Attorney-General's power to request the transfer of a matter to the Federal Court (Section 6(7) of the Act) should be repealed. The amendment will avoid the present unsatisfactory situation that State or Territory Judges' orders are, in effect, subject to appeal to the Attorney-General for the Commonwealth.

The Standing Committee of Attorneys-General has accepted the recommendations made by the Special Committee of Solicitors-General. The amendments to Section 6 contained in Part 3 of the Bill are consistent with these recommendations and conform to the uniform scheme.

MOTOR VEHICLES ACT 1959

Part 4 of the Bill amends Section 93 of the Motor Vehicles Act to require courts to notify the Registrar of Motor Vehicles of offences which have been committed contrary to the Motor Vehicles Act or the Road Traffic Act.

This amendment arose out of a Question on Notice regarding a juvenile who appeared in the Children's Court charged with a total of 9 breaches of the Road Traffic Act and the Motor Vehicles Act.

Section 81b(2) of the Act provides that:

"Where a person who holds a learner's permit or probationary licence—

(a) commits an offence of contravening a probationary condition:...

the Registrar must, upon becoming aware of that fact, give notice—

...

(c) that the person is disqualified from holding or obtaining a permit or licence for a period of six months...and

(d) that if the person holds any permit or licence at the commencement of the period of disqualification, the permit or licence is cancelled."

Section 93 of the Motor Vehicles Act provides that whenever a court... convicts a person of the offence of contravening or failing to comply with a condition of a permit or licence under this act or makes an order affecting demerit points or disqualifying a person from holding or obtaining a driver's licence,...the proper officer of the court... must send to the Registrar a notice in writing stating the date of the conviction, order or suspension, the nature of the order, or the period of any disqualification or suspension, and short particulars of the grounds on which it was made.

The Court is not required to notify the Registrar of matters in which no conviction is recorded. It is therefore feasible that a Children's Court could find a charge of breaching a condition of a probationary licence proved against a child, and by not convicting the child, avoid disqualification.

There is no problem with adults. The Supreme Court has held that the power conferred by the Criminal Law (Sentencing) Act cannot be used to avoid mandatory licence disqualification. However, the same reasoning does not apply to minors. The Children's Protection and Young Offenders Act sets out a special code which regulates the way in which juvenile offenders are prosecuted and sentenced.

The Registrar has made arrangements to obtain records from the Courts Services Department to enable him to perform his obligations under Section 81b. The amendment will give legislative backing to this arrangement and require a Court to notify the Registrar of Motor Vehicles on every occasion that it finds that an offence which contravenes a condition of a permit or licence has occurred. This will result in minors facing the same consequences as adults for breaches of the Motor Vehicle Act and the Road Traffic Act, i.e. mandatory licence disqualification for breach of probationary conditions.

I commend this Bill to Honourable Members.

**PART 1
PRELIMINARY**

Clause 1: Short title

Clause 2: Commencement

This clause provides for commencement on proclamation.

Clause 3: Interpretation

This is a standard clause for Statutes Amendment Bills.

**PART 2
AMENDMENT OF DIRECTOR OF PUBLIC
PROSECUTIONS ACT 1992**

Clause 4: Amendment of s. 6—Office of the Director
This amendment is consequential to clause 5.

Clause 5: Insertion of s. 6A

A new section dealing with delegation by the DPP is inserted. It allows the DPP to delegate powers or functions to any suitable person. The delegation must be in writing.

**PART 3
AMENDMENT OF JURISDICTION OF COURTS
(CROSS-VESTING) ACT 1987**

Clause 6: Substitution of s. 6

This clause alters the provisions that govern the transfer of special federal matters from the Supreme Court to the Federal Court.

Currently under the Act the Supreme Court is required to transfer a proceeding that is a special federal matter to the Federal Court unless satisfied that it is not appropriate that the proceeding be transferred and that it is appropriate that the Supreme Court determine the proceeding. The Commonwealth Attorney-General is empowered to request that a proceeding be transferred to the Federal Court and the Supreme Court must comply with such a request.

Under the proposed amendment, the Supreme Court will be required to transfer the proceeding unless satisfied that there are special reasons (other than the convenience of the parties) in the particular circumstances of the case that justify the Supreme Court determining the proceeding. In deciding whether there are special reasons, the court will be required to have regard to the general rule that special federal matters should be transferred to the appropriate federal court. The power of the Commonwealth Attorney-General to request the transfer of proceedings is removed. Ancillary provisions are also inserted that require notice to be given to the State and Commonwealth Attorneys-General before the court orders that the proceeding not be transferred (so as to allow either Attorney to make submissions on the matter).

A consequential amendment is also made as a result of an amendment of the parallel Commonwealth Act whereby certain adoption of children proceedings will be made special federal matters for transfer to the Family Court.

Clause 7: Application

This clause provides that the Act (as in force before the proposed amendments) continues to apply in respect of proceedings pending at the commencement of those amendments.

**PART 4
AMENDMENT OF MOTOR VEHICLES ACT 1959**

Clause 8: Amendment of s. 93—Notice to be given to Registrar
The amendment requires a court to give notice to the Registrar each time that it finds a person guilty of contravention of a condition of a permit or licence, whether or not a conviction is recorded against the person. At present courts only have to give notice if a conviction is recorded.

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

**MUTUAL RECOGNITION (SOUTH AUSTRALIA)
BILL**

Consideration in Committee of the Legislative Council's amendments:

No. 1. Page 1, lines 6 to 10—Long Title—Leave out the Long Title and insert new Long Title as follows:

An Act to apply the Mutual Recognition Act 1992 of the Commonwealth as a law of the State so as to enable the recognition of regulatory standards throughout Australia regarding goods and occupation.

No. 2. Page 1, lines 20 to 29 (clause 3)—Leave out the definition of ‘participating jurisdiction’.

No. 3. Page 2, lines 1 to 3 (clause 3)—Leave out subclause (2).

No. 4. Page 2, lines 4 to 17 (clause 4)—Leave out the clause and

insert new clause 4. as follows:

‘Application of Commonwealth Act

4. The Commonwealth Act applies as a law of the State subject to the amendments set out in the schedule.’

No. 5. Page 2, lines 18 to 32 (clause 5)—Leave out the clause.

No. 6. Page 2, lines 33 to 35 (clause 6)—Leave out the clause.

No. 7. Page 3, lines 1 to 3 (clause 7)—Leave out the clause.

No. 8. Page 3—After line 3 insert new clause 8. as follows:

‘Expiry of Act

8. This Act expires on the fifth anniversary of the day on which it commenced’.

No. 9. Page 3—Insert new Schedule as follows:

SCHEDULE

The Commonwealth Act applies subject to the following amendments—

(a) strike out section 3 and substitute new section as follows:

Principal purpose

3. The principal purpose of this Act is to promote the goal of freedom of movement of goods and service providers in a national market in Australia.;

(b) strike out the definition of ‘deemed registration’ in section 4(1)

(c) strike out the definition of ‘substantive registration’ in section

4 (1);

(d) strike out the definition of ‘Tribunal’ in section 4(1) and substitute new definition as follows:

‘the Tribunal’ means a court or tribunal authorised by regulation to exercise jurisdiction under the relevant position.;

(e) insert ‘of the Commonwealth’ after ‘Acts Interpretation Act 1901’ in section 4(2);

(f) strike out section 6 of the substitute new section as follows:

Operation of this Act

6. This Act does not limit the operation of a law of this or any other State so far as it can operate concurrently with this Act.;

(g) strike out subsections (2) and (3) of section 8 and substitute new subsections as follows:

(2) This Part deals with goods produced in or imported into a State other than South Australia and their sale in South Australia.

(3) In this Part, the other State is called ‘the first State’, and this State is called ‘the second State’.;

(h) insert ‘, or such longer period as the regulations of the State may provide’ after ‘aggregate period of 12 months’ in section 15 (3);

(i) strike out subsections (2) and (3) of section 16 and substitute new subsections as follows:

(2) This Part deals with the ability of a person who is registered in connection with an occupation in a State other than South Australia to carry on an equivalent occupation in South Australia.

(3) In this Part, the other State is called ‘the first State’, and this State is called ‘the second State’.;

(j) strike out ‘after notifying’ in section 17(1) and substitute ‘on due application to’;

(k) strike out paragraph (b) of section 17(1), and the word ‘and’ immediately preceding that paragraph;

(l) strike out paragraph (b) of section 17(2), and the word ‘and’ immediately preceding that paragraph;

(m) strike out paragraph (b) of section 20(4), and the word ‘and’ immediately preceding that paragraph;

(n) strike out Division 3 of Part 3 (and the heading to that Division);

(o) insert ‘and the qualifications and experience relating to fitness to carry on the occupation are substantially the same’ at the end of section 29(1);

(p) strike out subsection (2) of section 30;

(q) insert ‘, or the qualifications and experience relating to fitness to carry on the occupation are not substantially the same’ at the end of paragraph (a) of section 31(2);

(r) insert the following subsection after subsection (5) of section 31:

(6) The Tribunal cannot make a declaration that is inconsistent with the regulation under section 32.;

(s) strike out subsections (1) and (2) of section 32 and substitute

new subsection as follows:

(1) The Governor may, by regulation, declare that specified occupations carried on in specified States are equivalent, and may specify and describe conditions that will achieve equivalence.;

(t) strike out section 34 and substitute new section as follows:

Review of decisions

34. (1) Subject to the regulations, application may be made to the Tribunal for review of a decision the local registration authority under this Act.

(2) An application can be made by any person who has an interest in the matter (including in a representative capacity on behalf of persons who carry on the relevant occupation or occupations).;

(u) strike out ‘a State’ from section 37(1) and substitute ‘the State’;

(v) strike out ‘substantively’ from section 37(1);

(w) strike out ‘first mentioned’ from section 37(1);

(x) strike out ‘of the first mentioned State’ from section 37(2);

(y) strike out paragraph (b) of section 37(2);

(z) strike out ‘of the first mentioned State’ from section 37(3);

(aa) strike out ‘substantive or deemed’ from section 40(1);

(bb) strike out ‘substantive or deemed’ from section 40(3);

(cc) strike out ‘substantive or deemed’ from section 41(1);

(dd) insert the following paragraph after (b) of section 43;

(c) a State declared by regulation to be a participating State.;

(ee) strike out section 47 and substitute new section as follows:

Regulations

47. (1) The Governor may make regulations amending the Schedules.

(2) The Governor may make such other regulations are necessary or expedient for the purposes of this Act.;

(ff) strike out item 1 of schedule 2 and substitute new item as follows:

1. A law of a state relating to quarantine.’

The Hon. LYNN ARNOLD: I move:

That the Legislative Council's amendments be disagreed to.

Mr S.J. Baker interjecting:

The Hon. LYNN ARNOLD: I note the interjection of the Deputy Leader: 'They've done a job on you.' What the Upper House has done by way of these amendments it has moved is to do a job on South Australia. The very spirit of the mutual recognition legislation is designed to help South Australia to be part of the mainstream, to give us the advantage in the big picture not just in the smaller picture of the State boundaries of South Australia, and to give South Australian business and the South Australian people the opportunity to compete on equal terms right around Australia. That is what it is all about.

This Bill is a kind of legislative, regulatory and standards equivalent of the old railways debate. We went through this at great length earlier in this House—how much this country has hurt because we have not wanted to be one nation, because we have not wanted to have the same degree of cooperative approach that the European Community has adopted. There is the very fact that the independent countries of Europe are able to get together better than, seemingly, the members of another place in this Parliament want to be able to get together with the other States. So, it is not a case of doing a job on me; it is a case of doing a job on South Australia. I think, therefore, that we should strongly oppose these amendments and send a message—a courteous message—back to another place—

Mr S.J. Baker interjecting:

The Hon. LYNN ARNOLD: I said a courteous one—that these amendments are disagreed to, and await its reaction. It may be, without pre-empting the decision, that members of another place might not see the errors of their ways and we might have to take the matter further. If that is the case, we on this side of the House propose that we should do so, but I am pre-empting later decisions. It is important that we agree to disagree to these amendments from another place, and I ask all members to do so.

Mr S.J. BAKER: I find the Premier's statement fascinating—because the Upper House does not agree with him, it has it all wrong and South Australia will suffer. That is not the way in which the world works. As the Premier would recognise, when we debated the Bill in this House, and *Hansard* was made available for our Upper House colleagues to view, there were some questions—

The CHAIRMAN: The Deputy Leader should refer to the other place as 'another place'. The honourable Deputy.

Mr S.J. BAKER: At another time and another place—certainly, Sir.

Mr Ingerson interjecting:

The CHAIRMAN: Does the member for Bragg wish to challenge the ruling?

Mr S.J. BAKER: No, he does not, Sir; he was just being reflective.

The CHAIRMAN: If the honourable member wishes to be reflective, he has the opportunity to do something about it. I put down a determination which is not my mine but the determination of this place, and it has been for a very long time. There are people on the honourable member's side of the House who, if he wished to seek their advice, could advise him on that, but if the member for Bragg disagrees with my ruling he has every opportunity to do something about it, and now is the time. The Deputy Leader.

Mr S.J. BAKER: What the changes reflect is the capacity of the State to make its own determinations; South Australia will not refer all its powers to the Commonwealth and allow the Commonwealth to make decisions on its behalf. A number of examples were cited during the debate in this place. No satisfactory resolution has been reached. I believe that members of another place feel uncomfortable about our ceding the powers to the Commonwealth without any checks and balances. Indeed, there are not enough checks and balances in the existing legislation, and that is why these changes are proposed.

Fundamentally, all the amendments except one refer to that matter. They state quite clearly that South Australia must have a hold on its own destiny, must be able to control things that are important to this State and should not be dictated to by the Commonwealth. On matters where there is obvious concurrence, where the other States are complying with the standards applying in South Australia, there is no difficulty. The Bill allows for mutual recognition, but the changes to the Bill mean that we will not cede all our rights to the Commonwealth. Members of another place have spent a lot of time considering this matter. They have a particular point of view. I expressed that same point of view when the debate was conducted in this House. I made the point very strongly that we should not just holus-bolus allow the Commonwealth to make decisions on our behalf.

Mr S.G. EVANS: I wish to be very brief. There is something in our system of government that has always annoyed me. Mutual recognition is great, if we want to have it, but our big problem is with duplication of mutual recognition. We have Federal and State Health Departments and a health department in local government; we have a Federal and a State Department of Primary Industries, and local councils have inspectors of primary industry; and a similar situation exists regarding education. We could go through all of them. Mutual recognition is great, but the sooner we start saying that education is the responsibility of one body and that agriculture is the responsibility of one body and stop the duplication, we will find that we might save thousands of millions of dollars throughout the country. The trouble is that each tier of government has sought to be involved in every area of activity. When we formed the Constitution of our country, the Commonwealth was created to govern the areas that the States could not govern, and local government was created to govern areas where the States were not involved. So, mutual recognition is great but duplication, in some cases of three areas of interest, is our biggest problem in this country, and the sooner we tackle it the better.

Motion carried.

LIQUOR LICENSING (FEES) AMENDMENT BILL 1993

Adjourned debate on second reading.
(Continued from 22 April. Page 3033.)

Mr S.J. BAKER (Deputy Leader of the Opposition): This is one of four measures that was introduced with the Economic Statement. There are some items in these Bills which business would be pleased about and others which it would feel reluctant to support. This measure to lower

licence fees must come as a welcome surprise to the hotel and hospitality industry. I refer to the debate that we had previously on this matter when we deemed that it was quite unfair to raise licensing fees in South Australia from a number of points of view, such as the relativities that are shared interstate and the impact on an industry at a time when it was suffering a tremendous downturn in trade. The point was also made very strongly at the time that there were a number of bankruptcies and that receivers were being called into hotels.

The important point was made that licence fees that came into effect from 1 January this year were actually based on 1991-92 consumption levels. If we are really to review the law, we have to look at the liquor licensing law and understand that, while we cannot have the same taxing system that applies in respect of excise, because it would conflict with the Commonwealth area, what we have is a cumbersome and unrealistic system that probably works well when there is growth in the industry. However, as soon as there is an industry downturn, then those people trying to make a dollar and keep their head above water are simply confronted with a burden they cannot afford. That is clearly the situation. When the Government increased these fees we said that the increases would lead to further cost imposts that the industry could not bear and it appeared that the Government simply could not listen to the fact that hotel and bar trade consumption levels, which is what we are talking about principally when we are talking about employment, had been much higher in 1991-92 than were expected in 1992-93 overall and in particular in relation to full strength liquor and beer.

The point seems to have been lost on the Government, although members should note that the estimates for this financial year involve a \$44 million tax take on liquor licence fees despite having six months of higher fees compared with the previous year when the take was about \$44 million. Clearly, there was a lack of understanding by the Government, which did not consider its own figures. The Government should have looked at the figures and said, 'We are kicking these poor hoteliers in the guts. We are putting up the fees but the industry is only getting the same revenue through its take.'

The Government should have said to itself, 'There is something quite unfair about the system when we have so many people on the borderline and so many hotels are at risk.' Anyway, that is history and the Government has seen the light of day and said, 'We did the wrong thing and we are going to reduce the licence fee from 13 per cent, which was last year's amendment, down to 11 per cent, which is this year's amendment.' We support that proposition. I note that the Government claims that the full year cost to revenue of this reduction is \$7.6 million. I do not know where the Government does its maths, but that appears a strange figure to me. The Government refers to a \$5.7 million figure for the 1993-94 year because the change takes place from 1 October. I do not need to debate the Bill at length. It is absolutely appropriate that the Government should look at the state of the industry and the way in which the trade is managing to grapple with the economic demise of this State on top of the Government's imposts. We support the proposition but we remind the Government that last year we strongly debated this issue and rejected the increase from the outset.

Mr MEIER (Goyder): I, too, support the Bill, as the Deputy Leader has indicated. It is interesting to go back eight months when the Government introduced this measure in reverse, namely, by increasing the tax on liquor through a 2 per cent increase from 11 to 13 per cent. At that stage many members of the Opposition, myself included, warned of the dire consequences of that increase. We said then that it would only do harm—not good. I remember pointing out that I was staggered that, even though the A. D. Little report had been released indicating that it was imperative for South Australia to get its tax base lower than that of other mainland States, because of other disadvantages we have—distance being one of them—and at that stage the Government said, 'Blow the A. D. Little report; we'll make our tax the same as that in New South Wales and Victoria.'

As the Deputy Leader said, it was envisaged that the tax would raise about \$7.6 million, but that was on top of the \$42 million already collected. The average fee that hotels were paying was \$41 000 in August last year before the 2 per cent increase. With that 2 per cent increase it meant that on average each hotel was paying another \$7 000. The 161 bottle shops were each to pay an extra \$12 200 on average; the 330 clubs would each pay an extra \$700 and the 661 restaurants each an extra \$400.

If we remember that there are about 622 hotels, it was not surprising that the increase in tax would only increase the hardship and burden on them. Back in 1992 the Chief Executive of the Hotel and Hospitality Industry Association, Mr Ian Horne, said:

The South Australian hotel industry was in the grip of its worst financial crisis, with one pub in 10 facing bankruptcy.

Therefore, I am very pleased that the Government although somewhat belatedly has seen the error of its ways. I am pleased to support this reversal of a taxing measure and I hope that it is the beginning of better things for South Australia, but there is a long way to go. We have had many contributions today on the Economic Statement and the Opposition accurately pointed out how the Government has not been able to manage its affairs, has not seen the commonsense—

The SPEAKER: I remind the member for Goyder that we are talking about the Liquor Licensing (Fees) Amendment Bill.

Mr MEIER: Thank you, Mr. Speaker, I am well aware of that.

The SPEAKER: I ask the honourable member to be relevant.

Mr MEIER: Yes, Sir. My argument is that this is one of the taxing measures that has been reversed. It is absolutely essential that many other taxing measures are reversed so that South Australia once again becomes a low tax State and so that it can attract businesses and industries back here as it once did and as it can do again in the future.

Mr S.G. EVANS (Davenport): I support the Bill. I am not strong one way or the other on whether it is 11 per cent or 13 per cent. If we undertook a survey in Australia and looked at the cost of alcohol in terms of lost productivity, assault on individuals, individual health, and so on, the excise collected federally and the tax collected by the State probably does not even meet the figure involved.

When the Hall Government was in power and wanted to increase the fee from 5 to 6 per cent and in the same Bill it wanted to reduce the age for consumption of alcohol on licensed premises from 21 to 18 years, my colleague the member for Chaffey and others will remember that I went against the party and forced it to split the Bill. One Bill was a taxing measure and the other was a conscience issue.

Mr Millhouse—now Judge Millhouse—told me I could not do that but, being determined, I learned that he was misinforming me (I hope he does not do that nowadays in the job he has). I know the history of this measure and it is interesting that we have ended up with a 13 per cent licence fee. A licence fee was set because if the State tried any other method it would have been an excise and the State would have contravened the Commonwealth Constitution. The State measure was based on the sale of liquor in licensed premises over the previous year in order to get around that constitutional aspect, and that is why the State prescribes a licence fee based on previous sales.

So, it interesting to note that this year must be a lucky one for licensed premises and hotels. They are having a fantastic year although, if I were just a little cynical, I would start to worry. They now have the legislation for poker machines; they will get a reduction in liquor licensing fees; and there is also talk of their being able to sell cigarettes through vending machines. The hotel industry must be laughing all the way to the bank this year and saying, 'Things have turned around.'

I know the industry has had a tough trot but other things that affect the industry do not involve just the tax but the laws with regard to drink driving and associated matters—people changing their lifestyle and becoming more conscious of their health, and young people, in many cases, walking away from the scene. I find it rather strange that we are putting more penalties on cigarettes, which are a health hazard, when in relation to alcohol, which is in a similar category as far as many people are concerned, we are reducing the fee. If someone were to stand outside our country and look back, they would think, 'This is strange.' All that aside, I support the Bill.

The Hon. B.C. EASTICK (Light): I have great delight in supporting this Bill; it is a measure which I put to the House on 2 March. At that stage, I indicated that the efforts of the proprietor and manager of the Kingsford Hotel at Gawler had been responsible for the very large number of signatures which had been presented to this House by way of a petition presented during this session. I am aware from the Treasurer that representations were made more directly to him by other people, and members on both sides of the House have sighted correspondence from the hotel at Hahndorf, which is credited with some interest in this matter. Jan Roberts, the co-proprietor, and Anna Mohylenko, the manager of the Kingsford Hotel went out to every hotel in the State and to most liquor outlets, and as a result of their efforts I have presented to this House well over 500 signatures of proprietors and in some cases senior staff of members of the liquor industry across the State. I have a list five pages long of names and addresses of the hotels and liquor outlets across South Australia that have responded and are recognised in those petitions seeking that the House immediately rescind the Act which has increased their dues and credit any increased fees they have been called upon to meet in the interim.

I followed that through in the House during the Supply debate (*Hansard* of 2 March 1993, pages 2194 to 2196) by reading into the record the comments of a number of people who were involved in the hotel industry and who were very much behind the eightball as a result of the increased fees at a time when other costs were increasing, those increased costs forcing them to reduce—and this appears in *Hansard*—the number of people employed—people who had lost jobs as a direct result of the increase. They also drew attention to the fact that as at 1 January some 40-odd hotels were unable to meet the first payment of the increased costs. I am led to believe that a number larger than that were unable to meet the cost as at 1 April. I do not yet have those figures; it is a matter of information that has been passed onto me that that was the anticipated result not only from information supplied by members directly involved in the industry but more particularly from the information gleaned by the Australian Hotels Association.

Whilst the people associated with the hospitality industry must wait until they get the true benefits of this change which I am delighted to see being effected in this Bill, I hope—and this was the point I expressed earlier—that this action being taken by the Government will provide a fillip for the tourist industry, as well as for the general economy in this State in future. I suggest that it was quite immoral to ask the hospitality industry to make an effort to increase the tourist dollar at the same time as taxing it to the point where it was unable to continue its current level of employment and meet existing expenses. Therefore, what is achieved by this measure must be beneficial, and I hope it is beneficial to the South Australian public overall.

Mr BECKER (Hanson): In *Hansard* of 27 August 1992 (page 448), when we looked at the increase in the liquor licence fees from 11 to 13 per cent, the Government and the Minister were warned about this matter, and I said:

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.

At that time, I believe about 60 hotels could not meet their hotel licence fees, even though they collected these fees three months in advance. The problem the Government faced after it brought in this increase in liquor licensing fees has not altered because hotels, licensed clubs and restaurants, etc., are in financial difficulty. Because of that financial difficulty, the Government has now had to reduce that fee from 13 to 11 per cent. I do not reject that: if we can do anything to reduce the cost of a beer to the average working man (after all, this is a beer man's tax—we have the beer man's handbag, the beer man's beer and everything else) that is commendable. I remind the Minister that he owes it to the industry and to the workers of this State to examine the whole of the licensing structure so that we do not place hotels, clubs and liquor outlets in the same terrible situation that he placed them in during the past 10 months. I make a plea to the Minister that we never allow this situation to occur again where we have to reduce a tax 10 months afterwards simply because we created financial difficulties for those who were taxed previously.

The Hon. FRANK BLEVINS (Treasurer): I thank members opposite for their support for the measure. It is nice to see a taxation measure go through with the wholehearted support of the House. It is the kind of bipartisanship of which we do not see enough in this Chamber. However, when it comes it does bring a warm glow to a Treasurer's heart. The licence fee was increased to 13 per cent as a result of an agreement. I was there when various Premiers around the Commonwealth made that agreement; I was there in the room. They swore with their hand on their heart that they would increase the licence fee to 13 per cent across the bulk of Australia. They walked out of that meeting, and at least two of them made the announcement there and then—that was Mr Greiner and Mrs Kirner.

This State kept the niceties and waited a good 48 hours before the announcement was made in South Australia. Unfortunately, something went wrong. Both Mr Greiner and Mrs Kirner are no longer there to explain themselves; suffice to say, to date those States have not introduced the 13 per cent fee. I understand that New South Wales has threatened to do so in July, but I will believe it when I see it. My faith in the words of some Premiers has been shattered. Anyway, we kept our word and we paid the price, which brings us to where we are this evening.

One would think that this licence fee was paid by hoteliers. The licence fee, of course, is paid by the consumers. When a licence fee is increased, any additional cost is paid for by the consumer; and, if there is a decrease, the benefit goes to the consumer. It should have no effect whatsoever on the ability or otherwise of hoteliers, licensed clubs or any other retailer of liquor, other than the fact that a reduced price may attract greater consumption. If that is the case, all well and good, it will affect the industry but, when people say that we ought to give some relief because hoteliers cannot pay their licence fee, we should bear in mind that the licence fee has already been collected from consumers. This does not mean that there is any less of the licence fee to pay because the consumers will be paying less into the hoteliers' tills. So, it should not affect them at all if everybody is doing the right thing, and I have no reason to believe that they are not.

The member for Light made a comment about the activities of some hoteliers in Gawler. I have noticed the petitions that have been presented to Parliament. Because this is a Bill that everybody wishes to be associated with, all of a sudden it has a lot of authors—everybody is claiming credit. I hate to disillusion all these people, and I have noted their comments about the increase in the licence fee. Probably the strongest representations to me were from the Hospitality and Hotels Industry Association—still known by me as the AHA—and also the Liquor Trades Union, which likewise has changed its name to make it almost unpronounceable. I thank them for those representations. They are certainly influential bodies.

I also want to make special mention of the one hotelier who took the trouble to approach me personally. This hotelier was from the German Arms in Hahndorf. He put a case at great length, with facts and figures, and was not abusive of the Government and he understood the Government's position completely as regards its necessity to raise revenue. He also recognised the actions of the Government in this State in not having any licence fee on low alcohol

liquor. When we have a look at the table and make comparisons of both full strength and low strength alcohol and the relative licence fees in the other States, we find that South Australia, as in most if not all things, is a low tax State.

Nevertheless, it is true that the industry is overwhelmingly made up of small business people, and I have enormous sympathy and empathy for small business people. The Government demonstrates that in many ways—payroll tax and so on—where small business people overwhelmingly do not pay payroll tax. In this area all those small business people—hundreds and hundreds of them—thought that they were being disadvantaged compared to their interstate colleagues. I was able to disabuse them of that, and the Government did think that in the interests of assisting these small business people—in the tourism industry, the hospitality industry and the recreation industry, which likewise is becoming a significant industry—that it was a sensible measure.

I do not want to get into the smoking versus non-smoking debate and that somehow alcohol is a product equally as dangerous as tobacco, which was raised by the member for Davenport. I would argue, first, that that is not a relevant point. However, if it was a point of debate, I would point out that there is a safe level for the use of alcohol, and overwhelmingly people in South Australia, certainly in this House, use alcohol quite safely with no deleterious effects—in fact, some would argue with positive effects—on their health. I do not take any moral issue with people who choose to smoke—it is their business—but it is a product that can lead to death. I think there is a very significant difference with alcohol. I am pleased that the House unanimously supports this taxation measure.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Licence fee.'

Mr S.J. BAKER: I have two questions in relation to this clause. First, I note that the estimated full year revenue cost is \$7.6 million. According to my calculation, that assumes a total take in the absence of this measure of \$49.4 million. That appears to be inconsistent with the figures that were in last year's budget and an expectation that the revenue would be down because of the economy, the defaults and other influences on the industry. Is it fair to say that \$7.6 million will be the full year cost, because on my calculations the full year revenue would not be anywhere near \$49.4 million?

The Hon. FRANK BLEVINS: The best estimate for a full year cost is \$7.6 million. The estimate for 1993-94 is \$5.7 million. I can follow up with some written material as to how those estimates were arrived at and the assumptions behind them.

Mr S.J. BAKER: Has the Treasurer any information on how many hotels have either gone bankrupt or have been placed in receivership in the past 12 months?

The Hon. FRANK BLEVINS: No.

Mr S.J. BAKER: I am reminded that the Premier was recently on the *7.30 Report* with respect to the Economic Statement and there appeared to be some excitement by the presenter of that program with the showing of a short segment from Parliament. I was going to ask the Treasurer of this State whether he understood the point being made by the presenter, that, if the difference between the low

strength and the full strength alcohol is reduced, the incentive for drinking is increased.

The Hon. Frank Blevins interjecting:

Mr S.J. BAKER: I would have thought that the Premier would have been fairly upset when giving his Economic Statement, and he was not doing such a bad job as it goes, but on this occasion the rug was pulled from under him when the presenter did not take too kindly to the parody that was played in the Parliament that day. Obviously the presenter felt that the point had been made quite strongly about the problem of alcoholism and road trauma, with alcohol being a considerable contributor. The point was made that, if the difference between the two strengths is reduced, it may increase the problem of road trauma and alcoholism.

The Hon. FRANK BLEVINS: I would be happy to debate this Government's record on road safety and the actions of most members opposite, with some very notable exceptions, when road safety measures are brought before the Parliament. The figures on road deaths and accidents speak for themselves. Our record is without peer in Australia. I was once advised by a very wise old man in this Parliament not to be tempted. The difficulty I had with the program mentioned by the Deputy Leader was that, if you reduce the liquor licence fee on full-strength alcohol and do not have the ability to do the same on low-strength alcohol, the answer would be obvious and would not require a five minute program of agonising and answer their own questions. I will take the advice of this wise old man in this Parliament and not get involved in the debate, because the ABC is far too sensitive and far too precious for humble members of Parliament to in any way query it. I could not stand another tantrum from it.

Mr BECKER: Could the Treasurer please advise the Committee of the number of liquor licences in each category of hotel, club, bottle shop, whatever—the whole range—and whether all the licence fees were paid on the due date recently, and how many were surrendered because they were unable to pay the fee? During the second reading debate I said that in August last year there were a certain number of licensed premises in South Australia and 60 licensees at that time were unable to pay for or meet the cost of the licence fee. I asked for an in-depth inquiry so we could prevent a repetition of that. I also ask whether the Treasurer has given any consideration to that suggestion to see whether we can avoid that embarrassing situation of the licensees not paying when the fee is due.

The Hon. FRANK BLEVINS: I do not know how much of an inquiry is required. Many businesses are having a tough time, whether it is a small business in this area or a big business in another area, or whether it is a deli, a taxi, a manufacturing business—the whole gamut of business is having it tough. Even in good days we still find about one-third of businesses going broke at the height of a boom period. That is a result of the economic laws that operate in a society structured as we have it.

As regards the base figures, I can obtain them and will certainly let the honourable member have them. Again, I point out that this licence fee is paid by the consumer, not by the licensee. It should have no effect, other than its effect on consumption or the amount of product sold. It should have no other effect on the hotelier whatsoever.

Mr Becker: Why can't they pay their licence fees?

The Hon. FRANK BLEVINS: For the same reason that other businesses have problems. Why cannot other businesses pay their bills? Why do they go bankrupt? The licence fees should have absolutely no effect other than whether the consumption goes up or down.

Clause passed.

Title passed.

Bill read a third time and passed.

TOBACCO PRODUCTS (LICENSING) (FEES) AMENDMENT BILL 1993

Adjourned debate on second reading.

(Continued from 22 April. Page 3034.)

Mr S.J. BAKER (Deputy Leader of the Opposition):

The Opposition views this Bill with some concern but generally supports the proposition from the point of view that the revenue that will be raised can provide some tax relief in an area which has diabolically affected this State, namely, the financial institutions duty tax, but I will talk about that matter later. As members would recognise, there is not overwhelming support. If members look back through the record of debates, they would see that taxation of this sort simply means the taxing of a particular group in the community. It is the same poor mugs who cop it in the neck all the time. It is not the rich or the people of wealth: it targets the people who are suffering from the economic malaise. Many of them do not have jobs. However, they are the people who still seem to scrounge and find enough to buy a packet of cigarettes, and they are the people who are paying the tax.

I noted a suggestion last year in the Estimates Committee debate that we would reap \$130 million from tobacco smokers in South Australia. This measure is designed to take a further \$35 million or \$36 million from smokers. At this stage, from the comments made in the other Bill, we presume that it will provide the finance for the change in financial institutions duty.

There is a great deal of disagreement in relation to the Government's habit of imposing a fee and expecting the collections to have started sometime before the industry is aware that it has a responsibility to collect the tax. We went through this debate last year when the Minister failed to warn the tobacco industry that it had to start collecting the tax from 1 July. It was two or three weeks later that an instruction went out which said, 'I am sorry, but you are going to have to collect the taxes.' The Treasurer, at that stage, gave an undertaking that, if there was some shortage in the revenue collected, a rebate would be paid to the tobacco companies for the revenue which had not been collected but which was required under the law.

We have a similar situation here. The Premier announced the measure on 22 April; the commencement date was on 1 June; and, under the procedures for collecting the tax, the industry had to collect the tax from 1 April. That was 21 days before the announcement was made. The Treasurer says it is not true, but we debated this issue previously.

There is concern about Governments getting their act together and ensuring that the industry is not affected unduly by the way taxation is introduced. There is concern that taxation measures should be as simple as possible and that the Treasurer of the State should have the confidence

of the industry to keep in touch and to ensure that all members of that industry are aware of what is happening. That means, of course, that they might have to change the dates of their statements; it might mean that they have to change the dates of the introduction of the measures, but let us not have these debacles, which continue to upset taxpayers.

It was interesting to note, and it bears reflection, that, when the Government made the announcement that it wished to soften the blow by increasing the cost per packet of cigarettes by 50^c, the *Advertiser* did a search of the industry and they could not find 50^c. I was told that a packet of Viscount 20s—and nobody buys packets of 20s any more—would cost an extra 60^c, increasing from \$4.15 to \$4.75; Wingfield 25s increased by 64^c; Marlborough 25s, 65^c; and Alpine 25s, 66^c. For the larger packs, Peter Jackson 30s increased by 17^c and Escort 35s by 75^c, and so it went on. At the top of the list of the survey was Horizon, a packet of 50s, which increased by 97^c. The Minister could say that on a *pro rata* basis that is only 50^c a pack, but obviously it is misleading to suggest that cigarettes would go up 50^c a packet when the increase was somewhat more.

Again, I would criticise the Government for misleading the public, and I suggest that the Treasurer has a responsibility to get it right. If taxation measures are to come in, the Government should tell the poor punters in the community exactly what they are going to cop in the neck so at least they are informed. They should not perceive that a smaller amount will be paid when the amount is somewhat higher.

The last point I would like to make about the taxation measures is that we go back to this age old problem of incentive for illegal activity. Consumption licences were introduced to avoid the problems of semitrailer loads of cigarettes coming in from Queensland, which has a much lower tax on cigarettes. So draconian measures were put in place to ensure that the consumers in South Australia paid the appropriate tax. Of course, if they lived close to the border, they could always whip across the border and get a cheaper packet of cigarettes, but there were not too many in that category. One of the side effects is that, because South Australia is now the highest taxing State in relation to tobacco products, there is an added incentive for those people to avoid the taxation by bootlegging cigarettes and other tobacco products.

I suppose that a smoker who spends a large amount of money every week would not be particularly happy about the measure. Those who are part of the anti-smoking lobby would be clapping their hands and saying, 'What a wonderful initiative', because people are perhaps more price conscious than health warning conscious.

I note that not only are the tobacco companies having to put up their prices to cover the increased taxation but also they will have to grapple with some interesting legislation, if it succeeds, introduced by the Minister of Health. So this year is not a good one for tobacco. Some would argue that it is probably a good year for health, but others would argue that it is totally unfair because it hits particular elements of the community. It hits people who can ill afford it generally. It does not matter for politicians, bank managers or people in high positions, because the few smokers that are left can afford to smoke, but for those for which it is one of the light reliefs in life, it provides a very

heavy impost on their budgets and, inevitably, there is less food on the table as a result of these sorts of measures.

It is not painless: it is directional in its impacts. It does affect the poorer elements of our community, and we should recognise that. There is some level of support, basically from the point of view that it provides some other relief in the system. Given the parlous state of the budget, it must surely be recognised that there will be no golden handshakes or any special gifts handed out at the moment. If we are to cut taxation in particular areas, we might just have to find other areas to compensate.

It has been a subject of some spirited debate. I have not had many people rushing through my door to say how terrible the Government is, but I know that those who enjoy a cigarette, a pipe, or a cigar, if they do not have the income to afford it, certainly have not been too amused by the changes encompassed in this Bill.

The Bill, besides increasing the price of cigarettes or increasing the taxation on cigarettes from 75 per cent to 100 per cent, and in relation to the other dealers from 80 per cent to 105 per cent, is accompanied by a change in the percentage which will be received by Foundation South Australia. According to my calculations, Foundation South Australia, despite a drop in percentage, should do particularly well from the final outcome of that change.

It is also recognised that the personal consumption licences have been lifted dramatically. I mentioned the introduction of personal consumption licences when the previous change took place; there was some movement of cigarettes from Queensland to South Australia. I do not know how many have actually taken out a personal consumption licence. I did not know that there were that many, but they have another shock coming if they did because, whilst the overall impact on cigarettes or tobacco products is somewhat more than 25 per cent, it is not quite as high as 40 per cent, which is the average change that is taking place regarding personal consumption licences.

Mr MEIER (Goyder): I support the Bill. I guess it is easy for me to speak, being a former smoker and years ago having recognised the problems that young people encounter. In my early years of smoking, I think the price of a packet of Benson and Hedges was 300, and it was hard for a young person to find that sort of money. I know the hassles and problems that people face when they are smoking: I went through it myself. Having spent seven years part-time in the army did not help: I needed something to while away the time. Then came the point when I knew my health was being affected and thankfully the doctor, after I had had continual bouts of upper respiratory tract infections, said, 'John, it is high time you considered giving away cigarettes.' It was easy for a doctor to say that: it was another thing to do it. I suppose it took the better part of four years to finally give them away.

I support this Bill because it puts one more obstacle in the path of particularly younger people. I know there is always the argument that maybe younger people will be tempted to steal the money to find the \$7-odd, but that has always been the case. It would not matter what price cigarettes were; if they want to get the money, they will. I hope this will affect other people who will start to weigh up just how much they have to fork out at the new price on a packet a day for perhaps the average smoker to two packets a day for the heavier smoker. It is an enormous

amount of money whether they are on a low income or a not so low income.

I believe that the Government is discriminating against smokers—there is no doubt about that. I feel sorry for those who are addicted to smoking and who will have to spend the extra money. However, at the same time society has to do something to counteract the enormous damage that is being caused to its citizens through smoking. Thankfully many education programs are going on in schools. I know that a Bill will come before us in the next day or two which seeks to tackle the problem in another way. I have one grave reservation about this whole move and that is that the Government did not keep its word regarding the price increase. The Deputy Leader alluded to the fact that the Government said that cigarettes would go up by some 50^c per packet. Well, they have not. The lowest increase is 600 and the highest is \$1 per packet—a far cry from 50^c.

But it is worse than that. Last Friday afternoon a retailer in my electorate rang me and said that he was having to counteract customers' negative comments because he had received his new supply of cigarettes that very day and they had gone up by between 60^c and \$1 a packet. His customers were saying, 'Why on earth are you charging us the new price, because we heard the Premier on television last night say that the price rise would not come in until 31 May—a month away.' It is understandable that this constituent rang me and said, 'For heaven's sake, would you please try to do something about it.' I spoke to one or two other people who said, 'Why don't you ring the *Advertiser*, because it is doing an article on it.'

So, I spoke with Sheryl-Lee Kerr last Friday and found out that she had all the details. In fact, she had done her own survey and she, too, had realised that what the Government had been saying was not true—that the price rise was coming in immediately and was not being delayed a month. I wish that, when the Government brought in these things, it would be honest and up front. If it did not know when it was going to come in and what the results would be, it would be better left unsaid rather than trying to mislead the people. As my constituent said, he received a new cigarette consignment last Friday but, after speaking with a few other retailers in the town, he found that some would get their new consignment up to a fortnight later. So one assumes that they would still be selling cigarettes at the cheap price for the next two weeks—that is if they had any cigarettes left, because I am sure that the smokers would take up the offer as soon as they could. Nevertheless, despite that criticism of the Government, I support the measure.

Mr BECKER (Hanson): The way the Government announced the increase in tobacco products was, in my personal opinion, an absolute disgrace. It was probably the most devious means of advising the people of South Australia that they could expect an increase in the price of tobacco products. I understand that the issue was deliberately leaked to the media—that a senior Government Minister went around spreading the story that cigarettes would go up 50^c a packet. It was done well in advance of the release of the Premier's Economic Statement and at a time when the Opposition was to reply to that speech and when the Leader of the Opposition was to make a major speech in relation to the State Bank. It was cleverly done

in the typical propaganda fashion that we have come to expect in this State to keep the comments of the Leader of the Opposition off the front page. But that did not succeed.

What has happened is that the activities of this Government Minister in being dishonest, devious and leaking this information deliberately to the media set about a perception that the price of cigarettes would go up 50^c a packet. That is nothing further from the truth, because on average the lowest price increase will be 57^c per packet of 25 cigarettes and the highest increase will be approximately 97^c per packet of 50 cigarettes. The average price rise per packet of cigarettes will be about 71^c. So, it was a deliberate attempt to mislead the people. Of course, this has created a tremendous amount of anger amongst consumers. One should bear in mind that in excess of 30 per cent of the people of South Australia smoke cigarettes. So, 30 per cent of the electorate has been alienated by the Government in an attempt to square up the books.

I do not support this legislation, because I do not like the idea of taxing the workers and taxing the disadvantaged within the community to prop up those who are quite capable and competent of looking after themselves—the privileged few. I would include in that the medical profession, because it does very well out of anything and has used this issue, supporting the increase in the price of cigarettes purely on emotion. It has never been proved beyond all shadow of a doubt that cigarette smoking can be as harmful as some people lead us to believe.

I still cannot understand why I can play lawn bowls with a person who is 92 years of age and who has a cigarette about every fourth end; then we go into the bar to have a drink at afternoon tea time, when he has a sherry and another sherry at the end of the game, and he probably goes through a packet of cigarettes a day. I admire him. I think he is a wonderful person who enjoys his sport and his cigarettes. Not everybody can do that, and I acknowledge that, but is the medical profession going to go say that this person is a freak and that therefore cigarettes should be taxed to the hilt?

Let us look at what the State Government has done. The price of a packet of 35 Escort cigarettes before this measure was \$5.20 and will now rise to \$5.95; a packet of Longreach 40s was \$5.86 and will rise to \$6.70; Winfield 25s will go from \$4.45 to \$5.09 for a packet of 25s; Holiday 50s will go from \$6.65 a packet to \$7.60; and a packet of 50s Horizon cigarettes will rise from \$6.75 to \$7.72. I understand that the wholesale price of Holiday 50s per 1 000 is \$63.46 and, if we add the South Australian tax of 100 per cent, the wholesale price will now go to \$126.92.

What the Government has done wittingly or unwittingly—and, by golly, I hope the Minister knows what he is doing—with this 75 per cent tax is to add \$47.60 to the price of 1 000 cigarettes. This means that 1 000 Holiday 50s will be \$15.86 cheaper in Victoria than in South Australia. If you bought the same 1 000 cigarettes in Western Australia you would save \$31.73. We have already raised the issue of bootlegging, and this really concerns me. In the 1992 budget of the British Government the price of cigarettes was increased. The Tobacco Advisory Council warned the British Government and the European Community:

From January 1993, hundreds of customs posts at borders within the EC will be abolished. However, the current wide differences

in tobacco excise between EC member states will remain. In view of this, the UK tobacco industry urges the Government to avoid creating even more incentives for the abuse of across-border shopping, and for smuggling or bootlegging.

Here we have a continent divided into States with variable taxes: 100 per cent in South Australia, 75 per cent in Victoria and New South Wales, and 50 per cent in the Northern Territory and Western Australia. One does not have to be a Rhodes scholar to work out where the cigarettes are going to come from as far as South Australia is concerned. Anyone who goes west or north will come back with a car load of cigarettes. Anyone who drives a semitrailer or truck will bring back as many cigarettes as they can, because they can save up to \$31 per 1 000.

Mr Ferguson: They go stale after a while, though.

Mr BECKER: They will not go stale at those prices, because if you can buy a thousand cigarettes and save \$31 you will soon sell them from the back of a car. The Government is encouraging bootlegging. No matter what laws we have, we do not have the personnel to police it—and this is the problem being experienced in Europe—because we cannot afford it. As a matter of fact, we are about to sack 3 000 public servants. We will use the \$240 million that we are getting from Canberra to sell the State Bank to get rid of 3 000 public servants. Rather than do that, why does the Government not put them into the community to stop bootlegging if that is going to be a problem? We will see whether the Government does that. The Government has been advised of these problems. It is estimated that the German Federal Government stands to lose about £250 million in revenue this year from cigarettes smuggled into Germany from Poland. That gives some small indication of what is happening.

Mr S.G. Evans: That helps Poland.

Mr BECKER: I do not think it will help Poland very much, but it provides some idea of the problem that is created with differential taxes. I am not a centralist at heart, but I am becoming that way. In this regard, I think there should be a standard licence fee for Australia and standard laws relating to the tobacco, liquor and quite a few other industries.

Let us look at the revenue that the Government has received from the sale of tobacco products from 1980 to 1993. In the financial year 1980-81 the Federal Government excise was \$706 million. New South Wales collected \$45 million; Victoria collected \$38 million; South Australia, \$11 million; Western Australia, \$10 million; Tasmania, \$2 million (the remainder of the States and Territories did not collect anything): a total of \$812 million. By 1984-85 the Federal Government excise was \$889 million. New South Wales increased its revenue to \$78 million; Victoria to \$104.6 million; South Australia, \$38.5 million; Western Australia, \$50.4 million; Tasmania, \$14.2 million; and the Northern Territory, \$5 million: a total of \$1 179.8 million in excise and State taxes.

By 1988-89, the Federal take had jumped from \$889 million to \$1 151 million, with New South Wales collecting \$203.8 million; Victoria, \$151.9 million; Queensland had come into the act for the first time and collected \$49.9 million; South Australia, \$50.9 million; Western Australia, \$68 million; Tasmania, \$26.8 million; Northern Territory, \$10.6 million; and the Australian Capital Territory, which had come in a few years earlier, \$9 million. So the total had jumped to \$1 721.9 million.

For the 1992-93 financial year, the Federal Government excise is estimated to be \$1 323 million, with New South Wales to collect \$488 million; Victoria, \$310.3 million; Queensland, about \$272 million; South Australia, \$138.1 million; Western Australia, \$113.5 million; Tasmania, \$35 million; Northern Territory, \$20 million; and Australian Capital Territory, \$21.2 million: a total of \$2 721.1 million. That is \$2.7 billion worth of Federal excise and taxes collected by the States from the sale of tobacco products. So, it will be seen from that pattern that the Governments have suddenly found a great cash cow in tobacco products.

As a matter of interest, in 1989-90 the Victorian Health Promotion Fund was allocated \$29.7 million while Foundation SA received \$5.8 million. In 1990-91, the Victorian Health Foundation received \$28.5 million while Foundation SA received \$6 million; the Australian Capital Territory Health Promotion Foundation received \$1.5 million, and the Western Australian Health Promotion Foundation received \$11 million. What annoys me is that under this legislation some of the taxes collected will go to Foundation SA. It costs about \$750 000 a year to administer the distribution of that money to various sporting organisations. That annoys me because that \$750 000 could go to the sporting organisations if it were left up to the industry and/or a voluntary organisation to oversee the distribution of those funds.

Mr Ferguson interjecting:

Mr BECKER: Because it was a replacement tax; a tax to replace tobacco sponsorship. If the local tennis club wants some money from Foundation SA to buy a tennis net, it would have no hope. The Holdfast Bay Ring Bowls Club used to receive \$250 from Winfield for the world rink bowls trophy. Foundation SA will not entertain replacing that grant and has never replaced it because it is a working man's club. It made it so difficult and provided so many forms and paraphernalia to be filled in that the poor chaps had no hope at all. They have been denied this grant ever since Foundation SA commenced operation. It is an absolute disgrace. The Economic and Finance Committee should investigate this organisation as a matter of expediency and get the true sponsorship replacement of tobacco companies back onto a proper basis.

That is only part of what Foundation SA does. Recently, the Australian marching girls championships were held at Glenelg. Five teams came from New Zealand and about 70 teams came from all over Australia. One club lost \$12 000 because of the collapse of Compass Airlines—it was a terrible blow to it. It had to pay all its air fares to go to Glenelg to compete in the Australian marching girls championships—an absolutely brilliant performance at the Glenelg oval. I believe that Foundation SA gave \$1 000—a miserable \$1 000—to encourage them, and it had signs displayed everywhere. As is its wont, it demanded a spot on the program—it demands this and it demands that. That organisation has gone overboard in what it does and in the way it carries on. It is time that we had an investigation into the role of Foundation SA.

I well remember questioning former Minister Cornwall about what would happen to replace sponsorship by tobacco companies. I get cross when I think about a surf life saving club down my way which used to be given a carton of cigarettes every week. It took a long time before it was given replacement money for that, but the Holdfast Bay

Ring Bowls Club has never been given a penny by Foundation SA. That alone ought to lead to the dismissal of everyone in that organisation. How many other organisations are in that position? It still annoys me that if local tennis clubs want a tennis net they have no chance because the money goes to the tennis association and it is left to that association.

What about lawn bowls, which used to receive a grant to encourage coaching and other aspects of lawn bowls? I happen to play lawn bowls, and when I was given the score card one day I noticed that there was an advertisement for Adelaide Casino. I asked what was going on because I thought Foundation SA sponsored lawn bowls. I was told, 'Foundation SA has been replaced.' It was suggested that Foundation SA would no longer give a contribution. I was told, 'Foundation SA can no longer help you, and it was teed up that the Casino would help us.' What is going on? That is not the role of Foundation SA. It was established to replace tobacco sponsorship and it is there to support and encourage sport in South Australia. I do not like the situation at all.

The other matter is that the State Government has done extremely well in taxing cigarettes. This started back on 1 April 1975, when the rate was 10 per cent. On 1 August 1981 the rate was increased to 12.5 per cent, and on 1 October 1983 it was increased to 25 per cent. On 1 July 1988 it was 28 per cent, on 25 August it was increased to

50 per cent and on 7 July 1992 it was increased to 75 per cent. On 23 April 1993 the rate was increased to 100 per cent.

That is a 33 per cent increase on the licence fee in 10 months and, as I said, it is to replace the FID tax, which is to be reduced. Fair enough, that is a terrible tax, but I hate to see those who can least afford it being taxed through this measure. The only people who will benefit from the reduction in FID tax are certainly the privileged few. Any measure that clips the poor workers of this State is a retrograde step.

The Tobacco Institute undertook studies recently and found that the impact of cigarette licence fees—such as these taxes—on disadvantaged people hurts them 2.5 times more than it does the average worker. Why should we be supporting a measure that hits the disadvantaged 2.5 times greater than it does the average citizen in the community? I cannot understand how the Labor Party—a socialist Party and a Party that believes in social justice—can bring in a measure like this and treat the average citizen in the way it has. That just shows contempt for the people who will have their opportunity to show their feelings at the next State election.

The Hon. FRANK BLEVINS (Treasurer): I thank members opposite for their contributions, both for and against measure. Having to bring in measures such as this that increase taxes is one of the crosses that Treasurers have to bear. It is not something that we like, but the general understanding of the House makes it somewhat easier.

I would like to make a couple of comments on what has been said by members opposite about the method of increasing the price and how it was announced. Certainly, I know nothing of leaks or allegations of senior Ministers going around leaking things. I doubt that very much. I would like to see that evidence and, if there are senior

Ministers doing that, there is an obligation on someone making that allegation—

Mr Becker interjecting:

The Hon. FRANK BLEVINS: That is right, let us see the evidence. All I know about this is the method of announcement and its timing; there was no difference in the way it was announced or the way in which the tax has been collected. The tobacco companies were advised within minutes of the Premier's making his Economic Statement. The Prices Surveillance Authority was pre-advised prior to the announcement to enable it to respond quickly to an application from the tobacco companies for an increase. As always, that was done quickly and smoothly, and probably within 24 hours of the announcement being made the authorisations had been given and the increase had taken place.

Whatever some people think of tobacco products, I believe that manufacturers and retailers are entitled to the same respect and consideration from Governments as any other businesses in the community. My understanding is that tobacco companies will not lose one cent, nor will they take and keep one cent more from consumers than they are entitled to, nor pay more than they have to pay to the Government.

As I said in the second reading and as to the commitment I gave during a previous debate of this nature, if tobacco companies can demonstrate that they have not had adequate opportunity to recoup the cost of the higher licence fees before the first payment falls due on 31 May 1993, we will make whatever financial arrangements are necessary for that. I do not believe that tobacco companies have to lose one cent.

Likewise, I do not believe that the consumer ought to be taken for a ride, either. Clearly, if there is a gap, then at least the temptation would be there for some retailers to stock up at the old price before the date when the new price came in to sell them at the new price. I know that most retailers are honest, but that is the temptation we would be putting in their path, and I suspect that one or two may be tempted to take from the consumer money to which they are not entitled.

It is always a difficult matter. I would argue that the Government has been impeccable in the way it has handled the increase by advising the PSA earlier and by advising the tobacco companies instantly, so that the entire increase in tax ought to be able to be recouped from the consumer. If that is not the case, I am willing to hear any argument.

As to the price of a packet of cigarettes, I assume that most people still consider that a packet contains 20 cigarettes, but I understand that that is no longer the case. I was surprised to hear that they are packs of 50 these days. This seems a large pack of cigarettes to carry in one's pocket. Nevertheless, the member for Hanson said that they had increased 57^c for a pack of 25, which I think is around the area.

I have no idea who made those estimates, but they seem to be reasonable estimates. I also agree with the member for Hanson, who suggested that these taxes ought to be harmonised. I refer the House to the previous debate on the liquor tax a short while moments ago, when the Government attempted to harmonise taxes across that product and we failed miserably. We were the only ones in harmony: everyone else was out of tune and now we have had to harmonise downwards.

My strong view is that we will see harmony again in this area. It will be harmony by the other States increasing their licence fees to the same as those of South Australia. That will be a good thing. Whilst there will always be some incentive for people to bring cigarettes across borders, that is not illegal if they are for personal consumption. However, the Bill tries to ensure that as little of that as possible takes place. Again, I thank members for the attention that they have given to the Bill.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—‘Commencement.’

Mr S.J. BAKER: I move:

Page 1, line 15—Leave out ‘June’ and insert ‘July’.

The amendment is very obvious. We debated the issue previously in the budget session. I merely make the point that Governments must really get their collective acts together. It is simply not good enough, as the member for Hanson said, to let a whisper get out or to have the timing such that it causes the companies concerned some difficulty on some vague promise, ‘It will be all right; we will fix you up at the end of the day if you are short on your taxation.’

I do not know the final outcome of the deliberations after the situation they faced last year, but I do know that the tobacco companies did not collect the tax for the first two weeks of July, and I understand that the Treasurer was going to give them a rebate. I did not find out the final outcome of all that. In moving this amendment, I make quite clear that retrospective taxation has always been an item that excites Liberal Oppositions. In the Minister’s response—and obviously he will reject the proposal—I would like to know exactly what occurred last year and how long the tobacco companies had to wait to get back their money.

The Hon. FRANK BLEVINS: I oppose the amendment for the reasons I outlined in my second reading contribution. Given the structure of the licence fees and when licence fees are due, unless you have a very fortuitous date when you bring down a budget or a measure such as this, there will be some untidiness at the edge; there is no way of avoiding that. What we have said is that nobody will lose. Consumers will not lose because of the difficulties in finetuning a date, and the tobacco companies will not lose either. I have made that perfectly clear. Tobacco companies were able to persuade me last time that, because of the date of the announcement and the date when licence fees were being paid, they were disadvantaged by a week, that they were not able to recoup a week of the tax, and I had no hesitation in giving them an *ex gratia* payment—no hesitation whatsoever.

The same will apply here. If they can persuade me that they have been in anyway disadvantaged, I will do exactly the same. However, if the amendment were carried, and as the Prices Surveillance Authority has already approved the price increase from 23 April, it would have to reverse that decision if the tax increase were to be delayed until the July licence month. Otherwise the companies would benefit from the tax increase. When the PSA reduced the price, the retailers would immediately stockpile furiously to take advantage of the price increase in July, and they would be able to profiteer, if they wished, at the expense of the consumer. I believe the method we have is a good method.

It is the best method that we can think of, but we do always review the structure of our legislation.

I give an undertaking to the Committee that again I will have the structure of how this tax is collected looked at to see whether it is possible to have this issue, should it ever arise again—and obviously I hope it will not—dealt with differently. At the moment, I can think of no other way other than to have our budgets in line with the due dates for the payment of the licence fee. It seems extraordinary to set your budget so that it is harmonised with a particular licence fee. Nevertheless, I will exercise my mind to see whether any refinements can be made in the methods of announcement and collection of these licence fees.

Mr S.J. BAKER: The interesting part of the process, given what happened last year and the concerns that were expressed by not only the Liberal Opposition but the tobacco companies and retailers as well, is that I would have thought that the Treasurer could turn his mind to this matter before doing the same thing again. Importantly, I make the point that this very much hinges on the Economic Statement. The Economic Statement came down on 22 April, so the Premier, the Treasurer or some other Government official could have announced on 1 April that the tax was to be increased from that date. In that way the Government could have avoided this problem that has arisen for the past two years. It might give the Government a lot of comfort to put all its revenue Bills together and treat them as a package, but I believe that some of the people paying the tax out there deserve a little more consideration.

Mr BECKER: What recent consultation did the Minister have with the industry over this issue? In years gone by, I do not recall this problem where we had to make *ex gratia* payments. I know that was the case last year. Perhaps the member for Ross Smith can remember what happened in previous years. I do not now see why we should have to go through this system every time this tax is increased. I hope that it is not increased again; I think it is too much. Why does the Government not take the industry into its confidence and tell it what it plans to do? It is not as though there are 100 manufacturers—there are only three. Why not take them into confidence and have consultations with them so that all this extra book work and heartache can be avoided? Did the Treasurer have any consultations prior to preparing this document and, if not, why not?

The Hon. FRANK BLEVINS: The answer to that, as I said in closing the second reading and also in response to the amendment moved by the Deputy Leader, is that I have a very strong view in that I do not believe that tobacco companies ought to be out of pocket. Likewise, I do not believe that the consumer should be charged an additional licence fee that will not be paid to the Government. I do not mind finetuning that to the day. The only way you can do that is by an *ex gratia* payment, if the tobacco companies can prove they have been disadvantaged. Tobacco licence fees do not go up every year.

On some occasions it is clear that the consumers have been disadvantaged. There is no doubt about that. Where the gap has been sufficiently large between the announcement and the time of collecting the fee, there is no doubt that some retailers have taken advantage of that, and I think that is wrong. Equally, I respect the tobacco companies’ right to recoup the cost of the additional licence fee. The only way I can think of that we can finetune that

is by an *ex gratia* payment. I am not prepared to have the consumer ripped off and the tobacco companies disadvantaged. If we had announced it on 1 April, apart from the problem that was raised by the Deputy Leader as to the taxation package being exactly that—a package—why should the consumer be disadvantaged? The member for Hanson always puts up the case for the tobacco consumer. He is actually saying it would have been in from 1 April. I cannot really see that the consumer would have welcomed an additional 23 days.

Mr BECKER: I do not want to see the consumer ripped off either; nor do I want to see the retailer disadvantaged. The Minister did not answer the question. Why not have discussions with the industry to avoid this situation?

The Hon. FRANK BLEVINS: What difference would that make? It would not make any difference at all.

The Committee divided on the amendment:

Ayes (23)—H. Allison, M.H. Armitage, P.B. Arnold, D.S. Baker, S.J. Baker (teller), H. Becker, P.D. Blacker, M.K. Brindal, D.C. Brown, J.L. Cashmore, B.C. Eastick, S.G. Evans, G.M. Gunn, G.A. Ingerson, 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 (teller), G.J. Crafter, M.R. De Laine, M.J. Evans, R.J. Gregory, T.R. Groom, K.C. Hamilton, T.H. Hemmings, V.S. Heron, P. Holloway, D.J. Hopgood, C.F. Hutchison, J.H.C. Klunder, S.M. Lenehan, C.D.T. McKee, M.K. Mayes, N.T. Peterson, J.A. Quirke, M.D. Rann, J.P. Trainer.

The CHAIRMAN: There being 23 Ayes and 23 Noes, I cast my vote for the Noes.

Amendment thus negatived; clause passed.

Clause 3 passed.

Clause 4—'Licence fees.'

Mr S.J. BAKER: I want to ask a question in relation to the \$35 million calculation and the full year effect of this increase. According to the budget papers, \$129.9 million is expected to be collected in 1992-93. The Economic Statement states that the Government did far better than it expected and did not lose as much as it thought, so presumably it has collected well in excess of \$130 million. If we do a simple calculation, one-third of \$130 million is \$42.5 million. I am having trouble reconciling the figures. Perhaps the Minister can explain.

The Hon. FRANK BLEVINS: We are allowing for some drop in consumption.

Clause passed.

Remaining clauses (5 and 6) and title passed.

Bill read a third time and passed.

FINANCIAL INSTITUTIONS DUTY (REDUCTION OF DUTY) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 22 April. Page 3035.)

Mr S.J. BAKER (Deputy Leader of the Opposition): I will be brief. One does not need a lot of words to approve a measure. I simply make the observation that, whilst the Opposition approves of the measure, a lot of the

damage has already been done. Over the past six to nine months there has been a huge change in financing arrangements, to the detriment of this State. I understand why the Government has now recognised the problem and has at least attempted to shut the door, but for many businesses the door was shut far too late.

The Minister would recognise that still there are differentials. Queensland does not have the FID, and it has only half the rate of BAD tax. Therefore, there is still a significant tax differential between South Australia and Queensland. Of course, the Victorians have just recently increased tax, so we cannot win. I do note that the second reading explanation refers to tax harmonisation. I sent all these Bills out for a number of people to study, and the response from one who looked at them was, 'With reference to tax harmonisation: this appears to be becoming a buzz word, but it is a load of rubbish.' It seems to be an excuse when we want to bring something back into line, but there is always another excuse when we want to go in a direction different from that of the rest of Australia.

I did note that the revenue expectations for this year were about \$105 million. My latest look at the taxation receipts up to February would suggest that that estimate could be as much as \$5 million or \$10 million too high. It is a pity that the Government did not think through the issue originally, because it seems that the jump from .06 per cent to 1 per cent was the straw that broke the camel's back. It started a whole new industry in finance movement. We know that the banks and one or two security firms have become a party to it. Everyone is trying to get bags up and back to Queensland. They are using their fax machines and telexes. Unfortunately, I believe we have now lost a significant core of financial business in this State. That is a great shame. I know that the repair work is being done to some extent by this Bill. It is being financed by the tobacco imposts which we have just recently debated.

Finally, it is sad that some of the dynamics of the economic system in which we operate are not recognised by the Government before they introduce particular measures. If the Government had thought about it, as the Opposition did, it would not have made the changes, which have led to a turnaround. We criticised the liquor fees because of the impact on the industry. We criticised FID not only because of the impact on the industry but because of the outflow of funds from the State. I believe we have been proved correct on both counts. We appreciate the fact that the Government has now drawn back and we hope that some of the damage can be repaired.

The Hon. FRANK BLEVINS (Treasurer): I thank the Deputy Leader for his support of the measure. We could have quite a healthy debate about the merits or otherwise of tax harmonisation and the virtual impossibility of achieving it whilst some States have a different structure to their economy with hundreds of millions of dollars in royalties from, as I am sure the coal companies would argue, ripping them off on rail freights where they do not necessarily have to impose some of the other taxes, as well as the level of services in areas where they are provided. I am very pleased to be standing here as Treasurer with the full support of the House for this tax measure.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr S.J. BAKER: I refer to the comments made by the Treasurer in his statement; a number of areas of anomaly were identified and those areas were being looked at by all State Treasurers, as I understand it. They related to offshore banking units, interest rate, currency and commodity swaps, forward exchange, and certain futures contracts. There was an indication in the Treasurer's statement that these would become exempt because of the difficulties they caused. Can the Treasurer give an indication of the timeframe for those changes?

The Hon. FRANK BLEVINS: Discussions have been entered into with the Australian Bankers Association. As soon as the mechanics can be attended to, it will be introduced.

Mr S.J. BAKER: My second question is one that has been of considerable concern to those people who run cheque accounts. Publicity has been given in respect of the BAD tax, as the Treasurer would understand. Because of the way the laws are currently constructed, they result in the payment of a tax upon a tax upon a tax. If one makes a deposit into a cheque account, which must be done to keep it balanced, a FID tax is applied and then good old BAD comes along and applies the 30^c minimum charge to the FID charge. It is an anomalous situation that really should not occur, and it can continue for some time, depending on the debit in the account. The BAD tax catches taxation debits in the account, and it should not do that because it is a taxation in its own right. Can the Treasurer inform the Committee whether he intends to change the law to cut out this double taxation, or what other measure does he intend to take?

The Hon. FRANK BLEVINS: Our target date is 1 July. We are having discussions with the Australian Bankers Association and, as soon as we obtain agreement, the regulation will be introduced. I am sure that, with everyone's cooperation, the 1 July target date will be achieved.

Clause passed.

Title passed.

Bill read a third time and passed.

Mr FERGUSON: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

The Hon. FRANK BLEVINS: I move:

That the time for moving the adjournment of the House be extended beyond midnight.

Motion carried.

SUPERANNUATION (VOLUNTARY SEPARATION) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 22 April. Page 3035)

Mr S.J. BAKER (Deputy Leader of the Opposition): This Bill is the last of the four measures that was introduced in conjunction with the Economic Statement. It happens to play a fairly critical role in the Economic Statement because, as confirmed by the Premier of this State, without some increase in the benefits awarded to members, the target reduction of the Public Service by

some 3 000 cannot be achieved. The Bill increases the benefits for early retirement considerably for those people who have been long-term members of the Public Service and, in particular, long-term contributors to the Public Service Superannuation Scheme.

The Bill provides generous benefits in that an employee under the age of 55 years of age, who is a contributor to a pension or lump sum super scheme, will be eligible for a special employer benefit of 12 per cent of final salary for each year that person has been a member of the scheme to 30 June 1992. In addition, that person will receive a refund of contributions, including interest, as well as the superannuation guarantee.

The employee over 55 years has a right to take out the full commuted value of his or her entitlement at the date of retirement, including the earnings ascribed to that member in the fund, plus the superannuation guarantee. So, indeed, the anti has been upped. The question that now remains for the Government to determine is whether there has been an adequate survey to find out how many members will take up the package. There is no doubt that it will be a very attractive proposition for those people who are getting very close to 55 years of age, who have had a long service in the public sector, who have better things to do with their time, or who have another job waiting for them somewhere else.

The great value of this scheme, of course, is that it is attractive to someone who has another job waiting. There will not be many people in that circumstance, but I imagine there are some very skilled practitioners within the public sector who are looking for just such a package, but perhaps they are the ones we cannot afford to lose—they are the ones with the greatest amount of expertise, those who can compete out in the market place in another role than that which they are serving within the public sector. The greatest attraction of the package would be to those who have another job—another possibility—some way of earning even more money or changing their lifestyle.

It is also attractive to those people who would wish to start up a business. If they have a good idea, or if they have a going concern—they are very cheap at the moment, as many businesses have gone broke in recent years—that person might believe that he or she can make a go of it and might invest in a business; they might put a lump sum into the business, the ultimate returns being greater than that person would receive had he or she stayed within the Public Service.

There is probably one other category to whom the package would be attractive and that is the person who has never been a large earner in the Public Service, who is looking at his or her pension come the age of 55 and who decides that it is not sufficient to live on and either the commutation value—if they are over 55 or, if they are under 55, the extra lump sum—can be used to pay off mortgages or to buy cars, and then they can attempt to live on the pension.

There are probably three categories to whom this package would be deemed attractive. I cannot judge how successful the package will be in tempting people to take early retirement. I think it is worthwhile observing that it has its pluses and negatives. The pluses could be, as the second reading contribution points out, that the ultimate superannuation liability could be reduced by this measure. We could see a net saving, if we look at the longer term

costs of the superannuation provision, of about 37 per cent. So, it has some benefits.

On the other hand, we must look at it from the point of view of whether there are costs, and there will be a perception within the Public Service that the only way you are going to get a person out of the Public Service is to keep raising the anti. I think psychologically this is a matter that really has to be thought about over a period of time. I do not know what the Minister will do to overcome the problem that I perceive can be created in such circumstances.

The previous voluntary separation package was generous in its own right and much better than could be achieved in many private sector situations. This latest package is well in advance of the previous benefits that could be obtained, if that person has been a long-term contributor to the superannuation scheme. To me, it means that a problem might be created, because the public sector has to become far more dynamic. That means that the demands for certain skills are changing dramatically, and there will be a need to bring new skills into the public sector; some of the old skills, which are quite dated and which are no longer as relevant as they used to be, will have to be replaced.

If there is an expectation that we can get people moving only by offering very large and attractive packages, we have set ourselves a problem in the longer term sense. I make that point to the Minister. I know that we are talking about, in this circumstance, moving 3 000 employees. It is regrettable that it has to happen but it is understood why it has to happen—because we somehow have to reduce the recurrent expenditure in the budget. The price we are paying is exceptionally high. An amount of \$263 million was meant to go towards debt reduction and is now being spent on these special packages to attract members in the public sector to go out of the public sector.

According to the information we were given, obviously the Treasurer was very optimistic about the chances of getting people to resign. The suggestion was made that 1 500 employees would retire before 30 June at a cost of \$134 million and that another 1 500 would retire the following financial year at a cost of \$129 million. Other information provided by Treasury officials indicates that the total cost will be of the order of \$250 million, not necessarily the full \$263 million. So, we can understand why the Government has gone down this path. We can understand why the Government would have got itself into grave difficulties with the union movement had it not gone down this path and had it contemplated removing employees by wielding a stick rather than by inducement. We can understand why this path is being followed.

It is a high cost path, but there are some pay backs in the system. There are pay backs with relation to superannuation in that the ultimate liability is reduced. There are pay backs as well if that employee is not replaced. I take the Treasurer's point that these packages require the approval of the Treasurer. I would hope that the Treasurer has a fairly clear idea of what he is trying to achieve and that he has undertakings and commitments from his departmental heads that the packages on offer do not necessarily lose what is dynamic in the public sector, and that is the people who have other job opportunities; that this is in fact reducing staff in areas where there is a considerable excess which cannot be accommodated. So, I

will be looking for a response from the Treasurer as to how he will manage the process.

It has been pointed out to the Liberal Opposition that the package is somewhat unfair in that if the target is used and is used properly other people will miss out, and that that is a form of discrimination. As I said, as the person who expects to be the next Treasurer of the State, I prefer to be discriminating and get it right for the benefit of the Public Service and the people who receive the service than to be non-discriminating and have an open package which means that you lose the best people and you are left with the rest. That is not a reflection on the Public Service: it is just that the attractiveness of the package—

The Hon. Frank Blevins interjecting:

Mr S.J. BAKER: It is just that this package is quite attractive to particular types of people, and some of the people are the ones that I believe the Public Service cannot afford to lose. Indeed, if they lost them they would have to pay for them to be replaced. If we look at pay backs we will see that this package is more expensive than previous ones. I think we had an average \$30 000 to \$40 000 for the previous VSPs and we are now talking about \$90 000. In round terms we are talking about two years, or a little more than two years, in pay back for that salary to be recovered—but if that person is replaced there is no real saving.

I am sure that the Treasurer fully understands that if you replace the person who has just been given a VSP the cost is a saving on superannuation only and is not a long-term saving in salary. I do not have to tell the Treasurer how to suck eggs. There are some question marks about the package but generally the Opposition supports the thrust of what the Government is attempting to do here. However, we would appreciate one or two questions being cleared up during Committee.

The Hon. B.C. EASTICK (Light): Taking a step further the information that was given to the House by my colleague the Deputy Leader, if the Government thought that this was going to be a winner I suggest that the reaction it has had through my office may well cause the Government to question whether it in fact will be a winner. Two points of view have been put to me, one of which was touched on briefly by the Deputy Leader—and that is that the target is an unknown quantity so far as the public is concerned, from any statement that has been made to the present moment. However, the inference can be drawn that it will be mainly for people in the Engineering and Water Supply Department, possibly the Woods and Forests Department and in areas of that nature. A letter that was delivered to my office on 25 April from two senior constables is typical of one of the attitudes abroad at present. It states:

We, the undersigned, request that the offer for voluntary separation be extended to include members of the South Australian Police Force. Under the guidelines of the Equal Opportunity Act as promulgated by the South Australian Government, it is our opinion that we have a right to be included in the proposed offer. In the current economic climate we feel the wider the spectrum of personnel included in the offer the more likely that the Government will achieve the desired outcome of 3 000 volunteers without having to enforce separations.

That is conjecture on their part: it may well be that other factors are abroad that will not make the attainment of the

number as difficult as might have been contemplated. They conclude their letter by saying:

This is a personal request due to the lack of time in which to consult with union officials or colleagues.

That self-same thought has been put to me by teachers, nurses and correctional service officers, although that is a cross-section that is coming through my electorate office. The other side of the coin also causing quite a degree of resentment is the fact that those people have accepted packages of lesser value or lesser benefit than the packages currently available, and that they are screaming, 'We've been denied equality with our fellow work mates.' One person has already been to my office to ask whether he can go back and be reassessed.

I appreciate that that is not a proposition which would necessarily be acceptable to any member in this place: you have made your decision, you have cut your cloth, you live with it. But the Government ought to recognise the situation it has created by making two entirely different offers to people in the community within a short time. That resentment will, I am sure, be expressed to members in future by a number of people and will be a cross that the Government will have to bear. I am not against the principle of what is contained herein; I am critical of the fact that it will use funds which would otherwise reduce debt. I believe that the debt is the early attack that we ought to be making.

The Hon. FRANK BLEVINS (Treasurer): I thank members opposite for their support for the Bill. I will be very brief in my response and mention only a couple of issues that were raised. Everybody is aware of the issues that were raised by the member for Light, that all our separation packages have been targeted packages. There has never been a right for a public servant to have a golden handshake if they wish to leave: it has always been at the discretion of the employer, and that will continue. Public servants are in a very privileged position vis-a-vis the private sector inasmuch as they do have permanency, which I am sure everybody in the private sector would like also.

There are good things and bad things about the Public Service. The good things overwhelmingly outweigh the bad things, so there is no danger of our losing the people we require in the Public Service through this measure, because they will not be invited to take a package. This is not the only measure mentioned by the Premier in his Economic Statement to bring about increased flexibility in the public sector and I believe that some time next week the Minister of Public Sector Reform will outline in greater detail some of the measures that the Government has in mind, because the Deputy Leader is quite correct: the skill mix and skill requirements are changing constantly.

The public sector is not sufficiently flexible in the view of the Government to deal with what is required in South Australia in the 1990s and we will be taking action to bring about the required degree of flexibility. The argument that this \$250 million ought to be used to pay off debt was raised and I dealt with that in Question Time earlier in the week, or last week (I cannot remember now). There is absolutely no question that, if we get people off the payroll, the payback period for that is about one year and, after that, we get a dollar for dollar back every year in

perpetuity. That is a tremendous payback. It is 100 per cent per annum for ever—after the first year. There is no—

The Hon. B. C. Eastick interjecting:

The Hon. FRANK BLEVINS: There is no way that the \$250 million could be used to pay off debt and reduce our outgoings in interest rates that would come anywhere near the amount that we will save by reducing the payroll and using these funds to do so. The question of replacements does not come into it. The intention is to reduce the numbers—not to change the mix. It is to reduce the numbers. Not that we are particularly targeting school principals or that any school principals will be asked in any way to take a package, but if, for example, a school principal was available and we had a spare teacher and we could promote that teacher to the principal's position, we would still have one person less on the Education Department's payroll because there are some spare teachers in the system who are permanent employees. The fact that you would get rid of a principal from a school and promote a teacher into that position—

The Hon. B.C. Eastick: You're acknowledging that you are going to reduce teachers?

The Hon. FRANK BLEVINS: I regret that—I did preface the example—and I thought the member for Light was more intelligent than that. I am disappointed.

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: I will have to go through several other examples. It has been made perfectly clear by the Premier that the teacher:student ratio is not to be changed. That is the key question. However, I will go through it slowly for the member for Light. In a number of areas there are employees now who are surplus to requirements in those areas. If someone else in a department occupies a position and is willing to leave, the position has to be filled but it may be that it could be filled by a person who at the moment is surplus to requirements but is still a permanent employee and could be promoted into the position of the person who is happy to go. We would have reduced our head count in the department by one, so there are those nuances, but the effect would be the same.

We would have one person less on the payroll and that is the idea, even though we may be filling that position, but we would be filling it with someone who is surplus. I hope, without labouring the point, that I have made clear to the member for Light some of the nuances in this. Clearly, the intention is to get the numbers down. How successful it will be, we will just have to wait and see. As in any new scheme, by definition, one has no experience to fall back on, but those people who have been around the public sector for a long time have made an assessment that it will be attractive to certain people and some of the categories have been mentioned by the Deputy Leader. We can only make a reasonable estimate and see how it pans out.

Just in case the member for Light is not feeling whimsical, just in case he is serious, I can assure him that teachers are not on the list, nor are his police officers from the Gawler station. I understood that there were eight from the Gawler station who rang in because they did not just contact the member for Light. As the Premier said, we are not in the business of reducing the number of police officers who are in direct contact with the public; likewise

with nurses, seeing that the member for Light has found it necessary to perhaps misuse the example I gave.

The Hon. B.C. Eastick: I asked you how wide was the target.

The Hon. FRANK BLEVINS: I am telling you. I thought the Premier had gone through it clearly and everyone knew, but apparently the member for Light did not hear the Premier and so it is necessary for me to go through it again. Likewise with nurses, because the Health Commission staff who are delivering those services at the bedside, as opposed to the chalk face or what the equivalent is for the police officers, are required.

The Premier has made that clear in this area where overwhelmingly we are looking at support services, corporate services and people of that nature, but certainly not at taking teachers out of classrooms, as that would affect the teacher-student ratio. I know that I am repeating myself and that I am labouring the point, but I do so deliberately because I would not want the member for Light or any other member to misrepresent what I have said. So, I will say it again, and I will say it in Committee if asked questions and probably also on the third reading, because we now have plenty of time to go through this. I know that the member for Light would not want to leave at whatever hour in the morning with any misapprehension whatsoever. I thank members again for their contributions.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Commencement.'

Mr S.J. BAKER: When will the Bill be proclaimed? Given the time frame provided in the Treasury briefing, I imagine that it will probably be proclaimed within a short period. Does the Treasurer have a date in mind?

The Hon. FRANK BLEVINS: As soon as practicable.

Clause passed.

Clause 3—'Resignation pursuant to a voluntary separation package.'

The Hon. FRANK BLEVINS: I move:

Page 1, after line 23—Insert subsection as follows:

(la) Section 28 does not apply to a contributor to whom this section applies.

I am advised that this amendment will make absolutely clear that where a person takes a voluntary separation package under this provision a benefit cannot be taken under any other provision of the legislation. It is a belt and braces provision, and those who advise me on drafting feel that it would give them greater comfort and put the issue beyond doubt, if indeed there was any doubt.

Mr S.J. BAKER: The Opposition supports the change. I had noted it on my Bill to say that I thought it was another problem area. We have already done this twice with superannuation legislation. We have had to explicitly exclude double-taking of benefits on two previous occasions. When I read the legislation I thought it could be construed that a person could have a double dip. My thoughts on the matter have been clarified by the amendment.

Amendment carried.

Mr S.J. BAKER: I wish to raise one or two questions on the package, particularly regarding clause 3. In the Treasury briefing we were told that about 600 employees from ETSA and the E&WS Department would be part of the 3 000 employee package. Will the Treasurer outline to

the Committee other major areas that will make up the remaining 2 400 that may be sought?

The Hon. FRANK BLEVINS: I think it would be shorter if, again, I outlined the areas that will not be included. The Premier has already outlined them, but as there seems to be—

Mr S.J. Baker: I was looking for explicit information.

The Hon. FRANK BLEVINS: I cannot be any more explicit than I am about to be.

Mr S.J. Baker interjecting:

The Hon. FRANK BLEVINS: The member for Light has forced me to do so, so I will be quite explicit regarding areas that will not be involved. As the Premier has stated quite clearly, the teacher-student ratio will not be changed—the Government has absolutely no intention of doing that. Likewise, the Government has no intention of reducing the number of police on the streets. It is not the intention of the Government to reduce numbers in areas of the Health Commission that the Government feels give a direct service to the people of South Australia. It has in mind mainly areas of administration and corporate services. I hope that everyone in the Committee has that clear by now and that there will not be any possibility of misrepresentation by any member opposite.

Mr S.J. BAKER: What intelligence was used to arrive at this package, given that it is far superior to that currently available within the Public Service? What decided Treasury or the person who was recommending the package to go as far as the Government has on this occasion?

The Hon. FRANK BLEVINS: They are matters of judgment that the Government at the end of the day has to make. The Government believes that this package is attractive enough to have the desired effect and not too attractive to force us to spend a dollar more than necessary. That is purely a judgment that we make. How good our judgment is will be tested over the next 12 months, perhaps three years.

Mr S.J. BAKER: More explicitly, what was the statistical base that was used to make that judgment, or was there experience in some other jurisdictions that led you to the conclusions that you made?

The Hon. FRANK BLEVINS: I do not know of any other jurisdiction. As I said, it is an assessment of how quickly you wish to encourage people to leave the public sector voluntarily whilst at the same time not spending any more than you must. I can only repeat that it is a matter of judgment and this is the particular package that the Government has come down with.

Clause as amended passed.

Clause 4—'Resignation pursuant to a voluntary separation package.'

The Hon. FRANK BLEVINS: I move:

Page 2, after line 30—Insert subsection as follows:

(la) Section 39 does not apply to a contributor to whom this section applies.

The arguments for this relate to the amendment I moved to clause 3.

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

STATUTES AMENDMENT (FISHERIES) BILL

Consideration in Committee of the recommendations of the conference.

The Hon. T.R. GROOM (Minister of Primary Industries): I move:

That the recommendations of the conference be agreed to. I do so most reluctantly in this most shabby exercise in relation to—

Mr S. G. Evans interjecting:

The Hon. T.R. GROOM: It is a shabby exercise, and I am entitled to put that on record. Had the Assembly members not agreed to this position, the entire Bill could well have been lost. It is a shabby exercise, because this issue with regard to the Gulf St Vincent prawn fishery has been going on since about 1987. A legitimate debt was incurred following the buy-out of at least six licences for something like \$450 000.

The industry agreed to meet that debt. A further select committee of the House of Assembly reported in October 1991; it comprised some members of this Chamber who, of course, represented the House of Assembly admirably on that conference. Nevertheless, we were met at that conference with an attitude that was nothing short of destructive, because it was not built on ideological matters at all. There was no other agenda, no direction coming out, other than to disrupt the way in which this fishery should be managed. It is an enormous set back.

The Bill that was put to the conference, the Bill which passed this House dealing with the fishery, which was rejected in another place and which led to a conference, was a fair and equitable way of enabling the fishery to be managed. It is a debt that the industry must bear and it is a debt that it cannot expect, through any stretch of the imagination, to get out of; it is a debt of about \$3.4 million. I cannot meet what I consider to be an irresponsible attitude in relation to this fishery with an irresponsible attitude and allow the defeat of the whole Bill: that would be completely untenable. The fact of the matter is that, as a consequence of our having to accept the position by the House of Assembly not further insisting on its disagreement to these amendments, it is extremely difficult for this fishery to be managed in future. There have been some encouraging signs: the surveys conducted last November were not themselves encouraging, but they were of only short duration.

With regard to the surveys that took place in April, while the northern part of the gulf showed very poor recruitment, there was reasonable recruitment in the southern part of the gulf. Further surveys would have been conducted in June and in July. There are deficiencies with regard to the legislation, because the present licensees simply cannot get out of the industry without the agreement of all the others. Whatever the niceties of the legal situation, that is the practical effect. How this fishery can be managed in future under the existing legislation is problematical. Without these amendments, it is highly likely that the fishery can be opened in December, irrespective of the results of the survey, simply because the fishery cannot be properly managed without the provisions contained in the original Bill proposed to the House.

There should be no misunderstanding: the defeat of this measure is a blow to integrated management—to the management committee of this fishery. We should make no

mistake about that. The management committee was entitled to the support of this Parliament. It was that management committee's view as to how this fishery should evolve and develop. The select committee of the Lower House was a responsible select committee. I understand it reached a unanimous decision and put forward a proper position. But there was an attitude that was nothing short of destructive, not based upon ideology in any sense of the word. No other constructive alternative was put. I am simply required to ask the House of Assembly not to insist on its disagreement. It is a very shabby and disruptive exercise; it makes the management of the fishery just so much more difficult. It is a slap in the face to the management committee of this fishery, and now we have politicians sitting in another place telling the management committee how to run the industry, when the whole drift towards management of fisheries in South Australia is towards a degree of industry self-regulation—industry management—combined, of course, with departmental officers in that sort of environment. It is a slap in the face to the management committee of this fishery.

With regard to Gulf St Vincent, it is highly unlikely that, even if the surveys were favourable, the prawn fishery could be opened this year. I am told, 'Put the measure up again next session.' We know what means: it has no hope of passing. For what gain? It has no hope of passing until early next year. There is no way that this fishery can be properly managed in future; there is no way that current licence holders can come out of the industry, can have their licence purchased, or can have someone else take over the surcharge, their debt or what have you. As I understand it, there are people who want to get out of the fishery. They are simply locked up and will continue to be locked up by an extremely destructive attitude that has, regrettably, prevailed. It is with great regret that I have to move the motion on this most shabby exercise.

Mr S.J. BAKER: I must respond on this occasion. The accusations that the honourable member makes are quite ill-founded. The facts of life are that the Government got it wrong in the first place. The Minister understands that quite clearly: that it did not think through the issues when it licensed the boats in the first place. It paid extraordinarily high prices to take people out of the industry and it left the rest of the industry with the burden. We had an industry that fell apart because of decreasing stocks. So, the Government and its advisers have made some huge mistakes in this particular matter.

I believe that the Minister should have come a little bit clean when he was responding to the changes that were mooted by the other place. He simplified the argument, but he has failed to reveal the problems that were created because the Government messed it up yet again.

Mr S.G. EVANS: I must respond. When the Minister comes to this House after a conference between the two Houses and calls it a shabby exercise, I think that is a reflection on a group of MPs who have worked to try to reach a compromise. He is a lawyer and has had to revert to repeating the words 'shabby exercise' and 'destructive action'. That shows that he protests too much and that he does not really believe it. He is just trying to put over this sham attack, because he has to accept that he, as Minister in charge of this Bill, and those behind him did not really have all the answers. I do not believe the Minister's

have all the answers. I do not believe the Minister's suggestion that in future the fishery will be unmanageable and that it will be a disaster.

If there needs to be change in the future, this Parliament has the ability to consider the evidence that comes forward at that stage. However, I find it amazing that the Minister, as a member with the experience that he has had in this Parliament, is calling this a shabby exercise and saying that it is destructive.

The Hon. T.R. Groom interjecting:

Mr S.G. EVANS: I do not think it is destructive. It might have destroyed the Minister's ambition, or that of his department, a little bit as far as the Bill is concerned, but that has nothing to do with the fishery. I am quite satisfied to accept the recommendation from the conference of both Houses as an exercise that brings us together at times to see us through matters and to take a course of action that has to be tested in the future. The Minister has an opinion that it will be destructive and will make the management of the fishery impossible. I do not hold that opinion and we will see in the future whose opinion is right. I do not see it as a shabby exercise. As I said, the Minister's attack is a shabby way of trying to get his message across.

Mr QUIRKE: Let us dispatch one item that has arisen tonight—that is, that there was an attempt at compromise, because there was not. There was no compromise; there were no proposals put forward in the conference in any attempt to see a middle ground or, for that matter, any movement at all on these grounds. I think it is necessary to put a couple of things on the record.

First, the management of the Gulf St Vincent prawn fishery has been in the hands of the Department of Fisheries for a number of years. As a management experience it has been a miserable one. It has not received the support of the majority of boat owners and, indeed, towards the end of its time, when the select committee was looking at this very problem, the management and the whole question surrounding management had reached the point where the relationship between the Department of Fisheries and the fishers was non-existent.

One of the casualties of this whole exercise is that the new management arrangement envisaged by the select committee, namely, the independent chair and the representatives of the boat owners and the department, has now been thrown out and I think we will have to go back to square one and have a look at the management of this fishery.

The other question relates to money. Let us not have any nonsense about this: that is the real agenda in this whole exercise. That is what this is all about. I remember when representatives of the fishers came to see me and other members of the committee and they made it very clear. In fact, they paid a number of people—so they are not that short of money—who were in the gallery the whole time and did a great deal of professional lobbying. Their lobbyists congratulated the report and said that it was what they wanted. They understood that so much of the capital had to be repaid; they understood that there was an obligation and they were happy with the arrangements which were reached in the report. It so happens that 18 months later they are happy with some bits of the report but they are not so happy with others. They have now seen a way of getting out of paying anything off this debt.

This whole exercise is about forgiving—freeing—the fishers totally from the debt. It is in the interests of one or two of the boat owners to see the whole exercise collapse in a heap so that they will get the benefits of the buy-back. No-one was more critical of the whole concept of buy-back than myself, particularly in the report, because it is a system that is inherently flawed. Let me say this: I have learnt one thing out of this exercise. I was right about the buy-back when we were dealing with these sorts of people and when we were dealing with their agents in another place. That is what happened.

Mr S.G. EVANS: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

Mr QUIRKE: The reality is that this is an exercise to see the loss of something of the order of \$3.4 million which was paid out in good faith and on understandings which were clearly known by all the parties. That \$3.4 million could have gone into houses, schools and a lot of other things. Indeed, it went into buying out six licences in the Gulf St Vincent prawn fishery. It went to the benefit of those other licence holders who are in the gulf, who will now be fishing with much less competition, for a resource that may be scarce, but other measures were put in place to ensure that that fishery remained viable. They got thrown out, and they have been thrown out tonight.

It is unfortunate in many respects—I have some regrets where the report is concerned—that I did not envisage what was going to happen here tonight. I believe that we have been warning all members of the way the fishermen conducted themselves in this whole exercise since the report came down. It is not without some heaviness that I comment on the fact that there have been nine reports into that fishery and all of them have *been* about the fact that the fishers are not prepared to pay their way.

Mr Corigliano needs to be mentioned here specifically, because, when you do any dealings with him, he changes from one day to the next, but one thing that never changes with Mr Corigliano is that he will dominate that fishery. That is his whole exercise; he will dominate it and own all the licences in it and, what is more, he will make sure that that \$3.4 million of taxpayers' money that has been frozen in terms of interest rates for the past six years will never be used for any community purposes for which it should be used. Mr Corigliano and his mates in the other place and in the Liberal Party have ensured here tonight that this money will never be collected by Government.

Mrs HUTCHISON: I support the motion, but I point out that I do so reluctantly. I think that the recommendation of the conference flies in the face of all the work that has been done in the Select Committee on the Gulf St Vincent Prawn Fishery, which was a very responsible committee of this House and which made some very responsible recommendations. If part of this legislation is taken out, it will not allow the fishery to operate the way it was meant to operate: in fact, it will hinder the recovery of that fishery. I support the motion.

Mr BLACKER: I did not intend to speak on this matter, but the issues that have been explained cause me some concern. If the result of this determination is that it will pave the way or at least keep in train the view that that debt of the industry may not be paid in the future, that causes me a great deal of concern, not only because of the principle involved here but also because of the precedent it

will set for any other industry and the likelihood of this Government or any future Government becoming involved in any assistance scheme to any of our industries. It is a matter of very grave concern, and I for one could not countenance the view that, if this is a stepping stone to avoid an obligation on a contractual arrangement that was agreed and entered into, this House must be seen to be at least trying to correct that situation. If and when this issue comes before this House again, it must be seen in that light—that we are setting and agreeing upon a principle on which every other industry will be judged—and I come

back to the point that, if this contractual arrangement is renegeed on, it ruins the chance for any other industry, be it primary industry, a production-type industry or even a manufacturing industry, to gain the confidence and support of the Government in terms of any assistance package.

Motion carried.

ADJOURNMENT

At 12.50 a.m., the House adjourned until Thursday 29 April at 10.30 a.m.