

## LEGISLATIVE COUNCIL

Wednesday 10 February 1999

**The PRESIDENT (Hon. J.C. Irwin)** took the Chair at 2.15 p.m. and read prayers.

### LEGISLATIVE REVIEW COMMITTEE

**The Hon. L.H. DAVIS:** I lay upon the table the evidence of the committee on the review of the Enfield Cemetery Trust.

**The Hon. A.J. REDFORD:** I lay upon the table the sixth report of the committee 1998-99 and move:

That the report be read.

Motion carried.

**The Hon. A.J. REDFORD:** I lay upon the table the seventh report 1998-99 of the committee.

## QUESTION TIME

### CRAMOND REPORT

**The Hon. P. HOLLOWAY:** I seek leave to make a brief explanation before asking the Attorney-General a question about the Cramond report.

Leave granted.

**The Hon. P. HOLLOWAY:** The Cramond report contains only two written submissions in its appendix, both of which are from the Opposition. Evidence not included consists of oral evidence given by the former Premier, the former Treasurer and the former Minister for Information Technology. According to the Cramond report, both the former Premier and the former Treasurer gave evidence to the inquiry that they had expressed in Cabinet their reservations about the April 1994 offer to Motorola and queried the now Premier's risk in sending a letter to Motorola which they believed 'might create legally enforceable obligations.'

Mr Cramond said he accepted the evidence of Mr Brown and Mr Baker. My question is: will the Attorney now call on Mr Cramond to release evidence to the Motorola inquiry provided by three Liberal Ministers, given that the report includes in the appendix only the written submissions of the Opposition witnesses, so that there can be a full and open examination of the evidence before the Cramond inquiry?

**The Hon. K.T. GRIFFIN:** The short answer is 'No'.

*Members interjecting:*

**The Hon. K.T. GRIFFIN:** I do not know why only the Opposition's submissions were released. I suspect that it was because only the Opposition has alleged a conspiracy. No other members have alleged it.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. K.T. GRIFFIN:** I think we are on a slippery slide down if we start to require the production of evidence. I remind the honourable member that in the Wiese inquiry the transcripts of evidence were not released by Mr Worthington or the Government of the day.

**The Hon. T.G. Cameron:** Did you complain about that fact at that time?

**The Hon. K.T. GRIFFIN:** No, I didn't. I—

*Members interjecting:*

**The PRESIDENT:** Order! Every honourable member will have the chance to ask a question.

**The Hon. K.T. GRIFFIN:** As Attorney-General, I have respected the position. I suppose that one could have thrown convention to the winds and dumped barrowloads of evidence from the Wiese inquiry in the Parliament. I do not do business that way. That inquiry set a good precedent. It was structured in much the same way as the Cramond inquiry.

That sort of material is not normally tabled. Mr Cramond was independent: he made his own decisions about what should or should not be included. He obviously made up his own mind in relation to the conclusions—that is obvious from the report. I do not intend to ask him to release any more material, and as Attorney-General I do not intend to release it.

### ELECTRICITY, PRIVATISATION

**The Hon. P. HOLLOWAY:** I seek leave to make a brief explanation before asking the Treasurer about electricity supply.

Leave granted.

**The Hon. P. HOLLOWAY:** On 5 February, the Treasurer announced that National Power is to build a 500 megawatt \$400 million gas-fired power plant at Pelican Point. In winning the right to build the station, National Power also offered 'to accept at most a 20 month limited retail contract for 200 megawatts of its 500 megawatt capacity against a facility life of 25 years.' My questions are:

1. Will the Treasurer provide full details—I say, 'full details'—of the contract between National Power and the South Australian Government in relation to the Pelican Point power station?

2. What impact will the National Power proposal and the vesting contract have on the viability of the former Optima Energy power generators, particularly Torrens Island; and will the Treasurer release details of any studies that have been undertaken on this matter?

3. Will the Treasurer also explain how augmentation of the gas pipeline and augmentation of the transmission system to Pelican Point will be funded and by whom?

**The Hon. R.I. LUCAS:** I think the Labor Party is a little divided at the moment on a number of issues, not the least being what its response to Pelican Point might be in terms of the capacity needs—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** Absolutely! Are you in favour of it?

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** Do you support it?

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** We are not divided at all.

*Members interjecting:*

**The PRESIDENT:** Order! I think that is enough toing-and-froing.

*An honourable member interjecting:*

**The Hon. A.J. Redford:** Don't you worry about that. Kevin and Patrick sorted that out when they went crabbing!

**The Hon. R.I. LUCAS:** We don't know what they sorted out when they went crabbing! I understand that is not what they were talking about, as I am reliably informed. However, I will not be diverted. There will be other opportunities to talk about what Patrick and Kevin were up to when they went crabbing over Christmas.

In relation to the Pelican Point Power Station, the exchange across the floor has indicated that not only does the Deputy Leader of the Labor Party in this Chamber not understand what his position is but also that the Labor Party as a whole really has no policy in relation to the future capacity needs for South Australia. The Government has made quite clear what its position is: that is, that the only way of guaranteeing extra capacity by the end of next year was first through generation, and after that we are prepared to support either further transmission or generation in a competitive market.

To be fair to the Hon. Mr Xenophon and others of a similar view, they have a view that Riverlink ought to be built first and then generation comes after that, but at least they have a view. The view about which the Hon. Mr Xenophon has been roundly castigating the Labor Party for the last week is one that I can share with him, and that is no-one knows the Labor Party's response to the capacity needs for future generation or transmission in South Australia. They were happy last month to jump up and down saying that the lights were going to go out last month when industry returned from holidays in the third week of January and that we would confront blackouts because of capacity problems, but they are not prepared to enter the debate as to whether they support extra generation or extra transmission, what sequence or, indeed, whether they support it in any sequence at all.

At least on this issue of condemning the Labor Party for its inability, first, to establish a policy position and, secondly, even to debate or discuss it, I join with the Hon. Mr Xenophon in condemning the Hon. Mr Holloway, Mr Foley and others in the Labor Party for their unwillingness to enter the debate.

The Government will table principal details of the contractual arrangements. I indicated that, I thought, in the press release from which the Hon. Mr Holloway was quoting. I do not have a copy with me, but I will check it. I am sure that it would be marginally deceitful and misleading of the Hon. Mr Holloway to ask that question if he did not at least signify that I, on behalf of the Government, had indicated that it was prepared to table key details or a summary of the contract and provide it to the Parliament as soon as it had been produced. So, I will check my statements to see whether my recollection is correct, and I will certainly be very disappointed in the Hon. Mr Holloway if he had not mentioned that as part of his explanation.

Clearly, the confidential, commercial arrangements of the vesting contracts that we have with our existing Government generators are critical to their commercial operation as they compete in the marketplace. Not only do they have to compete with themselves but they have to compete with other operators in the marketplace.

That, too, will be the position of National Power, in terms of generating power, when it starts operating in the marketplace at the end of next year. I am disappointed that, in a commercial, cutthroat, financial electricity market that we have, the shadow Minister for Finance would argue that the commercial details of the vesting arrangements which allow competitive businesses—whether they be the Government owned generators or now a private generator—ought to be publicly tabled so that all their competitors would be aware of the vesting contract arrangements relating to their operations in the marketplace.

What the Hon. Mr Holloway wants to do is place even more pressure on the competitive position of our Government generators and our South Australian generators, when they

are trying to compete in this marketplace, by placing them at a disadvantage compared to the other electricity businesses. What other businesses are forced by the shadow Minister for Finance, or a Labor Party, to table all their confidential, commercial, vesting contract arrangements to its competitors? They would be aware of the Government generators' commercial position.

It is clearly part of a strategy from the Hon. Mr Holloway and Mr Foley to continue to weaken the position of Government owned businesses in South Australia operating in this market so that they are unable to compete in this national market and therefore will be able to attack the Government further down the track when all their commercial details have been released to their competitors so that they could have a look at their vesting contract arrangements.

Then, if they are undercut or underbid in the marketplace because all their competitors know their vesting contract arrangements, they will lose market share and profitability, the Hon. Mr Holloway, Mr Rann and Mr Foley will stand up and say, 'This is terrible; these businesses should be managed better.' It is part of a conscious and deliberate campaign from Mr Foley and Mr Rann using their mouthpiece in this Chamber, the Hon. Mr Holloway, to try to undermine the financial integrity of our Government businesses and South Australian based businesses by revealing the commercial vesting contract arrangements in this Chamber. As a South Australian, I am ashamed that another South Australian such as Mr Holloway would stoop to such levels—

**The Hon. L.H. Davis:** Who owns Telstra shares.

**The Hon. R.I. LUCAS:** Who owns Telstra shares—in terms of this issue. The honourable member should take the politics out of the situation and at least start looking at the important issues that confront our businesses—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** The questions were: 'Would I reveal the vesting contract arrangements? Would I reveal all the details of the contract, including the commercially confidential details of the contract that we have with National Power?' The honourable member cannot back away from his questions now. He cannot redefine the questions now, having reflected on the issue. It is not the Government's intention to place our businesses, be they Government owned or South Australian private sector based businesses, at a competitive disadvantage in a cutthroat, national electricity market by responding to those sorts of questions from the Hon. Mr Holloway. We have already indicated that we will produce a summary document of the contract. We indicated that on the day of the announcement, and that is in production at the moment and we will provide the detail.

The third issue raised by the honourable member is: 'What analysis has been done of the impact on other Government generators and, in particular, Optima?' Again, work has been done. Again, it is nonsensical to suggest that Optima, as a Government owned business trying to compete against the private sector and other Government businesses, should reveal, as asked by the honourable member, its risk management analysis and the analysis that it has done on the impact of the establishment of any competitor, be it National Power or indeed any other competitor in the South Australian marketplace.

What I can say is that there will be an impact. The Government was aware of that, and it gives the lie to the arguments that we have heard from some of the proponents from New South Wales, like Mr Duffy and Transgrid, that in some way the Government was trying to stop Riverlink to

protect the sale value of our assets in South Australia. We have said all along that, whether we have new generation or new transmission irrespective of where the extra capacity comes from, it will impact in some way on the sale value of our generators, in particular, because they will be competing in the same marketplace. We have to expect that, if a new generator operating at 50 to 55 per cent efficiency comes in competing with Torrens Island, which operates at 30 to 35 per cent efficiency, it has to have some impact on the position, and it also has to have some impact on the value of the assets that we have to sell.

If the Government was trying to protect solely the asset value of our assets, as alleged by Mr Duffy and the people from Transgrid, we would be attempting to stop (and we do not have that power) any new generation and transmission in South Australia and we would try to leave Optima in a monopoly position, being able to dictate a price and keep the asset values up in South Australia. We have said all along that we are interested in a competitive marketplace. We want to see competition for prices, contrary to the critics of the Government, in relation to this, and to do that we have to have more capacity. We believe the only way to do it quickly is for extra generation and, indeed, that is the path we have gone down; and there may well be extra transmission and extra generation further down the track as well. Finally, in relation to the gas supply, I will take advice on that and bring back a response.

**The Hon. T.G. CAMERON:** Mr President, I desire to ask a supplementary question. Will the announcement by the Port Adelaide Enfield council that it intends launching legal action against the construction of Pelican Point hold up the project and in any way compromise security of supply for electricity here in South Australia?

**The Hon. R.I. LUCAS:** Being the cautious person I am, I need to take legal advice from our legal advisers in relation to that. I am not sure on what grounds Port Adelaide Enfield is proposing to take legal action. Certainly, the early advice I had was that the only grounds on which anyone could take action was on judicial review for process issues. I did hear the Mayor of Port Adelaide Enfield say that they were not seeking an injunction because, if they were wrong or if things did not go for them, they may well find themselves open to a significant damages claim from the operators. That was mentioned during a radio interview that I heard this morning.

I am happy to take advice on the issue and bring it back but, at this stage, I do not know the details of the grounds on which they intend to proceed. Certainly, the Government absolutely would not wish to see anything which would leave South Australian consumers potentially more susceptible to blackouts in the summer of 2000-01 if we are not able to meet this particular November 2000 deadline.

**The Hon. P. HOLLOWAY:** Given the comments of the Treasurer in answer to my earlier question that Optima Energy assets will be affected by the National Power proposal, what steps will he take to ensure that Optima Energy remains competitive?

**The Hon. R.I. LUCAS:** We are trying to take steps to ensure that it is not the taxpayers of South Australia who have to meet the bill both now and in the future for having to repower, and to spend additional moneys on the maintenance and upgrade of Torrens Island so that it can compete with private sector operators. The Government's position is quite clear on what we believe ought to occur in relation to not just

Optima but the Government generators that are competing with the new private sector operators. We are not just talking about National Power: Western Mining and BHP are talking about establishing a plant in Whyalla; and Boral has already announced the establishment of a small peaking plant in the South-East. The real world is changing for the Hon. Mr Holloway. It is nice to cling to the old arrangements where you had a Government-owned monopoly in the past which you were able to control, but that has now changed.

We cannot stop a new power plant. Even if the Government had not fast tracked this development in one respect, a new power plant of some capacity would still have gone ahead because people were already looking at building new generation capacity in South Australia. The real world is—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** That is why the honourable member asked the question. The answer is: first, let us make sure that it is not the taxpayers of South Australia who have to provide the funding so that the Government owned generators can compete—and that may involve tens of millions, if not hundreds of millions, of dollars of taxpayers' money being spent on repowering, maintaining and upgrading our existing generators. Secondly, even if the taxpayers' money is spent in that way, one cannot guarantee that the Government owned generators will be able to maintain their market share when competing against private sector based generators.

On behalf of the taxpayers of South Australia, members opposite will have to justify why, even if they spend the money on upgrading equipment—tens of millions of dollars of taxpayers' money—they cannot compete and do not generate and make losses. It will be on the shoulders of members opposite and every other member of this Parliament to accept that responsibility.

This contract with National Power provides a retail contract of no more than 20 months. We are talking about a national and State electricity system which will take us into the next millennium. We are not just talking about the next two or three years. The Government is not looking at the short term, as is the Opposition, but rather the long-term impact.

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** Why did the Labor Party not address them five years ago? Where were members opposite? In 1993, when the power was turned off for four hours under a Labor Government, where was the Labor Government in terms of its response? Nothing; there was not a policy. Its response was, 'Quick, let us lose the next election so someone else can sort it out.' Of course, that was its response in respect of a range of other issues: 'Quick, let us lose the election and they can sort it out for a few years and then we will come back in.' That was the sort of response we got from the Labor Party at that time.

**The Hon. NICK XENOPHON:** I have a supplementary question. In respect of the confidential commercial vesting arrangements and contracts with the generators to which the Treasurer referred, were any of the documents or contracts relating to such confidential vesting contracts and arrangements shown to any of the tenderers for the proposed Pelican Point power station?

**The Hon. R.I. LUCAS:** I might have a look at the honourable member's question. I do not understand the question. Clearly, the successful tenderer saw the contract arrangements because we had to negotiate the contract

arrangements with the successful tenderer. I will take the honourable member's question on notice. I might have a quiet word with him so that he can explain in a little more detail exactly what he means.

Clearly, we only engaged in a contractual arrangement with the successful tenderer but, obviously, broad details were provided in respect of how the Government was prepared to negotiate. The honourable member had indicated some concerns, as Dick Blandy, Mark Duffy, Transgrid and the New South Wales Government had been seeking to do, that in some way the Government was trying to lock in high and uncompetitive prices to the year 2008.

As I indicated to the honourable member, the Government, as part of its negotiations, would be seeking to arrive at a situation where the shortest possible contract would be offered to the successful tenderer consistent with our pressing need to have extra capacity by the end of the year 2000. I indicated at the time of our last discussion with the Hon. Mr Xenophon, Mr Blandy and others that the Government was genuine in that desire.

I think it is fair to say that some of the Government's opponents did not believe the Government's position in relation to that. As I said publicly last week and as I say again, the proof of the pudding is in the eating. The Government has delivered a very short contract, no greater than 20 months. It expires at exactly the same time as existing vesting contract arrangements for the three Government-owned generators, and it is not within a bull's roar of the year 2008, as some of our critics and opponents had been seeking to suggest. I will take the honourable member's question on notice. I will speak with him privately to find out exactly what he is driving at and bring back a response.

### ROADS, BLACK SPOTS

**The Hon. T.G. ROBERTS:** I seek leave to make a brief explanation before asking the Minister for Transport a question about the regional road toll.

Leave granted.

**The Hon. T.G. ROBERTS:** All members in this Chamber would agree that the road toll for the end of last year and for this year in particular in regional areas was and indeed still is horrific. The committee on which I sat and which looked at rural road deaths and road crashes made a number of recommendations in relation to the evidence that we took, and I know that the Minister agrees with many of the recommendations that were made.

I know that the vested interests in road safety that have an interest in the outcome were hoping that we would look at the four major areas—speed, fatigue, the lack of wearing of seat belts and the impact of alcohol on drivers. However, the committee looked at a mix of problems associated with road trauma and made recommendations which in some cases would have some cost recovery built into them but which in the main would not cost Governments money, and those are the education programs in particular regions. One of the problems that we looked at was road audits and the state of our roads in regional areas. My questions are:

1. What Commonwealth-State moneys can be allocated for improved road conditions in identifiable blackspot areas in country regions?

2. What progress is being made in identifying such areas in the road audits that are being undertaken?

3. How will the Government allocate funds when such areas are identified in road audits, and how will the prioritisation of moneys occur when they are identified?

**The Hon. DIANA LAIDLAW:** The honourable member would know that last week I issued a press release about the ETSA reinvestment fund proposal by this Government and indicated that there would be substantially increased funding, particularly in rural areas, if we were able to gain those funds from the sale of ETSA. Without those funds, this State is hard pressed to find additional moneys because we are seeking to keep a balanced budget on an annual basis. In the meantime, the Federal Government, as the honourable member may be prepared to recognise, has reinstated the blackspots funding program, and the sum of \$3.4 million comes to the State each year. That program was earlier cancelled by the Federal Keating Government and reinstated by this—

*The Hon. T.G. Roberts interjecting:*

**The Hon. DIANA LAIDLAW:** It did allocate more, but over the past few years, dealing with budget issues at the Federal level, it has reinstated the program, and \$3.4 million comes to this State annually for each of three years. In terms of the recommendations made by the Environment, Resources and Development Committee, I highlight that I will be able to conclude by next week the remarks that I made on 9 December last.

I have replies prepared but I must speak to the Minister for Police about some of the areas where there must be joint operations. A lot of work has been undertaken by the police over the past year on road audits, and we are now sharing that work with Transport to make sure that we have a joint perspective on what is the best way to spend available funds in order to secure a safer road system.

Finally, I would like to commend the honourable member for using the terms 'road trauma' or 'road crashes' rather than 'road accidents'. In this area, it is generally agreed that 'accidents' is not the right term to adopt when describing what is happening on our roads. I just want to acknowledge the message that the honourable member conveyed when asking his question.

### ELECTRICITY, PRIVATISATION

**The Hon. L.H. DAVIS:** I seek leave to make a brief explanation before asking the Leader of the Government and the Treasurer a question about Pelican Point.

Leave granted.

**The Hon. L.H. DAVIS:** I was fascinated and bemused to learn that the Hon. Paul Holloway asked a question about the important Government announcement last week that National Power, a well respected global power company, was to build a 500 megawatt, \$400 million power plant at Pelican Point which will be the largest gas turbine plant in Australia. As the honourable member indicated, it is only a 20 month contract; in fact, it is limited to only 200 megawatts of its 500 megawatt capacity; that is, the contract relates to only 40 per cent of its capacity against a life of 25 years.

It was interesting to note that the honourable member was very shy in indicating whether or not he supported the Pelican Point initiative. When questioned across the Chamber, he was not quite sure about that, which perhaps comes as no surprise.

What has come into my possession (and I found it quite fascinating) is a petition circulated by the member for Hart in another place, Mr Kevin Foley, MP, JP. As I understand it, Mr Kevin Foley is the shadow Treasurer, and he shadows the Government Leader. He is a close confidante of Mike

Rann. Of course, he has had a key role to play in Labor Party commentary on the current debate on the proposed privatisation of ETSA and Optima.

*An honourable member interjecting:*

**The Hon. L.H. DAVIS:** Well, this petition was circulated to electors in the seat of Hart, which he represents, and the petitioners were invited to return the petition to Kevin Foley's office. The request is as follows:

Your petitioners therefore request that your honourable House will stop any Government plan to build a power station at Pelican Point, Outer Harbor, and choose a site that is not located near residential housing.

As a background to this petition—

*Members interjecting:*

**The Hon. L.H. DAVIS:** You just listen! Just hold your horses, Terry. Don't jump into the chasm without a parachute; you do that too often. As a background to this, Mr Foley quotes what John Olsen said about local residents—

*Members interjecting:*

**The Hon. L.H. DAVIS:** If you want a speech, ask your colleague the Hon. Sandra Kanck—in the *Advertiser* of Saturday, 28 November. Talking about the Liberal Government, Mr Olsen said:

And we do have the courage to take on the vocal minority groups who attempt to thwart our future—as we did at West Beach and as it seems we are about to do again—over the site of our new power station at Pelican Point.

Then there is a quote from Kevin Foley, in big, bold print, in inverted commas, as follows:

Well, John Olsen, we have the courage to take you on!

That is quite clearly a riposte to Premier Olsen's comment about Pelican Point—that Kevin Foley is allying himself straight up and down against it. This is confirmed by a letter, addressed to the Premier, dated 23 December 1998, as follows:

Dear Premier, please find enclosed petitions which have been returned to me opposing your Government's plans to build a power station at Pelican Point, Outer Harbor.

Then he goes on to say:

I would implore you once again to reconsider your Government's decision to build a power station at Pelican Point and would trust that you would now see that the site selection is one of poor judgment. . .

The letter continues, and then it is signed:

Yours sincerely, Kevin Foley, MP, JP, member for Hart.

That was the shadow Treasurer's view against Pelican Point, against investment—

*The Hon. Sandra Kanck interjecting:*

**The Hon. L.H. DAVIS:** For you to say that, Sandra Kanck, is looking at glasshouses and throwing stones at the same time. My question to the Minister is: was he aware that the shadow Treasurer in another place (Mr Foley) had been implacably opposed to Pelican Point, and does he have any information about the Labor Party's view on this important initiative which will ensure South Australia's power supply in future years?

**The Hon. R.I. LUCAS:** My understanding of the Labor Party's policy on Pelican Point goes back to some confidential discussions I had with Mr Foley. As is my wont, I will not reveal the nature of what he said on that occasion as to his attitude towards the power station at Pelican Point. The discussion I had with Mr Foley will remain with me and will not become part of the public record. Soon thereafter I became aware of this petition, which goes under the heading, 'Help Kevin Foley MP tell John Olsen, "No power station for

Pelican Point". The honourable member has spoken in some detail about the rest of that petition.

I was therefore amazed to see Kevin Foley, on behalf of the Labor Party, put its position on television on 5 February, when they were asked by all the television stations as to what their attitude was to the Pelican Point investment. I will quote from the transcripts provided to me from 5 February Channel 10 *News*. The lead-in says:

The plant is going to be built in shadow Treasurer Kevin Foley's electorate. He cautiously welcomes the development.

Then there is this grab from Kevin Foley:

Any investment in our State is good news, and I am not about to knock the fact that this will be a significant investment.

Just to make sure that we are quoting not just Channel 10, I will refer to one other quote—and there are many other quotes. Channel 7 *News* spoke to Kevin Foley on behalf of the Labor Party as to its attitude on the investment. The grab, in direct quotes from Kevin Foley, was:

Any investment in our State is good news. I don't think there will be a massive increase in employment. They are very efficient plants that employ very few people.

Kevin Foley and the Labor Party—but Kevin Foley in particular—are clearly political chameleons. When he wants to appeal to the media and to business leaders, he gives interviews and says:

Any investment in our State is good news.

He gives the impression to the media, business community and others—the movers and shakers of our town—that he and the Labor Party are right behind this development and investment. However, sneaking around the streets of his electorate, when no television cameras are watching him and he hopes that no-one will find out what he is up to, he is circulating petitions saying:

Help Kevin Foley tell John Olsen, 'No power station for Pelican Point.'

What sort of a bloke is this shadow Treasurer? It is a good technique for grabbing headlines, but it is certainly not a good technique for political integrity. He sneaked around his electorate and told his constituents, 'I'm with you; I oppose this development' but, as soon as the TV cameras were on him, all three buttons on the two piece suit were done up, the hair was done, and he stood there and said that any investment in our State was good news. The TV cameras went away and Kevin Foley did not support the development. This is an example of bipartisanship. This is what Mike Rann was talking about at the last election.

Sooner or later you get caught out. Kevin Foley on a number of occasions, and again on this occasion, has been caught out. You cannot say one thing to the TV cameras after you have preened yourself and then run around your electorate currying favour with your constituents saying that you will oppose a particular development.

## SHOP TRADING HOURS

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Treasurer, representing the Premier, a question about Government promises in respect of shop trading hours.

Leave granted.

**The Hon. M.J. ELLIOTT:** In 1995 there was a debate in this place on shop trading hours legislation which changed trading hours within the city. During that debate, some extensive negotiations went on between Mr Ingerson,

representing the Government, the Small Retailers Association and myself, representing the Democrats. As a consequence of those negotiations, an agreement was signed by Mr Ingerson. He made it quite plain at those meetings that this agreement was signed with the full knowledge and consent of the Cabinet. The agreement states in part:

The industry to be given reasonable notice of any future changes of not less than 12 months.

I will not go into all the reasons for why notice of 12 months was requested, but it was recognised that if trading hours were changed small retailers would lose business and large retailers would pick up an extra 5 per cent.

The Government said that it was considering implementing the legislation, which was passed late last year, almost immediately until the issue of this agreement was raised. An article in the *Advertiser* of 6 February this year states:

Dr Armitage has now obtained legal advice that the 1995 agreement with the association was not legally binding.

*An honourable member interjecting:*

**The Hon. M.J. ELLIOTT:** And never intended to be. Mr Brownsea of the Small Retailers Association said that they would seek legal advice believing that the—

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** Will you shut up?

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** You are a twerp; you are an absolute twerp—just shut up!

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. M.J. ELLIOTT:** We had not sought legal advice until now because we thought the Government might be honest and stick to the agreement. The point is not whether or not the agreement was legally binding; the point is whether any agreement that the Government makes with anyone else is even worth the paper on which it is written. My question is: does the Government intend to stand by the promises it makes; and, if not, does it want the Democrats ever to believe anything that it has ever promised them again?

**The Hon. Diana Laidlaw:** You said you weren't going to come back to Parliament.

**The PRESIDENT:** Order!

**The Hon. R.I. LUCAS:** I think it was very unfair of my colleague the Minister for Transport to remind the Leader of the Democrats that he had promised faithfully that he would never return to this Chamber, that he was going somewhere else. Let me admonish my colleague for raising that matter. Shame on you, Minister! One should not question the integrity of the Leader of the Australian Democrats. I will refer the honourable member's question to the Premier and bring back a reply.

#### HEAVY VEHICLE DRIVER TRAINING

**The Hon. J.S.L. DAWKINS:** I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about heavy vehicle driver training.

Leave granted.

**The Hon. J.S.L. DAWKINS:** I understand that South Australia is the first State in Australia to introduce a competency based training program for operators of heavy vehicles. Will the Minister say how many heavy vehicle drivers have taken up the option of this type of driver training and is she

aware of the response to this innovation by driving instructors involved in the program?

**The Hon. DIANA LAIDLAW:** The honourable member will recall that the former Labor Government introduced competency based training for operators of light vehicles. That training was then increased by this Government in 1994 to include operators of rigid heavy vehicles. I am informed that 71.4 per cent of learner drivers of rigid heavy vehicles—

*The Hon. T.G. Roberts interjecting:*

**The Hon. DIANA LAIDLAW:** No, I will come to that—have successfully gained their licence through competency based training. Not only was South Australia the first State to introduce this system in 1994 but it remains the only State. That is still the case for light vehicles in terms of competency based training.

The Government intends to extend competency based training to operators of heavy vehicles with a prime mover and trailers later this year. I think that will also be an important development. Competency based training is a progressive on the road assessment rather than a test. The test puts most drivers, and particularly their instructors, under some pressure, so more people are moving away from that.

The good thing about the assessment is that a driver does not pass or fail. In fact, they can be assessed and reassessed on the same point if the instructor is concerned about the competency of the driver in that instance. The honourable member's question is timely considering the cases that are before the courts at the moment on which I will not comment. It reflects on the issues of relationships with trucking companies, driver training and standards. Competency based training looks not only at road rules but also driver behaviour generally.

#### FESTIVAL CENTRE

**The Hon. R.R. ROBERTS:** I seek leave to make a brief explanation before asking the Minister for the Arts a question about the Adelaide Festival Centre.

Leave granted.

**The Hon. R.R. ROBERTS:** I first raised some queries on this matter on 9 July 1998 in respect of contamination from asbestos in the air-conditioning systems in the Adelaide Festival Centre. I received an answer from the Minister on 30 July 1998, which states that, after some remediation work:

As a safeguard, monitoring procedures were carried out on 9 and 10 July in all other areas even though there was no physical evidence of asbestos present. Immediately following the removal of the asbestos from the affected air-conditioning ducts air monitoring was carried out. The tests conducted on 21 July have shown that the asbestos has been removed and the independent consultants have advised that it is totally safe to operate the air-conditioning units.

She went on to state:

Mr Jack Watkins of the UTLC and a member of the Asbestos Management Board has been actively engaged in monitoring the AFCT's actions and has indicated his total support with the action being implemented to date.

I felt somewhat comforted with that, but on 25 November 1998 I was advised that PPK, asbestos experts, were engaged to do a consultancy on the Adelaide Festival Centre.

Members may recall that I asked another question about the PPK report and, as the Minister had provided me with an answer, I quoted a passage from her letter mentioning that Jack Watkins had fully endorsed the actions taken so far. Out of respect for Jack Watkins, I sent him a copy of my question and asked him for a comment. Some of the comments appended to his answer were that '70 per cent of the air

conditioning ducts were still contaminated'. He has other comments 'not true', 'not true'. His final comment was a shortened version of the stuff normally found at the north end of a southbound bull. To say he was unimpressed is an understatement.

In response to my question as to whether the Minister had a copy of the PPK report, she said she probably would not get one and was not aware of either it or Jack Watkins' statement. On 31 December 1998, I received another letter in response to my question of 25 November. I thank her for providing this Council with a copy of the PPK report which I had referred to and which I had been told was quite frightening. In her last paragraph, she states:

The inspection and risk assessments have shown that although asbestos containing materials and residual contamination remain within the Adelaide Festival Centre buildings, the asbestos management plan incorporating safe working procedures, together with random background air monitoring, ensure that the environment within these theatres is safe with respect to airborne asbestos.

At that stage I was feeling confident again. However, when one looks at the PPK report, the executive summary (which I assume the Minister has read) states:

Inspection has shown that the air conditioning system is contaminated with friable asbestos in both the Festival Theatre and the Drama Theatre. A risk assessment was undertaken which included a series of background air monitoring tests to measure the levels of airborne fibres in the theatres. The risk assessment has shown that, although the presence of friable asbestos in the air conditioning systems represents a significant potential risk of health, the environment within the theatres was safe with respect to airborne asbestos at the time of testing. However, given the loose and friable nature of the asbestos within the air conditioning systems, regular air monitoring will be required to confirm that this remains the case.

The final paragraph in the summary reads:

It is our professional opinion that the cost effective remediation program for the decontamination of the airconditioning system needs to be developed and implemented as soon as possible, given the potential health risks and the perceived health risks of airborne asbestos contamination of the environment within the theatres.

That PPK report is dated—

**The PRESIDENT:** Order! Could the honourable member bring his explanation to a close and ask his question?

**The Hon. R.R. ROBERTS:** Yes, Mr President.

**The PRESIDENT:** We have gone past five minutes now.

**The Hon. R.R. ROBERTS:** I am about to. With due respect, Mr President, your ruling flies in the face of previous proceedings, but I will conclude. That PPK report was dated 16 October. I am also advised by constituents that suggestions have been made by concerned persons that funding should take place. I received a note on my desk yesterday from the Minister saying she would apply for remediation work on 5 March, and I thank her for that. However, I do have these questions which I would like her to address and which would give her an opportunity to explain further what she indicated to me by note yesterday. My questions to the Minister are:

1. How often have tests been conducted on the asbestos fibres in air at the Festival Centre?

*The Hon. J.F. Stefani interjecting:*

**The Hon. R.R. ROBERTS:** I wouldn't get involved in this if I were you, because I still have what you said in 1991 about the tourism building.

2. Given that the PPK report was dated 16 October 1998, why have the Minister and her Cabinet not done anything about the removal of the friable asbestos within the airconditioning systems?

3. Is it true that her department has been advised to apply to the asbestos management committee, and why has the Minister not applied for the \$300 000 that is available to do the second stage of refurbishment?

4. Given that the Minister has quoted Jack Watkins as an expert in her answers given to me previously, why has Jack Watkins been denied a copy of the PPK report?

5. Can the Minister guarantee the safety of patrons at the Festival Centre?

**The Hon. DIANA LAIDLAW:** Without question, the answer to the last is 'Yes'. I actually take extreme exception to the question even being asked in the first place because the member himself said, in terms of the PPK report, 'The theatres are safe'. They are being monitored every day. They are safe, and you are a grubby little man in terms of suggesting that there is any risk to any patron or anybody working at the Festival Theatre, when you have the advice from the experts that that is not so. The facts do not seem to matter to you. You come into this place and beat up a story for the *Advertiser* or anybody else in terms of scaring people away from the Festival Centre.

*The Hon. R.R. Roberts interjecting:*

**The Hon. DIANA LAIDLAW:** Not only have I read it, but I have also been working hard with the Festival Centre, as has Arts SA and as has my office. As you know from the advice that I gave you yesterday—

*The Hon. R.R. Roberts interjecting:*

**The PRESIDENT:** Order! The honourable member has asked his question.

**The Hon. DIANA LAIDLAW:** —that the Adelaide Festival Centre Trust (and Mr Watkins knows this already) was prepared this week and next to start the work, but when Arts SA went to advise the Presiding Member of the Public Works Committee (Mr Peter Lewis) of that fact, Mr Lewis insisted that, because the work came to about \$1 million, the whole project had to go before the Public Works Committee. That meant that we could not proceed, and you know this because I left a message yesterday—

*The Hon. R.R. Roberts interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** We will apply as part of a Cabinet submission. Because of the Public Works Committee process that this Parliament has passed—and you may wish to forget the rules and all the rest that this Parliament has passed, but we are required to go to Cabinet to seek authority—

*The Hon. R.R. Roberts interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** —for this work—

**The PRESIDENT:** Order! The Minister will come to order. I warn the Hon. Ron Roberts.

**The Hon. DIANA LAIDLAW:** I think the honourable member is not only grubby in coming to this place to suggest there is fear for patrons, but also he is now suggesting that I should not follow parliamentary process in terms of going to Cabinet to seek authority to have this work done because, if I must go to the Public Works Committee in terms of the extension of this project, I must first go to Cabinet to have the work approved, then submit it to the Public Works Committee.

Mr Watkins has been fully briefed about that. He has also been given a summary of the PPK report by the Adelaide Festival Centre Trust General Manager (Ms Brennan). He has been fully and regularly briefed. To come in here and suggest that there is anything that is questionable about the Adelaide

Festival Centre practice and procedure in the briefing and involvement of Mr Watkins, the application for funds or danger to patrons is outrageous. I fully reject it, and express my disappointment in the honourable member in seeking to beat up a story that just has no basis in fact and also would circumvent procedures of this Parliament and process generally, and that is something I would not entertain.

*The Hon. R.R. Roberts interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** It will, as part of the parliamentary standard process.

**The Hon. A.J. REDFORD:** I have a supplementary question. Is there any investment being placed at risk—

**The PRESIDENT:** Order! I cannot hear the supplementary question.

**The Hon. A.J. REDFORD:** Is there potential for investment in productions and other activities at the Festival Centre being put at risk by the sort of scare campaign indicated by the honourable member's last question?

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** That is a completely reasonable question.

*The Hon. R.R. Roberts interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** It is a matter about which Mr Watkins is fully aware, in terms of his discussions with the General Manager. It is one that, until the 'honourable member' came into this place and raised these matters, Mr Watkins has fully understood; that is, because the theatre is completely safe and is monitored daily there was no need to put Chicago and any other production at risk. No patrons, performers or workers are at risk, and therefore why put the finances of the Festival Centre at risk?

Immediately after Chicago finishes this month we wanted to start this work—and we would have done so—but if Mr Lewis as Chair of the Public Works Committee requires this process, then there is a procedure through which we have to go and which will delay the process by only one month. We will be using funds that have been granted already by the Government, if Cabinet so approves and the Public Works Committee approves.

So the funds are there, in addition to the funds we know about in terms of the asbestos committee. However, we cannot get those funds until we have approval for the project. I cannot get approval for the project until I go to Cabinet and then the Public Works Committee. It is very simple, but because it is simple the honourable member probably does not understand.

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#### DISTINGUISHED VISITORS

**The PRESIDENT:** Order! Before calling on Matters of Interest it is my pleasant duty to welcome Dr Saccà, who is the mayor of St Eufemia d'Aspromonte, a city of Calabria in Italy, and Mrs Saccà, Councillor Fedele and Father Spizzica. On behalf of members, I welcome you to the Legislative Council and the quiet Question Time which you have observed, and I also welcome you to South Australia.

## MATTERS OF INTEREST

### PALLIATIVE CARE

**The Hon. CARMEL ZOLLO:** Today I pay tribute to the work of the Palliative Care Council of South Australia and the enormous contribution it makes to our community. Palliative care was first developed in South Australia in the late 1970s. Before this, a wing of the Calvary Hospital, the Mother Mary Potter wing, was dedicated to the care of the dying. The hospice is now one of South Australia's palliative care centres. The South Australian Association for Hospice Care was established in 1981, subsequently changing its name to the South Australian Association for Hospice and Palliative Care 1992. More recently, it has become the Palliative Care Council following the passing of the Consent to Medical Treatment and Palliative Care Act 1995, the first Act in the world to contain the word 'palliative'.

In 1990, the Hon. Jennifer Cashmore MP moved for a select committee to examine the law and practice relating to death and dying. Members from all sides of politics served on this committee and their work eventually led to the passing of the Act. The Act contains a medical power of attorney and an anticipatory direction enabling patients to refuse any further treatment, and it clearly spells out that doctors and nurses may administer drugs and other treatment needed to relieve pain and distress even if an incidental effect of the treatment is to hasten death. Today, palliative care services cover as much of South Australia as funding permits. The Palliative Care Council has a constitution which clearly sets out its objectives to promote and advocate palliative care in South Australia by increasing public and professional awareness of palliative care.

From information forwarded to me by the council it is clear—and I suppose to be expected—that the requirement for palliative care is growing, with an estimated increase of 20 per cent per decade in the next two decades. Public education is vital to enable assistance to reach all who are eligible. In 1995, two thirds of the South Australian public surveyed did not know what palliative care was. A survey is being rerun at this time and the council is keenly awaiting the results. The lack of knowledge as to what palliative care can offer may well explain some of the so-called positive responses one hears in relation to voluntary active euthanasia. In metropolitan Adelaide there are four large palliative care services, while larger country centres typically have two palliative care nurse coordinators working with other community health staff, general practitioners and volunteers.

I was pleased to see in December last year that the Friends of Yorke Peninsula Palliative Care was launched at Kadina. The council is keen to fulfil the objectives set out in its constitution, and in 1997-98 several key objectives were achieved, including the establishment of a palliative care resource and information service. The council was successful in increasing public and professional awareness of palliative care by holding well attended public and clinicians forums on palliative care topics and a speakers' panel and by further developing the council's internet site launched in 1996.

The council has also been involved in the development of public display and information materials for the promotion of palliative care on a national level and in suburban and regional venues. It collaborated with the South Australian Department of Human Services on a range of projects,



including strategic planning and updating and reprinting information publications.

At the moment the council is working on a project to produce a range of brochures on palliative care in 20 languages which are sensitive to relevant cultural issues and to produce the brochures as a national project of Palliative Care Australia. This project will enable an outreach capability to sectors of Australians, including indigenous Australians who have been identified as having less awareness of palliative care than their English speaking counterparts. In recognition of the role of the general practitioner in the delivery of palliative care, the council was also involved in discussions with representatives of general practitioners and the Royal Australian College of General Practitioners leading to a professional forum on the topic in August 1998.

The Palliative Care Council Executive membership reflects both community and clinical interests. Our community is indebted to the management and past and present members of the Executive committee for giving of their time and talent in assisting our community. The need for palliative care is an area obviously deserving bipartisan support, and I am pleased that the SA Health Commission has funded the successful palliative care resource and information service which was the council's major funded activity during 1997-98. That funding has been committed for another three years.

#### FIREFIGHTERS DISPUTE

**The Hon. A.J. REDFORD:** I address this place today on the issue of the current industrial dispute between the Government, on the one side, and the United Firefighters Union on the other. First, I should declare an interest in that the legal firm for which I conduct legal work as a consultant, Scales and Partners, does occasional legal work for the South Australian Metropolitan Fire Service, and I have conducted some counsel work on its behalf. Indeed, it was through that legal work that I first met the member for Elder, Patrick Conlon MP, who was then counsel for the United Firefighters Union. Members will be well aware of the running battle currently under way between the United Firefighters Union and the Government over the past few months.

I understand that the union is seeking an 18 per cent pay rise over three years and that the Government has offered 6 per cent over two years. The union has called on the Government to 'drop a feasibility study into shifting the MFS communications facility from the services' Wakefield Street Headquarters to Mount Barker'. I understand, indeed, that the firefighters union has an interest in the fire headquarters—and at the moment it comprises some 750 members.

The secretary of the union is Mick Doyle. I have had some experience with Mick Doyle. In fact, I go on record as saying that I like Mick, because Mick was one of the few regular litigants whom I came up against who never beat me; I always won. He has ruled out calling his members out on strike, and I am pleased he has done that.

*The Hon. T.G. Roberts interjecting:*

**The Hon. A.J. REDFORD:** I have had the opportunity down on South Road. He gave a 4 January deadline. He brought in certain bans, and now he is going through a process of turning up at the offices of members of Parliament. He is organising petitions and wage campaigns. I saw lots of bits of paper under windscreens at the cricket recently, and only today we had a massive demonstration outside Parliament House.

I understand that it was one of the rare occasions when no-one had to shift their cars to accommodate the numbers. It is interesting that they have targeted the offices of certain MPs, and we are watching this very closely. In particular, I understand that they have targeted the office of Steve Condous. For those members opposite who are not in the machine and who are not privy to some of the numbers deals going on, I draw the conclusion that the member for Elder, Paddy Conlon, the leader of the Bolkus Left, has decided that he is going to claim the seat of Steve Condous as his own. Indeed, one of the signs displayed by the union said that MPs have had a pay rise of 18 per cent. If that is the case, I have not seen it.

For the record, it is interesting to note the current pay structure. Queensland comes first on \$866 a week, and South Australia comes third with \$855 a week—more than New South Wales, Victoria and Tasmania. The claim by the union, if it succeeds, would make firefighters in this State the highest paid in the land by some \$100 a week—the highest in the land.

I am concerned about the conduct of the union in relation to this industrial campaign. As I have said, Mick Doyle has not had a lot of success in the past. I know he is anxious to get a seat, and I know that the member for Elder has promised him a seat, as he has promised a seat to a number of other people, including the Hon. George Weatherill's son, Jay Weatherill. The code of conduct in the Act says that firefighters cannot use firefighting equipment for their own purposes, and in that regard it says that they 'must not without proper excuse use property belonging to the corporation for an unauthorised purpose'.

I hope the Minister will indicate that the use of equipment in that sense is unauthorised. I also hope that some of the rumours I have been hearing of late from all sorts of sources—from the Minister, the fire services and even Mick Doyle, selling out his members to prevent them having second jobs—are untrue. To my knowledge, about 70 per cent of members of the fire services have second jobs or run a business because of their unique shift arrangements. I would hope that Mick Doyle is not putting that at risk. Certainly, I will ask some questions about this tomorrow, because I hope that the substantial incomes of these officers in respect of their second jobs are not put at risk by an irresponsible industrial campaign.

#### FIREFIGHTERS, PORT PIRIE

**The Hon. R.R. ROBERTS:** We are in tune. Once again we see the Hon. Angus Redford trying to push his way up from the number five position on the Legislative Council ticket by having a go at the working classes, in this case the firefighters. It just so happens that today I want to talk about the firefighters in Port Pirie and in South Australia *vis a vis* this Government. When it comes to a vote by the public as to whether they support the firefighters or the Liberal Party, the Liberal Party will lose massively.

I attended a rally in Port Pirie outside the office of the Deputy Premier last week. I had some discussions with not only firefighters but the Mayor of Port Pirie who fully supports the firefighters' claims. We have a long history involving firefighters at Port Pirie. We have an MFS station in Port Pirie and have had for many years because of the unique nature of the topography and the industrial development within Port Pirie which is all around the port. We have

an A class situation with BHAS; we have silos; and we have fuel storage right in the centre of town.

A few years ago we had the other junior Minister in charge of emergency services. This Government has so much respect for emergency services and the care and safety of the community in Port Pirie that it makes it a junior portfolio. Police, emergency services and fire brigades are all deemed to be minor with this Government and have always been included in a junior portfolio. However, for the public and especially for the people living outside metropolitan Adelaide, such services are crucial to the wellbeing and safety of people and their properties.

When Mr Matthew arrived a couple of years ago he said that we were not going to have a full crew at Port Pirie. He said, 'Instead of having 42 we will reduce it to 32.' This argument will ring true concerning many areas in which this Government tries to privatise. The Government was going to reduce the numbers, but the Minister guaranteed that they would be supplemented by stand-by firemen, retained firefighters.

When an A class situation occurs at BHAS, which just happens to be the lifeblood of the Spencer Gulf area, procedures are laid down whereby three crews need to be on hand. However, since the Minister and this Government came up with this proposal, they have manned only two crews on a few occasions because the retained firefighters have to be paged—some of them are working, and they cannot get there. Once or twice they have manned two crews but, as I understand it, they have never managed to man three crews.

The Government has put at risk the community in Port Pirie and all those businesses which rely on industry in Port Pirie. Recently we had an accident on National Highway 1 to which a crew was called out at 1.57, and the retained firefighters were all paged. Unfortunately, three people in two cars were killed. A crew went out to the accident, but at a few minutes past 2 o'clock a fire broke out at Warnertown which was not responded to. Are these really the sorts of situations that the Government expects firefighters to overcome? Because of the shortage of firefighters, the two crashed cars had to be carted back to the police station with the three bodies still trapped in the casings, and it took the firefighters three hours to cut them out. For all that time this caring Government left the whole city of Port Pirie basically with no fire cover.

The Government is irresponsible. The new Minister has a dairying background. He might provide some relief to his cows by pulling their teats, but he will not convince me, the firefighters or Mayor Madigan at Port Pirie that this is not a dangerous situation. Mayor Madigan knows the work of our firefighters. It is about time that this Government found out what it is all about instead of running stupid things about communication centres on fault lines and spreading fear about earthquakes. There should not be a move to Mount Barker, because that is the first place where we registered an earthquake in South Australia. Perhaps the Government ought to go back there and leave the firefighters alone.

### MIGRATION MUSEUM

**The Hon. J.F. STEFANI:** Today I wish to speak about the Migration Museum, which was first opened in 1986 as a division of the History Trust of South Australia. The concept of the Migration Museum was conceived by the Tonkin Liberal Government under the ministerial direction of the Hon. Murray Hill. The Migration Museum has been opened

to the public for more than 12 years. It was established to document, collect and present the cultural diversity and immigration and settlement history of the people of South Australia. Donations have come from South Australians of diverse cultural backgrounds, from the British, including Second World War immigrants, and from those whose forebears settled in South Australia in its early years, such as Lithuanians, Latvians, Canadians, Italians, Vietnamese and Greeks; and from Jewish, Tatar, Polish and Austrian South Australians.

Such a diverse range of donors suggests that the museum is increasingly being seen as a place that has meaning for all South Australians. A great deal of detailed research has been conducted on items held in the historical relics collection. Transferred from the Art Gallery of South Australia in 1986 this highly significant collection is particularly valuable for researchers of nineteenth century settlement history. The museum attracts numerous inquiries each year about the historical relics. The museum was successful in winning an internship from Museum Australia for a masters student from the Applied Historical Studies course of Adelaide University, and this has enabled important research on the historical relics collection to continue.

The museum is seen increasingly among groups and organisations as a source of information on how individuals and clubs can preserve in their homes and premises significant items relating to their own immigration and settlement experience. In response to requests, the museum's Curator, Ms Kate Walsh, has given a number of workshops and talks demonstrating how every home and club can be a museum.

The museum has successfully staged many exhibitions which have since toured Australia. In telling the stories of diverse communities, some of the themes of the exhibitions included 'Chops and Changes', 'The Wandering Jew', 'Selling a Dream' and 'A Twist of Fate'—just to name a few. I was fortunate to visit 'A Twist of Fate' exhibition, which was an experience of war, torture, pain and survival. This exhibition was highly interactive and brought great acclaim for its achievement in innovative design and construction.

The exhibition incorporated a centralised computer program which activated sound and unlocked doors to cells, which included art installations and theatrical techniques that told different refugee stories. My journey through this exhibition was an extremely emotional experience because it brought to life the great sufferings and trauma of many of my constituents who have migrated under extremely difficult circumstances and settled in South Australia.

As a subtext, 'A Twist of Fate' underlined the democratic freedom enjoyed by all Australians. The exhibition has had a powerful and often emotional effect on its many visitors and has received wide and well deserved acclaim from a wide range of visitors, teachers and those working in the arts industry and refugee affairs.

The Migration Museum has also been responsible for arranging three forum displays which were mounted in the Community Access Gallery. These displays included 'A Stitch in Time' by Anna Polias, from July to August 1997; 'Muslims in South Australia', installed by the Muslim Women's Association, from September 1997 to March 1998; and 'The Past and Present: 50 years of Ukrainian Settlement in South Australia 1948-1998', from March to November 1998.

In addition, a series of workshops for primary schoolchildren was held during Aboriginal Reconciliation Week. These were organised as cross-site packages and incorporated a visit

to the South Australian Museum and Tandanya. The workshops were completely booked out and have been recognised as a resounding success.

In response to visitor interest, the museum ran a number of workshops both in the museum and at other venues which interpreted the history of women's experience through the museum's costume collection. 'Revealing History' and 'All Stitched Up' were immensely successful both in terms of positive feedback and the numbers who attended. The Migration Museum has had some wonderful success, winning the *Yellow Pages* South Australian Tourism Award for heritage and cultural tourism.

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

### RED CROSS BLOOD SERVICE

**The Hon. IAN GILFILLAN:** The Australian Red Cross Blood Service is a national community-focused health and research organisation that is responsible for the revision and management of blood tissues and related services for the benefit of the community. The services it provides are important because transfusion of quality blood products and organs save people's lives.

The Australian Red Cross Blood Service is a good corporate citizen. It is an organisation that has pursued the vital role of ensuring corporate governance and due diligence in an increasingly litigious environment, links its budgets to production performance and has implemented a reporting system for nationally agreed key performance indicators.

The Red Cross does sometimes run out of blood. Ian Bates, the Production Unit Manager of the blood service, states in a letter to me:

The ARCBS cannot predict the demand, particularly major traumas, where [blood] may be required in large quantities. In such circumstances, where reserved stocks are inadequate, SA is fortunate in having a reliable donor pool that responds in our hour of need. When there is insufficient time to arrange for donor calling, assistance is sought from interstate.

The Red Cross Blood Service in South Australia has been keen to explore new and different ways of attracting and retaining sufficient donors to keep pace with demand. However, over the past six years it has been a losing battle. In 1992 the Red Cross had more than 58 000 donors, but last year that number slipped to 48 000, a drop of more than 16 per cent in six years. Those loyal donors who remain are donating more than they did before because total donations have slipped only 10 per cent in the same period. But, clearly, there is a need to stop the decline so that there is blood stored for the transfusions that save people's lives.

Analysing the donor figures, it appears that the largest percentage of those who drop out is to be found in the 41 to 55 age bracket. The loss in donors in this age bracket is significant, since only 11 per cent of new donors were aged 50 or older. We therefore need to help Red Cross Blood Services target the 41 to 55 age group, and that is where politicians can make a difference. We mostly fall in the aforementioned category that is not pulling its weight in terms of community responsibility, and by publicly donating blood we are able to use our profile to help Australian Red Cross Blood Services reverse the slide in donors. We have a self-interest in acting in such an altruistic fashion. Giving blood to help save the lives of others is a classic example of an altruistic or communal action, and it shows that human beings do not just act in terms of rationally satisfying their

desires in the most efficient manner. Who knows? We may need a blood transfusion ourselves one day.

Politicians need to be seen as acting to promote the values of the community as distinct from those of the market because, in general, our public profile is a negative one. As a professional group we are not highly regarded by the community, and as individuals we are often seen as making promises only to break them, so we professional politicians do need to engage and be seen to engage in those altruistic acts which make the values and interests of communities more important than those of individuals in markets seeking to take advantage of another's misfortune.

I acknowledge that the argument to convince my political colleagues to be blood donors is an appeal to altruism based on self-interest, but I do want all members to heed my words and become donors, as the issue is a vital one. It is important to recognise how much voluntary contribution is given to this service not only by the donors—the donors, of course, give and receive nothing, unlike systems in other countries: it has a very high regard in the public—but also by the large number of people who serve in a voluntary capacity to keep the service going.

I intend to distribute the substance of this Matter of Interest contribution to all members in this place with the contact details so as to facilitate members enrolling as blood donors. It is dramatically concerning to see the figures which were provided to me of the drop-off of those who are donating in South Australia. It has been a steady decline since 1991-92 from 58 000 down to 48 000 in 1997-98. It is a need which is quite dire if we are to ensure that there is adequate blood to supply the needs of South Australia. I finish with the final words of Ian Bates, as follows:

The good management of [a] blood component inventory for SA is therefore a critical factor in ensuring the wellbeing of those in need of transfusion therapy. While the State is fortunate to have a large pool of healthy, reliable donors, the pool must be replenished regularly. Donating blood is a community service that costs nothing and provides enormous satisfaction. To know that your contribution will help save a life is soothing to the soul.

### GAMING MACHINES

**The Hon. NICK XENOPHON:** Given the recent passing of our former Premier, Don Dunstan, I thought it a fitting and timely tribute to read from the speech he made at the 'Don't Gamble our Community Away' rally which was held on the steps of Parliament House on 25 July 1998 and which marked the fourth anniversary of the introduction of poker machines into South Australian hotels and clubs. He said:

I was a member of the Government which introduced the State lottery to South Australia and which removed the restrictions upon raffles here in this State. We thought at that time that to prevent people from having a chook raffle at the church fete was a non-sense—and I think we were right.

We introduced the State lottery after a referendum where the issues of introducing that lottery were debated. We realised that introducing a State lottery could contribute to social problems in gambling and therefore it had to be done with care. At that time I said clearly our policy is that we are not to go in for advertising of the hype kind 'be in it to win it', trying to get people induced into taking lottery tickets and that should be maintained as a policy. Unfortunately, that policy has been swept away.

In addition, we examined establishing a casino in South Australia but, because of the problems that casinos could cause, I was always insistent—and the Bill, for it did not pass the House—[that] if a casino was established it would not be established on the street front in Adelaide but it would be in a regional centre where people of any

kind had to make a trip to get there and that it was not an easy matter to go and play in the Casino.

Because of the problems that can be caused by gambling of that kind, you had to be careful about how people are given facilities to get to gambling so you minimise the anti-social effects of it. And in examining gambling I always set my face absolutely against the introduction of poker machines within the State. Now the reason for that was not that some people can't go to them and have a bit of a flutter, but already in Australia it had been shown very clearly that it is a particularly insidious form of gambling which enormously contributes to the social problems of gambling addiction.

What is more, it is a totally unjust way of taxing the poor because that is what poker machines are about. You don't find many people from the wealthier areas of South Australia, the top class suburbs; you won't get too many Springfield residents going and playing the poker machines—oh, no, the poker machines are played by the poorer people. The battlers of the community are the people who get afflicted by poker machine activity. They go in there because their budgets are tight and they have got to hope that somehow or other they are going to get a bit of a jackpot and the poker machines are carefully operated to see to it that every so often sometimes someone gets a bit of a win. So they put the money back but they put more back and the whole thing is designed to that end.

Now, many speakers here have said today enough is enough; I say too much is enough. We've got far more here in this gambling activity than should ever have been allowed to take place, and the State ought to admit that the decision to establish poker machines and particularly to allow them into hotels has been a gross mistake for the State.

Now we have got to set about rectifying it. The problems which have been stated here today are obvious enough and we have got to stop what is going on. There should be no further development of poker machines and we should devise a means by which we peg them back over a period.

Now this State has made many social changes in its time and thank goodness most of them have been for the better. That comes from the courage to see what is wrong in the community and tackling it; and if what is wrong in the community is a gross mistake which has been made by a community decision, then we'd better get about rectifying it and have the courage to do so.

So I endorse what... other speakers have been saying here today. We have created a tremendous and disastrous social problem for ourselves, and unless we take action now it's not going to get better; it is going to get much, much worse, and that will mean social disaster, dreadful social injustice and a means by which our battlers have their battle increased and their numbers increased while in this country the rich continue to get much richer and the poor much poorer by the policies we are following.

I hope that all members in this Chamber and the other place heed the words and warnings of one of the State's great social reformers.

#### FARMERS MUTUAL INSURANCE SCHEME

**The Hon. CAROLINE SCHAEFER:** As many members know, I spend quite a lot of time driving on country roads. As I was doing so the other day, I was sufficiently interested in an item of news on the ABC's *Country Hour* to draw it to the attention of the Council today. The idea which is in its infancy is the brainchild of the Western Australian Farmers Federation and is for a comprehensive mutual insurance scheme to replace the current support schemes.

As members would know, the main support scheme at the moment is the Federal Government's Exceptional Circumstances Fund. This new scheme would be a broad based insurance which would cover primary producers against all types of adverse weather and diseases, not just fire and hail, as is currently the case with private insurance. The idea, which is being promoted by Mr James Ferguson, the Director of the Western Australian Farmers Federation, is that growers would be covered for the cost of production only and not for projected profit, and it would only be successful if all growers from across Australia participated in it. The pool would then

be sufficient to cover adverse conditions such as drought and frost, and even some diseases.

Rarely are mango growers in Queensland and the Northern Territory, for instance, badly affected at the same time as cherry growers in the southern States. So, in essence, if the pool was large enough they would be insuring each other. Mr Ferguson sees it as essential that the Federal Government withdraw exceptional circumstances funding so that one neighbour is not paid by a free method while the other is insured. However, he sees a role for the Federal Government in either underwriting or subsidising premiums, or taking out a separate policy to cover those one in 25 year major events which are a catastrophe when they happen.

The proponents of this idea are looking to have the scheme underwritten by a consortium of insurers from around the world, and they hope to have a pilot scheme in place in Western Australia in time for this year's cropping season. As I have said, the farmers mutual scheme is very much only an idea at this stage and, as I understand it, it has yet to be floated to the National Farmers Federation or to other State organisations or indeed the Federal Government.

However, if growers were able to insure for input cost recovery for all sorts of adversity which was not of their own making, perhaps even for plagues such as mice or locusts, they could live to fight another year and have a stability of funding which they have never enjoyed before. As someone who has lived by the vagaries of the seasons all my life, I must say that I think that this is an absolutely brilliant idea, and I look forward to learning more about it.

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#### STATUTORY AUTHORITIES REVIEW COMMITTEE: ENFIELD GENERAL CEMETERY TRUST

**The Hon. J.F. STEFANI:** On behalf of my colleague, the Hon. Legh Davis, I move:

That the Second Report of the Statutory Authorities Review Committee on a review of the management of the West Terrace Cemetery by the Enfield General Cemetery Trust, be noted.

On behalf of my colleague I am happy to speak on this motion. I am a member of the Statutory Authorities Review Committee, which investigated and looked into the West Terrace Cemetery. The committee published an interim report on the management of the West Terrace Cemetery by the Enfield General Cemetery Trust in August 1998.

The committee was unanimous in the view that the trust had very limited experience in heritage matters, and this is not taking away any credit at all from the trust, which has conducted very successfully the Enfield Cemetery and which also has in some way taken over the management of the Cheltenham Cemetery. The State Historian, Dr Robert Nicol, advised the committee that the West Terrace Cemetery was one of the 10 most important heritage places in South Australia.

**The Hon. Diana Laidlaw:** Was that before or after he was on the board?

**The Hon. J.F. STEFANI:** I think that was at the twilight of his appointment. I have visited and have had a long interest in the West Terrace Cemetery. Back in 1989, I raised some concerns about the method of the digging of the graves and the work practices engaged in at the time under the Labor

Administration. I also have had an interest in terms of a good number of constituents of Italian, Greek and other origins who have had relatives buried there and, as a consequence, my attendance at funerals and generally visiting the cemetery over a period of time.

In recent times when I visited the cemetery with the committee I became much more aware of the heritage and the significant importance of the monuments that were placed there during the early part of the cemetery's existence. So, it was with some great deal of respect that I valued the evidence that Dr Nicol gave to the committee in relation to the cemetery and the historical importance which is obviously represented by the monuments over a period of 160 years of our history.

There has been a lack of appreciation over a period of time of the cemetery and the enduring record that the monuments and other graves represent in social and economic terms, as well as the history of our State since the European settlement in 1836. More recently, I was there for the Carl Linger memorial service, and again it shows that the cemetery has an enormous value in terms of our heritage.

In August 1997 amending legislation passed the management and the administration of the West Terrace Cemetery from the Government to the Enfield General Cemetery Trust. Of course, since then the committee has been anxious to ensure that the profits emanating from the conduct of the Enfield Cemetery and perhaps the Cheltenham Cemetery be transferred in the spirit of the legislation promoted by this Parliament. In taking evidence, the committee found that some sketchy details were used to form a management plan, and that showed a gross deficiency. The committee felt that various stakeholders were concerned at the way the plan was presented and promoted within the community.

I am sure that the committee's report will be taken seriously by the management of the Enfield General Cemetery Trust. It has been of great interest to all committee members to come to this unanimous position in respect of the concerns expressed both in evidence and by interested parties in correspondence. In presenting this report to the Parliament, I hope that the committee's findings will be taken seriously by the management of the Enfield General Cemetery Trust.

**The Hon. CARMEL ZOLLO:** The unanimous view of the committee that was expressed in the interim report tabled in August 1998 was concern in relation to the obvious inexperience in heritage matters on the part of the then trust and what also appeared to be a lack of understanding of the importance of the task entrusted to it under the legislation by this Parliament. Since the tabling of the interim report on the West Terrace Cemetery in August 1998, the committee has found it necessary to table this further report.

I would like to join my colleagues in expressing disappointment at the management plan produced by the Enfield General Cemetery Trust for the management of the West Terrace Cemetery. No doubt the Presiding Officer, the Hon. Legh Davis, will outline what has progressed since then and also detail why a second report is needed. I will not repeat his sentiments other than to say that, along with the rest of the committee, I was surprised at the lack of professionalism on the part of the Enfield General Cemetery Trust in the manner in which it failed to consult interested parties at that time and in the preparation and release of the management plan.

I am pleased that the Minister has responded to the interim report of the committee and accepted most of its recommendations—in particular, the identified need for trust members

with appropriate expertise to be appointed to that trust. Even more importantly, the Minister has undertaken to direct the trust to prepare a second management plan after full consultation with stakeholders. This undertaking reflects one of the committee's recommendations in the second report. In her response, the Minister commented that the submissions presented to the committee and the recommendations made would assist the trust in formulating its programs, particularly given that the trust had been responsible for the operation and administration of the West Terrace Cemetery for just over 12 months.

The committee felt strongly that, after nearly 160 years of mostly neglect, the administration of this important heritage site be carried out in a manner that recognised its importance in the recording of the social and economic history of the State of South Australia, and the Hon. Julian Stefani has already mentioned that. The committee also recommends the immediate appointment of an advisory committee to the trust for an initial period of 12 months to guide the preparation of a second management plan. It is hoped the Minister will also respond positively to this recommendation.

Another important recommendation is that the Minister should give priority to the revision of the Enfield General Cemetery Act 1944 to reflect the commitment to change the name of the trust, to broaden the criteria for appointment to the trust and to ensure the appointment of persons of appropriate expertise. I believe it was a unanimous opinion of the committee to continue to monitor the trust's management of the West Terrace Cemetery during 1999, and we hope that a further report will be positive.

**The Hon. J.S.L. DAWKINS** secured the adjournment of the debate.

**The Hon. R.I. LUCAS:** Mr President, I draw your attention to the state of the Council.

*A quorum having been formed:*

### JOBS WORKSHOPS

**The Hon. R.I. LUCAS (Treasurer):** I move:

That the summary of the South Australian Jobs Workshops, laid on the table on 9 February 1999, be noted.

I rise to speak to the motion and to indicate, first, that this will be an opportunity for all members to make a contribution. As always, I look forward to a contribution on this issue from my friend and colleague the Hon. Mr Crothers.

*The Hon. T. Crothers interjecting:*

**The Hon. R.I. LUCAS:** Only two hours! I am sure that during those two hours the Hon. Mr Crothers will cram in some of his knowledge on this issue for the benefit of the rest of us. At the end of last year, without going into the precise detail, as members opposite would know, a proposal was made for a jobs summit. The Government's view was that there was an alternative course which would allow all people in South Australia who wanted to put a point of view on this important issue of jobs as part of one process, and that was that the Minister for Employment would conduct a number of workshops around South Australia so that anyone who wanted to attend could do so.

I understand that a number of members of Parliament attended those workshops and observed their operation or participated to some degree. Members of the community were given the opportunity to contribute substantially during those workshops. Members of Parliament were advised that their

opportunity would come on this Jobs Day in Parliament when all members would be able to make a contribution.

This is an appropriate time for the Parliament to debate the important issue of jobs and unemployment. The Government is in the process of preparing the second budget of its four year parliamentary term. A number of bids have already been submitted from art departments and agencies for funding over the coming year and the next three years. The collective wisdom of all members (Labor, Liberal, other Parties and Independents) on the issue of jobs and unemployment will be welcomed by the Premier and the Minister, and me as the Treasurer, within the context and framework of producing a response to this issue and in preparing the budget for this year and the next three years.

It is a challenge to all of us. It is always easy to be critical of Governments about their lack of progress on the employment front. We are hopeful that this is an opportunity that members will take to offer constructive and positive ideas on how we might resolve the jobs crisis and the jobs problem that confronts Australia and, of course, South Australia.

There are many other opportunities where Opposition and cross benches members can criticise and engage in knocking and destructive contributions in respect of employment and unemployment. I ask members to leave those sorts of contributions for the many other opportunities that they have. During this debate, let us hear the constructive ideas that members have for consideration by the Government. If the Government ultimately does not take up those issues, clearly members will have the opportunity to be critical.

The only other point that I make is that not only is it always easy to be critical but it is always easy to spend more money than we have on what might be a solution to a particular policy issue. So, I think it is important that, when members highlight their ideas, before they move on to the next step, if there is a temptation to be critical if the Government is unable to take up a new idea for a particular funding proposal, at some stage, whether that be today or in the interim between now and when decisions are announced, members indicate how those proposals might be funded.

*The Hon. T. Crothers interjecting:*

**The Hon. R.I. LUCAS:** As the Hon. Mr Crothers would know, there is no magic money tree. If we have to spend an extra \$100 million on a particular policy direction, we have to find that money from somewhere else or raise it from some other revenue source.

As Leader of the Government and the lead speaker in this debate, I will outline the framework that is offered to members. Obviously, in this Chamber it is completely up to individual members as to whether they work within that positive framework that I suggest or whether they go down the path of so many other debates that we have had about important issues. My final comment is that this is an opportunity to see how this can work. I congratulate the Premier and the Government for being willing to allow—

*The Hon. T. Crothers interjecting:*

**The Hon. R.I. LUCAS:** And I give credit to Mike Rann for his suggestion, although this is in a different context. Nevertheless, this is an opportunity for Mike Rann and the Labor Party to make their contribution in a constructive way and to see whether the Parliament can respond in kind, whether we can have a constructive and positive debate or whether, as I have said, the debate is reduced to point scoring and politicking, which is not highly regarded by many members of the community.

Before I address a few general issues, and in trying to map out the background to this debate, at the outset I want to acknowledge that as Treasurer and as the previous Minister for Education I see no more important priority for our Government in economic terms than coming to grips with the unemployment problem which confronts South Australia and which has confronted South Australia for almost three decades.

I will not bore members with the figures, but some of the analyses indicate that South Australia has consistently had an unemployment rate above the national average for the past three decades. For the whole of the 1990s, the 1980s and the 1970s, under Labor and Liberal Governments in South Australia, we have consistently had an unemployment rate above the national average. The differential has varied. It was at its highest level in the early 1980s. It again reached another peak at about that level in the late 1990s. That corresponds with periods under Labor and Liberal Governments.

So, I think this issue will always be shrouded in politicking come election time, but on this occasion it is an opportunity to look back rationally and I hope dispassionately and factually at the information that we have and at what some of the options might be. I acknowledge that it is a significant problem, that it should be the number one priority for this Government, and that this Government's progress in relation to employment and unemployment has not been as great as all of us within the Government would have wished.

It remains a disappointment that we have not been able to rack up the achievements in employment to the degree that this Government would have wished. It is true to say that when the Government came to office five years ago the unemployment rate was 11.1 per cent. In the past five years we have managed to reduce it to 9.4 per cent, an almost 2 per cent reduction, but that is not as great as this Government would have wished.

We have seen some reductions in the youth unemployment rate, which goes up and down significantly, but those improvements are not to the degree that this Government would have wished. In December 1993 there were 797 job advertisements in the ANZ job ad series. The most recent December 1998 figure is 1 453, an increase of 82 per cent. That is a significant increase in job ads comparing those two months, but, again, it is not sufficient for what the Government would have wished.

In the past five years of this Government, we have seen retail sales growing at an average annual rate of 3.4 per cent. Prior to that, in the previous four years, retail sales grew by an average annual rate of just 1.2 per cent. So, for the last five years, we have seen almost three times the rate of growth in retail sales, an indication of growth within the economy—again something to be welcomed.

Similarly, when we look at the five years between December 1993 and November 1998, motor vehicle registrations in South Australia grew at an annual rate of 6.3 per cent. For the four years prior to that, from December 1989 to December 1993, we saw an annual fall in registrations of 3.4 per cent.

Those figures show that over the past five years we have seen growth in our economy; we have seen growth in retail sales; and we have seen growth in motor vehicle registrations. If I look at some figures in relation to population growth, which is most important for a small State like South Australia, I see that our latest published statistics show that over the year to the June quarter 1998 South Australia had a net interstate population loss of 3 300. This was smaller than the

4 600 outflow over the year to the June quarter 1997. We have seen some other figures on population which have indicated that that significant outflow from the State which we saw just a few years ago has now turned around in a reasonably significant way.

Finally, South Australian exports have risen by over 7 per cent in the three months to November 1998 compared with the year earlier. There are dozens and dozens of other figures, many of which are positive, some of which are negative. I do not intend today to go through all those figures. Rather, I am attempting to set a background to this debate to indicate that in many areas the State appears to have been growing—and growing quite well—but we are not seeing the translation into a significant number of new jobs being created in South Australia.

If one looks at the reports from Professor Cliff Walsh and the South Australian Centre for Economic Studies and reports from Access Economics, one is reminded of Professor Cliff Walsh's statement that this situation in South Australia at the moment is quite puzzling. In all the areas of retail sales, car registrations and housing approvals, for example, the State was showing reasonable or significant levels of growth but, when one then looks at the employment and unemployment figures, we were not seeing that being translated into progress in that area. That indeed is disappointing.

Let me say again on behalf of the Government that, whilst we welcome the positive figures, the progress is not occurring to the extent that this Government would wish, and the Government wants to recharge its direction in relation to the jobs issue and to build on the strengths of the policies that the Government has already announced, many of which the Government believes are working, such as the attraction policies that saw the development of the Westpac mortgage reprocessing centre at Lockleys, which I am now advised will have almost 2 000 full-time equivalent employees.

If people had said just a few years ago that the Government would have in excess of 2 000 people working in that call centre down at Lockleys, many would not have believed that that operation would become such a significant employer. The growth is so significant down there that we are now having to look at whether or not, with further expansion and further growth, we can keep it all confined to that particular site at Lockleys.

Before turning to some of the ideas and thoughts that I have had (and time will not permit to go through all the issues I would like to place on the record), I do want to place on the record some detail in relation to issues being taken up by a number of independent commentators and my own Treasury Department about the accuracy of the Australian Bureau of Statistics in terms of its statistical reports on employment and unemployment.

It is always difficult to question independent bodies. The ABS is seen as an independent body, although it is Government-funded, but there are now enough questions about the employment series that have been raised, not just by the Department of South Australian Treasury but now by the South Australian Centre for Economic Studies in their independent analysis, and also Access Economics in its most recent budget monitor, where both of those agencies, if I can paraphrase them, raise questions about some of the recent ABS figures overstating the degree of the employment decline that we saw reported in the late part of 1997 and through the bulk of the early part of 1998. As I said, they raise significant questions, and I want to place on the record some views in relation to that.

In terms of the recent labour market trends, since the beginning of 1997 in particular, it has been the view of officers within the South Australian Treasury that official Australian Bureau of Statistics' estimates showing a sharp employment decline in South Australia, followed by a similarly sharp bounce back in employment, contain some significant sampling problems and have not been considered indicative of the underlying employment trends during those periods.

Treasury officers believe that employment estimates produced by the ABS have been affected by statistical sampling problems associated with the introduction of the new sample based on the 1996 census results. The new sample was progressively phased in over an eight month period and has been designed to better reflect the dwelling characteristics as reported in census data. The phasing in of the new sample coincided with a persistent fall in reported employment from late 1997 through to the middle of 1998. The reported employment decline resulted from new households entering the sample having lower employment characteristics than those leaving the sample.

Since the middle of 1998 and towards the end of 1998, the ABS has reported very strong increases in headline employment in South Australia which appear stronger than underlying conditions might have suggested. This bounce back in employment adds weight to the argument that the ABS estimates have perhaps been affected by statistical problems resulting from the phasing in of the new sample from late 1997 through to the middle of 1998.

Between June 1997 and June 1998, the trend in employment was reported by the ABS to have fallen by 21 600 in South Australia. In the six months since June 1998, the employment gain of 21 300 has nearly completely offset the loss in the year to June. So, what the ABS has been reporting is almost a 21 000 job decline in a 12 month period, and then in a six month period since then it is reporting that we have seen a recovery of those 21 000 jobs in the South Australian economy.

As I said, many people, including independent commentators and Treasury, have found that particular series from the ABS difficult to accept. The issue for us is to have a closer look at the truth or otherwise of those figures, and it raises questions, I guess, as to the reporting of that series during 1999, and the future as well.

When one looks at the claimed decline in employment in South Australia during that period, one sees that the sharp downturn, according to the Bureau of Statistics, was allegedly concentrated in education, agriculture, transport and storage.

We have sought to look at other information which might provide another view as to whether we had seen that significant fall in employment in education, and agriculture in particular, to see whether that proved or disproved the information provided by the Bureau of Statistics. Being a former Minister of Education, I referred my staff to a separate bureau publication called 'School Education: Schools' (catalogue 4/220.0) which is a national schools collection on employment within education. The ABS employment figures were claiming that—

**The Hon. T.G. Roberts:** They were not claiming anything; they were showing it.

**The Hon. R.I. LUCAS:** That is true, they were showing it. During the period from late 1997 through to early 1998 the Bureau of Statistics was showing that education employment fell 7 600 (or 15 per cent) in South Australia, due principally to a fall in school education. As I said, I referred my officers

to a separate bureau publication called 'Schools' which records all the teachers and staff employed in Government schools and non-government schools within South Australia for that same period.

When one looks at that particular bureau publication, one sees that employment in South Australian schools—the number of staff, teaching and non-teaching, public and private—actually increased by 528 (or 2.5 per cent) between August 1997 and August 1998. So, we have one bureau publication which says that in South Australia employment in education increased by over 500, yet in this employment series, which was purporting to show this 21 000 reduction in employment in South Australia, the bureau was claiming that education employment fell by 7 600 (or 15 per cent), due principally to a fall in school education. The Bureau of Statistics series, which we are saying has a significant problem—it is in error—was claiming that employment in education in that period fell by 7 600 in South Australia.

**The Hon. T. Crothers:** That's because they counted people employed for one hour a week.

**The Hon. R.I. LUCAS:** No, I think it is because they have a problem with their series. Their sample on which they calculate this was in error.

*The Hon. T. Crothers interjecting:*

**The Hon. R.I. LUCAS:** No, I think it is important. That particular series is done on a sample, and the view of my officers—which, as I said, is now increasingly being accepted by independent economists—is that their sample was defective in South Australia. It was not representative—

**The Hon. T. Crothers:** What, too small?

**The Hon. R.I. LUCAS:** No, it was just not representative. It was a big sample, and they just happened to get the wrong people or groups. As I said, the Bureau of Statistics, which undertakes a comprehensive survey and not a sample of schools, shows that, instead of a decline of 7 600 in education employment, there was an increase of 528 in that same period in employment in education in South Australia. Clearly, one or other of the bureau's publications is wrong, and it is the very strong view of my officers (and knowing the 'Schools' publication, as Minister for Education, that is not done on a sample; rather, it is done on a survey of all the schools which have to be submitted, and they then aggregate the figures) that that survey is clearly much more accurate in terms of education employment.

I do not want to go through all the problems in this survey, but, similarly, I am told they estimated that employment in grain, sheep and beef cattle farming, which averaged some 28 000 in May 1996 and May 1997 in South Australia, fell to 18 400 in May 1998. They are claiming that between May 1997 and May 1998 almost 10 000 fewer people were employed in grain, sheep and beef cattle farming in South Australia.

The Hon. Mr Roberts has some knowledge of at least some parts of rural South Australia. There are no significant figures as there were with the schools' statistics collection to enable us to second guess this figure, but we did have discussions, for example, with the South Australian Farmers Federation, which said that certainly it do not believe that such a decline had occurred in the occupations of grain, sheep and beef cattle farming in that space of 12 months, particularly where employment would be principally of owners and operators and would therefore have resulted in a significant decline in the numbers of farmers and graziers, which is the principal source of their membership. They had certainly not seen that sort of decline in that 12 month period. Certainly,

I think anyone who travels, as most members of the Legislative Council do—

*The Hon. T.G. Roberts interjecting:*

**The Hon. R.I. LUCAS:** No, this is quite specific; this is grain, sheep and beef cattle farming. There are many other categories, such as agriculture, aquaculture, forestry and fishing, but we are not talking about those categories. I am only highlighting those two in terms of the analysis that we are doing to indicate that we believe that we have a significant problem with the reported figures from the Bureau of Statistics. It is not to deny that we still have a significant problem in South Australia, but it would be very useful if the figures being reported, whatever they are, reflected the true employment and unemployment situation in South Australia.

As I have said, it is now the very strong view of officers and our independent commentators that in the period from late 1997 to early 1998 where they reported significant declines that was a gross overstatement of the problem, and in the period from the end of 1998, when they reported a significant bounce back, that was at least in part a correction.

We now do not know whether we will go down again in 1999, whether they will now solve the problem or whether we will see overstatements or understatements. Certainly, from a rational discussion of this issue, it is important. Certainly, too, from a political viewpoint, I am sure Governments of whatever persuasion would not want to be unfairly belted around the ears, as we were after the last election, when people were challenging us and criticising us for having lost 20 000 jobs in a relatively short space of time—some six to nine months—when, frankly, we could not see where all these jobs allegedly had disappeared. The economy was sort of—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** No, but not since 1997. One could certainly be critical of the Government, if one wanted to be in this debate, in terms of public sector employment during the period from 1993 to 1997, but we are now talking about a period since 1997 and through the middle of 1998. As I said, it is an important issue, and I put it on the record in some detail because we need better from our Bureau of Statistics information. If Governments are not achieving in relation to employment and unemployment, they should be criticised fairly for that, but we need to be confident that the figures which we are being given by a reputable body such as the ABS (and I make no substantive criticism of the ABS; it is clearly a sampling problem in relation to this particular series) are—

**The Hon. T. Crothers:** The other hidden factor is the number of unregistered unemployed. For example, because the farms are in difficulty one of the spouses gets a job out of the farm sector. So, where you might be saying there are two workers on a farm, or even three, the son and the spouse might have to go off to get a job to try to keep the farm together. There are lots of hidden factors, would you not agree?

**The Hon. R.I. LUCAS:** I am sure the Hon. Mr Crothers will address this in his contribution, but he is right to say that we see reported figures.

*The Hon. T.G. Roberts interjecting:*

**The PRESIDENT:** Order!

**The Hon. T. Crothers:** I am sorry, I apologise.

**The Hon. R.I. LUCAS:** No, that is all right. I take no offence at all. The Hon. Mr Crothers is making an important point; that is, that there is a hidden unemployed. The only indicator that we have is the participation rate which gives us



some indication. Certainly, through last year we saw a very significant decline in participation rate, but that is now starting to bounce back. That is at least one indirect indicator of the number of people who are trying to be employed. However, at some stages people just give up because they do not believe the jobs are available; they are not registering, so they might not be picked up in the official figures.

Many of us from the conservative Liberal side of the political spectrum—and also members from Opposition cross benches—have a view that the way to resolve the unemployment problem is to grow the economy. Indeed, in recent times I have heard the criticism of the Government that the solution to this is to grow the economy. I want to place on record for members an analysis of unemployment and growth in the Australian economy—I do not have one for South Australia.

Over the past 15 years Australia's unemployment rate has been higher than the OECD average. That gap has widened in the past 10 years. This has happened despite the fact that over the same period Australia's economic growth has been above the OECD average. Between 1987 and 1997, OECD economic growth was around 28 per cent, compared with around 35 per cent for Australia. During that period we have seen stronger economic growth for Australia as an economy than the OECD average, yet the gap in terms of the unemployment and employment performance and between us and the OECD has widened in the past 10 years. Over the same period OECD employment grew by around 20.2 per cent compared with about 18.2 per cent for Australia. To be fair, that is a very small difference.

Certainly, I do not argue against the growth arguments. I am an adherent to the view, but what I would say is that it is not sufficient in itself. There are obviously other factors impacting on the Australian circumstances other than growth. We need growth and, as Treasurer and on behalf of the Government, I believe the State and the Commonwealth need to grow their economies, so I accept the view from opponents that part of the solution to the problem is growth in our economy, but in itself it is not sufficient.

*The Hon. T.G. Roberts interjecting:*

**The Hon. R.I. LUCAS:** That is because of a whole variety of reasons. If the honourable member has been following the *Financial Review* debate of the past two weeks there have been some very interesting perspectives on an analysis of productivity. We hope to bring down some interesting material toward the end of this year in terms of South Australia's performance in relation to productivity as well.

In turning from the growth issue I wish to refer to the vexed issue of wages. Again, I can only refer honourable members to what I thought was a very good series of articles in the *Financial Review* from about 3 February and the next five or six days on employment and unemployment. I will not quote from them all but one on the first day referred to a number of prominent commentators who talked very much of the view of the insiders and outsiders in terms of the unemployment issue. The insiders are those 90 per cent or so who are currently in employment. The outsiders are those 10 per cent or so who do not have jobs at the moment.

The tenor of the article is that those within employment represented by their employee associations and others, in terms of the actions that they take in relation to wages and wages policy, can have and do have an impact on employment and unemployment levels within the national economy and within South Australia as well. There is a view that the 90 per cent who are employed—and one can understand

this—are primarily interested, first, in their continued employment and, secondly, in continued wages growth for that 90 per cent, and it is not a pre-eminent concern for them as to the impact of the policy directions they undertake to protect the insiders and the impact that may have on the outsiders, that is, the almost 10 per cent—the 7, 8 or 9 per cent of unemployed within Australia.

It is not unanimous—nothing ever is in this debate—but it is certainly far and away the majority view that the level of wages in the economy has a significant impact on employment and unemployment. In fact, a report released last year by the Productivity Commission, specifically on youth employment, concluded that there was 'a strong and robust negative relationship between youth employment and youth wages'. In quoting that, I know there will be strongly differing views amongst members who debate this issue. Most conservative and Liberal politicians—and there are some within the Labor Party ranks who I am sure will be described as 'conservative' in this respect—who make this particular point are not doing so on the basis of saying, 'Right, let us have children and young people working for slave labour rates again.'

We have to acknowledge, in terms of the debate, that if we cannot come up with other solutions—and the one that people continue to come back to is the level of wages and the cost of employing as an issue for employers—perhaps one of the reasons for the difference between our employment record and the employment record in other OECD countries is a different approach in terms of wages and wages growth. It may well be that there are other factors. I am interested in the perspective of other members in trying to explain why, even though we have grown our economy faster than the OECD average, we have not performed as well in terms of employment growth within our economies.

Many argue that we need to see more flexibility within our award wages and wage structures within South Australia and Australia. There are many who argue that where we have youth awards within some of our awards we should not be getting rid of them if we are genuinely interested in seeing future and increased employment prospects for young people.

*The Hon. T. Crothers interjecting:*

**The Hon. R.I. LUCAS:** I understand the point the honourable member makes. Let me speak as a parent in this. Clearly, as a parent who has one youngster in the work force and others about to enter it, we would like to see our young people earning as high a wage as their hard work justifies. They will come back to us as parents and say, 'I am 16 and I am working as hard as the 18 or 19 year olds. Why am I not paid at the same level?' As a parent you can understand that; as a parent you might wish that it was otherwise; but as a parent we also have to look at the fact that we have almost 35 per cent of our young people who want a job—not all of our young people—who cannot get one. As a parent I have not yet been in the position—but I am sure it will be the case at some stage in the future—of having a young person who is genuinely trying to get employment and who cannot get it and there will be the difficult decision of whether or not I would prefer to have my young person employed at perhaps a lower level of wage than I would think he or she justifies, merits or earns as opposed to not having a job at all. That is a difficult question.

It can be easily vilified in the political debate by saying that a particular politician or Party just wants to ratchet down young people's wages so that the greedy employers can screw young people even more than they have in the past. However,

if we are going to have a rational debate, if we cannot find other solutions, then in terms of not necessarily reducing wages, it may be that as we look to policies for the future, we have to look at a number of the suggestions made whether it be growth at different rates so that some differentials come in. I refer to the five prominent economists who wrote to the Commonwealth at the end of last year (there has been much support for their proposition) that some sort of wage and Commonwealth income tax trade-off be entered into so that the cost to employers of people at the lower skilled level of the work force does not grow at the significant rate which might inhibit future employment but their take home pay, because of the tax trade-off, is protected to some degree through Commonwealth Government policy.

I have not seen the Commonwealth Government's response to that proposition from the five prominent economists but I will be interested to see it because we are in a situation where the Commonwealth is talking about adjustments to income tax. Many of us are supporting the view that, if you want to see people working harder, the fact that they lose 47 per cent or whatever of every extra dollar they earn is a significant disincentive to encourage people to work harder. All of us know some professionals who are organising their lives to work 3½ days to four days a week because they are making too much money over five days in terms of tax. As professionals, they are organising their lives so that they can have a day off to play golf.

*Members interjecting:*

**The Hon. R.I. LUCAS:** That can and should be part of this debate.

*The Hon. T. Crothers interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.I. LUCAS:** I am not talking about a reduction in youth wages in absolute terms. I am not even saying what my concluded view is on this topic. I am saying there is a proposition that, as we see growth in wages for all employees, it may be that in relative terms we need to see some sort of gap which will encourage the employment of young people. That is an option and we need to sensibly debate that. We need to sensibly debate this proposition of a tax-wage trade off, which might see employees at the lower end of the earning spectrum not being significantly worse off—or, indeed, being protected in terms of the tax-wage trade off—and that the employment position of the businesses, which must employ these people, is encouraged in some way.

A number of options are being tackled at the moment in terms of wages policy. It comes within the broad spectrum of a more flexible wage system, within the spectrum of enterprise bargaining or voluntary contracts or whatever. There are a thousand different propositions, some of which I agree with and some of which I am less comfortable with. It is important that, if people cannot come up with some reason why our national performance in relation to employment and unemployment has been so poor compared with OECD countries, if a cogent, coherent reason cannot be given, it may be that Governments and Parties have to confront the issue of wages policy and the flexibility of our award systems both within South Australia and Australia. There is a lot of other information in relation to that but time does not permit me to add any more.

I want to say that I see a strong link between education performance, education policy and employability of young people. I believe that Governments—and we have started in South Australia—need to give greater focus to early interven-

tion. I think there is a strong correlation between the unemployment figures and the crime figures for young males, in particular, who performed poorly at school in literacy and numeracy, who suffered problems, who dropped out, and who have underperformed and underachieved.

Governments have to bite the bullet. Governments need to do more in terms of early intervention. It means the education system has to work better with the health system. It means that, if the education system is putting more money into speech pathology, we cannot afford the health system to be taking money from speech pathology. We need to see early intervention given the priority and prominence it deserves as a Government priority and commitment. I will have another opportunity to speak about education policy, but I believe it is important in terms of this issue.

The final point I make is in relation to policy options on the business tax debate, again at the national level, when one looks at the relative employment performance of the United States economy compared with the Australian economy. The United States has an unemployment level of 4 per cent to 5 per cent. The Federal Treasurer has said that we, too, can emulate that if we make the sort of changes to our wages and industrial relations system that the Americans have made.

I do not think it is just as simple as making those sorts of changes. I was having discussions recently with some business people from the United States who are interested in working in South Australia. Their very strong view, for what it was worth, was that the capital gains system within our Commonwealth tax structure is a very significant inhibitor for the growth of small businesses, in particular, those who take a punt, those who make some money, and those who might reap the benefits of having made money. I was encouraged in that view when I looked at some recent information about growth in the Australian economy and some of the international research which has been done on this issue. I want to refer to some work done by Cognetics Inc., a US company, which looked at the conditions which contribute to the growth of small new businesses. The research states:

... an interesting approach in this area is taken by Cognetics Inc., a US company that focuses on the small business sector in the USA. (Information on their work can be found at the company's website [www.cogonline.com](http://www.cogonline.com)). Their summary findings for 1997 are that smaller companies in the US generated about two-thirds of all gross new jobs and all of the net new jobs, after losses at large firms were taken into account. Locally headquartered firms outperformed out-of-state firms by 'a large margin' in terms of employment creation. Looking at the 'entrepreneurial hot spots', the top five States were US Mountain and South Atlantic States while for the top five cities the main common features appear to be:

- universities and colleges turning out 'knowledge workers';
- a skilled labour pool;
- airports;
- a nice place to live;
- and a positive entrepreneurial climate.

That research and some other research highlighted the significance of the differing capital gains tax regimes in the United States *vis-a-vis* Australia, a capital gains tax regime which encouraged young firms to take a punt, to be entrepreneurial and then to benefit from any profitability that they might have achieved.

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** No; I hope Peter Costello has a similar view. As I understand it, John Ralph, who is conducting the business tax review, is arguing very strongly and I know Nick Minchin—

*The Hon. T.G. Cameron interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.I. LUCAS:** As I said, I am not using this debate to engage in a political debate between Labor and Liberal. I am trying genuinely to offer constructive suggestions and ideas without—

**The Hon. P. Holloway:** South Australia first.

**The Hon. R.I. LUCAS:** I am putting South Australia first. I cannot turn up the research, but there is a good deal of international research which highlights the importance of this issue of capital gains and growth in small businesses.

In terms of the State Government's response and my own view, clearly we need to attract new businesses to South Australia. The success of Westpac, Bankers Trust, Motorola and EDS, all of these new companies which have been attracted to South Australia are significant employers and can be a part of the solution. But I have a very strong view that they can be only a part of solution. If we are to solve and resolve the issues of employment and unemployment not only in South Australia but also in Australia we need to look at the sort of policies which will allow small businesses to grow.

As Treasurer, and as we look at the coming budget, what I hope we can do as a Government, and as a community I guess, is to look at that balance of policies that we have. We have some small business schemes which have been extraordinarily successful. In fact, the Small Business Traineeship Scheme is an extraordinarily successful program. I think that Governments need to respond to those sorts of programs that encourage existing small businesses and more importantly encourage new small businesses to establish and to grow and, as I said from a national level, to allow those new small businesses that do grow—the very successful ones—to achieve the benefit that their risk capital deserves and to benefit their employees in terms of not only secure employment within the company but also possibly even some sharing of productivity benefits.

With that, I hope that I have set a bit of a background to the debate. I hope that I have set a model that others might care to follow, if they wish, and that we use this time constructively in terms of positive suggestions as to how we might tackle the issue without locking ourselves into ideological mindsets as to what should or should not be done, and without criticising Governments, whether it be Labor or Liberal, but genuinely looking at the issue and putting South Australia first—to take a phrase out of the Hon. Mr Cameron's mouth—and, as Australians, to put Australia first as well.

**The Hon. P. HOLLOWAY:** I support the motion to note the report of the jobs workshops. In his speech the Treasurer ranged over a fairly wide number of issues and I hope to get the chance later to address some of them. It seems to me that the Treasurer has raised more questions than he has produced solutions to the unemployment problem. Nevertheless, it has been an interesting debate and I hope to get the chance to talk about some of these issues later. If we do not have that opportunity in this debate, I am sure that many of the issues that the Treasurer raised will be dealt with on other occasions.

Today's debate is vital because it deals with the lives of real people, of people who are hurting because of unemployment. This issue transcends Party politics and personal differences. It is an issue which we must all take seriously because it affects every one of us: it affects our family and friends. I am sure that all of us have friends and family who are affected by unemployment.

This issue also extends beyond job queues and the number of unemployed. It reflects society's expectations and in some

ways its prejudices. Modern society expects a great deal from its citizens, and the most obvious sign of success is employment. No matter how limited the job market or how few the opportunities are, we place on ourselves and others the expectation of gaining employment in order to be valued. Therefore, I believe it is the Government's task to lead the way in this regard. It is up to the Government to create those opportunities for employment, or at least to create the economic and political environment to maximise those opportunities, and it is the Government's job to encourage the private sector to do the same. This issue needs strong and consistent leadership by the Government.

When we get into the debate we need to look at the current situation. We live in a State which currently is in a state of atrophy. Opportunities are passing us by and growth appears to be minimal. To touch on one of the issues that the Treasurer raised, it is very difficult nowadays to know exactly what the growth rates are in this State. The ABS no longer produces those sorts of statistics, and I hope to say more later about the points made by the Treasurer in respect of statistics.

One of the problems we have in relation to growth is that we have very poor measures, or no measures at all as to what is happening here. We know that up until 1997 our growth had been consistently below the national average, and the Treasurer's budget projections predict that growth rates will be below the national average. With minimal growth and low confidence, these factors can only contribute to our current high rate of unemployment.

Over the past few years the Government has been producing much publicised achievements in regard to attracting industry to this State. Unfortunately, those achievements have often been little more than smoke and mirrors. What we have seen is that, as often as we are told about Government sponsored industries entering this State, and usually they have been brought here as a result of generous subsidies, we are told about other industries which are moving out due to a lack of support or because they have better opportunities elsewhere.

This shows a fundamental inconsistency or imbalance in the economic development policies of the State. This is an issue that Cliff Walsh, who, after all, is one of the Government's own advisers, has made a number of comments about. It has been suggested by the Productivity Commission that this State provides more industry subsidies than any other State, and I think we must question whether we are getting the best benefit from them. I think that that issue needs to be addressed.

At the last election in 1997 the ALP went to the people of this State with a clear policy on jobs for South Australians, on creating new jobs and, importantly, helping people to keep the jobs they already had. The central plank of that policy was an urgent jobs summit. For some three years now Labor has been calling for a plan for job creation. It is urgent because the unemployment rate in South Australia, currently 9.2 per cent, is the highest on the mainland. Unfortunately, it appears as though the report that we have on the jobs workshops and the debate we are having today is about as close as we will get to that.

We all should recognise that the figure for youth unemployment last December was 31.4 per cent—the second highest in the country. We have consistently had the highest level of youth unemployment in mainland Australia. There is not much point in Governments talking about jobs growth when all they have done since they have been in government—and it is something the Premier is proud of—is to cut

the size of the public sector. Police, nurses and tradespeople in the public sector have been downsized, outsourced and privatised.

If we look back to the promises when SA Water was privatised, that there would be cheaper water for consumers and a boom in water industry jobs in South Australia, we can see that the exact opposite has been the case. Every time a water bill arrives in the letterbox we see that it has gone up, the thousands of jobs that were promised have not eventuated, and hundreds, if not thousands, of jobs have been lost from SA Water.

I would like to comment about the reduction in public sector jobs—some 17 000 since the program began in 1992. The previous Labor Government announced a program to reduce public sector jobs I think by about 3 500, but what has happened over the past six years or so is that it has blown out to 17 000 jobs. If one looks at the savings on those jobs, and if we take a conservative figure of \$40 000 a year as the salary for each job, one can see that the Government has slashed some \$680 million in income for those people who previously received it; and, of course, it has also slashed that amount from the State budget.

So the saving to the State Government on 17 000 jobs would be some \$680 million a year. Why is it that we are still told that there are budgetary problems? Part of the problem was that to get rid of those jobs we had to pay TSPs amounting to well over \$1 billion, and it was probably closer to \$2 billion—I do not have the exact figure—which added a massive amount to the State debt.

It is a great pity that a proper study has not been done on the impact of these targeted separation schemes. It was not so much a matter of arguing against the need to cut some jobs in the public sector. As I said, that was a program under the previous Labor Government. Clearly, we needed to cut the outlays of Government. In fact, they have been massively cut, yet we have not had the budget saving. That tends to suggest that many of these jobs have either come back as a cost to the State Government through outsourcing—perhaps at a higher cost—or that maybe people have moved interstate, taken their packages with them and injected the money they were given into the economies of those other States.

I wonder whether we could not have achieved the budget imperative of reducing outlays at a much lower cost if we had had a more effective scheme of TSPs within the public sector. I make that remark by way of aside. It is a great pity that, in all the work academics do, no-one really has been able to conduct a thorough analysis of what has happened in relation to that. I suspect that, if we did that, we would see that the whole job reduction package in the public sector has been much less cost effective than it could have been and that it is part of the problem behind the low growth we have had in the past few years.

I will return to setting the scene of the employment situation that faces us. When the current Government came to power in 1993, Dean Brown promised 20 000 jobs a year. So, after five years, we would have hoped that 100 000 jobs had been created. The sad fact is that now fewer than 25 000 extra jobs have been created in the economy, which represents a growth rate of only 3.8 per cent. While I am sure that those who have those extra jobs are grateful, by this Government's estimates there should have been 75 000 more. The growth we have had in the South Australian jobs market represents only about one-third of the national job rate over that time.

When the Treasurer spoke earlier he made comparisons between Australia and the OECD. He pointed out how Australia's jobs growth did not look all that good compared to that of other OECD countries. If we compare South Australia's performance with the national performance, we see that our performance also has not been good. The current target that the Premier has given his Government is to reduce our unemployment rate to the national average by the year 2000. That has been the Government's policy over the past 12 months. We would obviously hope that that could be achieved. However, the budget papers have shown—and I have pointed this out on other occasions—that on present budgetary settings we will not and cannot achieve that target. The prediction within the budget papers is that employment growth in South Australia will be below the national average well past the turn of the century.

It is clear that the South Australian economy has been under performing in recent years in job creation, and a massive jobs and unemployment gap has opened up between us and the rest of the country. During the 1980s and the early 1990s, South Australia sometimes did better than the national economy, sometimes it did worse. However, we have never seen the enormous gap between the number of jobs created here and those created nationally as we have experienced today. Unemployment has certainly been higher than it is today. For example, it was higher in 1991-92 when we had the national and international recession. At that time, it was higher here and nationally. What has marked the past five years is that, despite sustained economic and employment growth nationally, we are lagging behind, and we have not recovered.

The other worrying factor is that almost all job growth in South Australia has been in part-time work. If we look at the latest figures from December last year, we see that we still have around 30 000 fewer full-time jobs today than we had pre-recession, when we had a full-time employment high of 507 000 in June 1990. As well, we have significant under employment, that is, people who are unemployed and who work only a few hours part-time and others who want to work more hours but cannot find that work. Also, many people would work if they could but they do not appear in the statistics simply because they have given up looking.

South Australia also has longer average periods of unemployment. At 68 weeks, it is the second highest rate in the country. This is particularly bad for people aged 35 years and over. For those who are 45 to 54 years of age, the average period of unemployment is two years. If you are 55 to 59 years of age, this blows out to 151 weeks—that is nearly three years without work.

At the last State election Labor proposed a comprehensive plan, and at its heart was a jobs and recovery summit. This would have involved State and local government; businesses, both large and small; unions; rural and community groups; and all parliamentary Parties. Labor accepts that politicians do not have all the answers and that no one group does. That is why we proposed working together with all sectors in the community to come up with practical ways to create jobs. The aim of the summit was to forge a jobs and growth agreement. The plan was that the agreement would contain job creation targets and would become a blueprint for the economic growth that would deliver and secure jobs.

As we are talking about job targets, it was interesting to note that at the last Federal election the Federal Labor Party put forward a target of 5 per cent unemployment nationally over several terms. That was ridiculed at the time, but I note

in just the past few weeks the Treasurer Mr Costello has talked in terms of a 5 per cent unemployment target being feasible. One can only hope that the Federal Government will be a little more serious about that than it was when it was ridiculing the Federal Labor Party.

Labor's plan that we put to the people at the last election was to create a jobs and economic development commission to coordinate all Government efforts as the No. 1 priority of job creation and job security. Part of the jobs commission was to include a jobs rescue task force to help preserve the jobs of mature age workers. It is a detailed plan, and Labor still stands by it. As we know, a job summit was rejected by the Government. This Government has spent many tens of millions of dollars chasing big multi-national and interstate firms in an attempt to buy jobs. Labor believes that not only do we have to attract new industry to South Australia but we have to help existing industry, new and old, large and small. We cannot ignore the thousands of local businesses that have helped build our State and continue to employ tens of thousands of South Australians.

We proposed a major cut to the BAD tax which was funded by allocating industry assistance money as part of our policy so that, in line with the point I have just made, the benefits would be felt by existing industry, as well as those new companies that may come in, stay for a few years and then move on. We know that the GST proposal is now before the Federal Government and that the tax base arrangements of the States will change forever. Although it has been claimed at this stage that more money will be provided to the States, that remains to be seen. Those who have looked at Commonwealth/State finances over many years would wait until they saw it before they believed that the Commonwealth would provide more money. Regardless of that, the GST changes mean that there will be much less flexibility for the States in respect of their budgetary measures.

Very little information has been made public as to how these Commonwealth arrangements will be effected; in fact, the changes are yet to go through the Senate. I also note that discussions are going on with State and commonwealth officials as to how that may or may not impact upon State finances. Clearly these tax issues are an important part of the future in respect of jobs, and ALP policy, will develop, as it will for other Parties, after those issues are resolved.

Another issue that we proposed at the last electorate was the introduction of enterprise zones for Whyalla, Port Pirie, Port Augusta and the southern suburbs. These measures received support from unions and community groups. The Olsen Government withdrew from the Upper Spencer Gulf cities enterprise zone status which was given to them under the previous Labor Government. Clearly, we want to see that reversed.

Another of our initiatives that we put to the people 18 months ago was our First Start plan, which was a traineeship and apprenticeship scheme for 6 000 people over three years. That scheme also received widespread support, including from the Local Government Association. These traineeships were to be in both the private sector and the local government. Unfortunately, the Government's reaction to that plan was to give it the thumbs down.

I would like to say a little about traineeships, because they are an important element of this debate on employment. For young South Australians, one vital way of introducing them to the work force has been through traineeships. Members of Parliament have had some experience of how this scheme works, because a number of members of Parliament have had

trainees working in their offices. Government funded traineeships are today a source of renewed optimism for young people leaving school with the limited employment opportunities that are available to them.

Now, however, the Government has seen fit to add to the already considerable hardship suffered by our youth when seeking employment by charging a \$1 per hour training fee for new trainees. I understand that this charge relates to the TAFE element of a traineeship which consists of two days per week. This charge has been quoted in the media as potentially costing young people between \$200 and \$1 600 to complete their traineeships. This is a huge disincentive for young people, especially those on a low income. This charge has been called an entry tax on employment, and I can think of no better description that could be attached to it. Young people today have a very poor opinion of members of Parliament, whether justified or not, and this plan does nothing to change that perception.

Recently it was reported that there had been a drop in the retention rate of school students. In the 1980s and early 1990s, there was a belief that leaving school would lead to employment. This was reflected by the high retention rates at the time. In 1992, 92 per cent of students stayed until year 12. There was greater confidence in the job market. In 1997, that figure had dropped markedly to only 67 per cent, reflecting a change in attitude towards employment and the need for education. There is no confidence now that education equals employment.

What is more disappointing is that this drop in the retention rate was not evenly distributed amongst social groups but was related to socioeconomic status. It is our responsibility as leaders in this State to encourage and enable young people, especially on the job front. We all know of the horrific youth employment statistics, which I quoted earlier—I think 31.4 per cent in December.

What has the Government done to encourage more youth employment? Unfortunately, it has charged them for the privilege. I really believe that this is an underhanded act that will put off many young people from applying for traineeships. The user pays system that this Government has embraced should not have a place in such an important area. We need to have our young people working (that is vital to ensure economic recovery), and we do not need to have barriers in the way of young people accepting traineeships.

During his contribution, the Treasurer mentioned something about education. I am sure he is well aware of the school retention rates that we are now experiencing in this State. In some parts of the State, the figure is as low as 25 per cent. How can we be serious about skilling our children to take their place in the work force when fewer and fewer of them are leaving school before they should? This problem threatens to relegate our young people to a world where they have few chances of obtaining worthwhile full-time employment.

There are a number of other policies which we put to the people at the last election. One of those was our promise to make regions a priority. Regions such as the cities of the Upper Spencer Gulf face economic disadvantage and rates of unemployment that are above the State average. Our plan for enterprise zones included a 10 year remission of all State taxes for approved projects. This plan to create jobs in the region seems more important than ever now, with more jobs being lost at BHP in Whyalla in recent days.

We have seen a considerable decline in the work force in all the major cities in the North. We all know what the

problem is and that no one group has the answer. Labor proposed, and is still proposing, a job summit so that the Government, the Opposition, unions, businesses, local government and community groups can work together. Surely that is worth the effort. That is what Labor proposed at the last election. I believe, as I hope I have indicated, that many of those policies are still desirable today.

In the time remaining, I want to make some comments about other matters that arose during the Treasurer's contribution. First, I refer to job workshops. The report that the Treasurer tabled yesterday is rather interesting. Most of us have not had time to read it in great detail, as it is rather lengthy and was tabled only yesterday. I have had a glance at some of it. I think it would be fair to say that some of the suggestions in this report contradict other suggestions that are made in it. Some have been tried; some are already in place; some breach agreements that we have made at national and international level and therefore would come up against that barrier (the preference for local suppliers is an example of that); and some of the suggestions would probably fail a cost benefit analysis—in other words, they would be too expensive for the benefit that they would produce.

Many of these suggestions require Commonwealth rather than State action; and some are probably beyond all levels of Government—for example, the suggestion about restoring banks to country regions is something that would be difficult for any Government to achieve, desirable as it is. There may be problems with many of these suggestions but, even if only a handful clear the hurdles in front of them and make a worthwhile contribution to employment, they are worth considering. We will all go through those reports in much greater detail. No doubt there are some good ideas amongst the many suggestions that have been made.

I turn now to another point that the Treasurer made in his contribution. Given that the Treasurer covered the broad economic issues, it would be well worth making some comments about debt reduction. It is interesting that earlier this week the Government's principal economic adviser, Professor Cliff Walsh, made some comments in the newspaper where he actually criticised the narrow focus of the Government. In an article headed 'Narrow focus dogs Government', he made the following point:

By making deficit and debt reduction in effect almost the only clearly and consistently stated part of its economic development strategy, the Government created a strategic vacuum that discomfited its potential 'friends' and left its 'foes' with an easy target on which to concentrate their criticisms.

He went on to say:

Then Treasurer Stephen Baker's 'We're in the home straight' statement in his 1996 budget speech is now coming home to haunt the present Treasurer and Government. The question being asked is, 'If that was true [that we are in the home straight], how come we need to sell our electricity assets on budgetary grounds?'

**The Hon. T.G. Roberts:** Yes, and it is a long straight, too.

**The Hon. P. HOLLOWAY:** Yes, it is a long straight. It is interesting that even Professor Walsh, who sat on the Audit Commission which the Government set up shortly after it came to office at the end of 1993, who is still in the employ of the Premier, and who has certainly been a very consistent advocate of many of the Government's policies down the years, has shifted ground in relation to this matter. He is saying that the Government has focused far too much on the question of deficit and debt reduction and not enough on other economic growth issues. I am pleased to see that

Professor Walsh has come to that conclusion that many of us reached much earlier.

To make the point in relation to debt reduction one could consider a hypothetical example about what might happen in a community which had no economic growth for 10 years and which did not increase its debt in any way for 10 years (in other words, it ran no budget deficit). At the end of the period its debt would be exactly the same as it was at the start of the period. On the other hand, if one were to have a growth rate of 4 per cent over the 10 years, even if one was running a slight deficit, then even though the absolute figure for the debt might be greater at the end of the period, because of the economic growth the debt as a proportion of GSP could be much lower in the second scenario than in the first. I just use that hypothetical example—

**The Hon. M.J. Elliott:** That's what is happening now.

**The Hon. P. HOLLOWAY:** That is right. The problem is that our growth rate has been so low and, with all the cuts in the Public Service to which I referred earlier, when my conservative 'back of the envelope' figure was that 17 000 jobs might have saved approximately \$680 million in salaries (at \$40 000 each), we still have the budgetary problems. This makes the point that, while debt reduction has a place, so too does creating growth, and the Government needs to re-examine its position on that.

During his speech, the Treasurer to some extent tended to blame the messenger as far as unemployment statistics are concerned, and he criticised the Australian Bureau of Statistics (ABS). I would like to be fair on this matter. One of the problems is that the ABS is suffering the same decline as are many other public sector departments, and I think our local ABS office is shrinking. Overall, the resources available to the ABS are diminishing, and the number of staff based in this State are shifting to the head offices. I think it is regrettable that we no longer have the range of statistics available to us, and I have earlier in this speech referred to the growth figures that are now no longer available.

I agree with the Treasurer that it is essential in a modern society (and it was probably true also even in Roman days, when statistics were kept) that statistics are a very important tool in good government. I certainly have fears about the decline in the quality of ABS services as they face the same cut backs as so many other Government agencies have. I am not sure that I would agree with the Treasurer's attacks on the ABS being responsible for high unemployment figures. Whilst those examples that the Treasurer gave about problems in particular categories may have an element of truth in them, the overall results that one would get for unemployment based on the ABS statistics are still likely to be correct. Whatever problems one might have in particular categories where there are obviously very small samples and perhaps problems with the sampling technique, the overall unemployment rates that are identified by the ABS should not be considered to be in doubt.

The Treasurer also talked about wages policy and the impact on employment. Clearly, wages policy is an important issue, as you yourself pointed out, Mr Acting President, when you were at your bench behind me. One of the key issues in wages policy is the question of demand. We have seen a massive change in the distribution of wealth and income within our society over the past 10 or 15 years, and it shows no sign of declining. As the higher income earners in our society get more, unfortunately those at the bottom of the chain are getting less.

I believe that those distributional issues are having an impact on employment, and the reason why it would work would go something like this: if you are giving massive increases, as we have seen in recent days, to the chief executive officers of so many private companies, when you have the head of AMP and Westpac with salary increases alone of well over \$1 million per year, what are those people likely to do with those pay increases? That \$1 million could employ dozens of people at the lower levels of those organisations on lower incomes. If that were the case, those people would be buying local produce, such as cars. On the other hand, the CEOs are more likely to be buying imported products. It is a well known fact that the higher the income the higher the propensity to purchase imports. I think these distributional issues cannot be ignored in relation to unemployment issues.

Unfortunately, I do not have the article with me, but I noticed recently that Professor Keith Hancock, one of our most eminent economists, who has written the basic text books that are used in so many economic courses and who became a prominent judge on the Industrial Commission, made a comment that after 25 years of studying the issue a lack of demand in the economy was the fundamental cause of unemployment. To relate that back to the issue of wages policy, if you keep downsizing or cutting salaries at the bottom, you are reducing the purchasing power of people and reducing demand.

What is also happening, because of the rapid outsourcing, is a lack of job security. I do not think any debate on employment would be complete without saying something about job security. There is no doubt that job security has diminished rapidly over the last decade or so, with the trend towards more part-time and casual work. Clearly, that has an impact on the level of demand in the economy. If people are worried about where their next pay packet will come from, obviously they will not be as confident about spending their salary on purchasing houses and the other goods that are so essential for keeping the wheels of the economy turning.

Wages policy is a complicated issue, and the last thing we need is the simplistic notions of cutting wages to provide jobs, as the Treasurer appeared to be suggesting, although he did concede that it was a little more complicated than that.

One other issue that was raised by the Treasurer was a tax/wage trade off. The Treasurer put the question to us: why is it that in the OECD some countries have had better employment growth than we have, even though our economic growth has been greater? I suppose there are many reasons why that could be so. The fact that we run larger and larger balance of payments deficits means that we are selling more and more of our Australian assets to overseas corporations, and that is undoubtedly one of the factors.

Also, we do have a crisis in our taxation system at the moment. However, in my view, the crisis we have in taxation is that those who are best able to pay are not paying their fair share. In relation to corporations, the share of the total tax bill has been diminishing rapidly. The tax that is now paid by our largest corporations is almost insignificant. Indeed, if one looks at the very largest corporations, the multinationals, one sees that most are paying nothing at all, or so little that their contribution to the taxation base is almost insignificant. Therefore, the cost of running our society is falling more and more on the PAYE employee, and that is the real crisis in our tax system. As every year goes by, the PAYE employees, who are getting fewer in number, are having to shoulder more

and more of the total tax burden because of the declining tax take in other areas.

That is the fundamental issue that needs to be solved not only in terms of ensuring that we have the revenue for society to run but also in terms of equity, because this inequity is growing. Some people in the private economy, through various tax devices, are paying no tax and others on the PAYE system, who are working just as hard, are paying much larger amounts of tax. That inequity is one of the key problems within our economy and it affects the level of employment. I make the point that, if the distribution of wealth within our community is diverging rapidly—and all the statistics indicate that it is and has been for some 10 or 15 years—why is the tax burden shifting more and more to PAYE workers?

Earlier the Treasurer talked about how we need some incentives, such as removing capital gains tax. As I said, if the burden every year is falling more and more on PAYE workers, why is it that the distribution of wealth is diverging so rapidly towards those at the upper end of the income system? One could cover many other issues in a debate of this nature, and I am sure we will have other opportunities to do so. In my contribution this afternoon I hope I have been able to outline the policies that the Labor Party put at the last election, many of which are still current. Obviously, come the next election in two or three years, we will again be putting our platform to the people of this State in relation to job creation and, of course, from time to time we will also put specific policies. Clearly, much more has to be done, and we will do our part in that.

At the time of the last Federal election, the Federal Labor Party promised this State a special package of assistance. There was a recognition from the Federal Labor Party that States such as South Australia and Tasmania have special problems in relation to employment growth and therefore need some assistance. Unfortunately, that package will not be implemented because the Federal Labor Party did not win the election. Why is it in this State, when the Federal Liberal Party has such a massive majority even now—nine out of 12 Federal seats in this State are held by the Liberal Party—that the Howard Government does so little for this State? The people of this State deserve more. With all the Federal Liberal politicians in Canberra from this State, why is the State Government not urging the Federal Government of its persuasion to do more for South Australia and to put forward a package as the Labor Party did at the last election?

While we are on Federal matters, I also mention as an aside that I believe that the destruction of the Commonwealth Employment Service by Dr Kemp and the creation of the new jobs network has been a total unmitigated disaster in relation to unemployment. I am sure we could say much more about that, but there is chaos within what was the old CES system—I suppose one would call it the 'Jobs Network'. Clearly, that issue needs to be fixed urgently by the Federal Government; it is a disaster. I note from a scan through the jobs workshop papers that many people have referred to the problems and difficulties they now have in obtaining information about jobs as a result of those changes to the jobs network. As well as creating jobs for this most vulnerable sector of the population, the very least we could do is ensure that those people have some decent services to help them gain employment. We do not have that under the disastrous system that exists at the moment.

On that note, I wind up by saying that I support the motion and look forward to the Government acting on the recommen-

dations and at long last coming up with a plan for unemployment in this State.

**The Hon. M.J. ELLIOTT:** I will put a position on behalf of the Democrats. Unfortunately, we were not notified of this debate until last Thursday, so it did not give me a great deal of time to give the level of considered thought that I would have liked in relation to this debate. There are no miracle cures for the job situation in South Australia and in Australia as a whole, and no-one should pretend otherwise. We can do a whole lot of things and, collectively, each can make a contribution. I am sure that many valuable ideas are included within the booklet we are noting, which was tabled in Parliament yesterday. A few ideas also cause me great concern, so the sorting of the wheat from the chaff is still to be done. There is no doubt that the booklet contains many ideas. I am sure anything I say today will not be original and will probably overlap and be found somewhere in the booklet as well.

Before we start talking about specific moves for creating jobs, we should ask some other more fundamental questions about what it is that we are trying to achieve. People say, 'We want to create jobs.' It is my understanding that South Australians per capita are working more hours per head than they have for the best part of three decades and that the average amount of work done by South Australian adults of working age is higher than it has ever been. So, there is no shortage of work; in fact there has been a growth in work. What there has been a loss of is jobs. What is happening is that those in work are working far longer hours than they ever worked before, whilst many others are not working at all or find themselves in the worst of all work situations, the casual, part-time job and all that that entails.

In South Australia we have many families in which two people are employed full-time. When I say 'full-time', we are probably talking couples who are both working 60 or 70 hours plus. Then there are other families in which no-one is working. That is not a criticism of two-job families, but it does note that there is, if you like, the work and the way in which it has been carved up to create jobs, and the way in which it is then being distributed is creating an imbalance. Members usually will also find that, for the most part, the people who are working long hours are often in professional jobs and earning huge incomes as well. The other families that are getting little work are usually on low wages and employed casually and have all the problems that casualisation infers. Our challenge is to try to redistribute the amount of work already present in our economy.

One suggestion which I noted in the jobs book and which is made by about 30 people—and something which the Democrats have advocated for a very long time—is that we need to look at a lot more permanent part-time work and particularly in relation to job sharing. Many people currently working full-time would happily work part-time, but permanent part-time work is not that easy to come by. Increasingly, the part-time work that is around is casual and, other than perhaps university and school students, not a whole lot of other people are looking for the types of conditions that go with casual work. They are great fodder for the chain stores and the restaurants but not much for elsewhere.

The Education Department is one of the few employers in South Australia that has encouraged and allowed permanent part-time work to occur, and it often happens through job sharing arrangements. Members will often find two teachers sharing a single class in primary schools. On several occa-

sions my children have been taught under that arrangement, and from what I have seen it has worked very well for the teachers and certainly it has not been a problem for my children. In secondary schools it is even easier for a teacher to work .6, .8, or .4.

The Government should consider whether there is some way of encouraging other work places to examine permanent part-time work and at least making it available to those people who want it. As I said, there are many who want to do it for a whole range of reasons. We may find a person approaching retirement who does not want to retire, but the choice at the moment is full-time work or no work. I think many people approaching retirement would happily go to .5 or .6 because they still value work and the money it generates. They are usually financially secure or reasonably secure and already own their home and would quite happily wind back their work commitments.

I think parents would happily work .8 because they want to be home when their children get home from school; and again, given the option, people would say a 20 per cent cut in their pay or in both their pays would be worth it. They would say, 'We are both working and we can afford it', but at the moment those sorts of options more often than not are not there.

I encourage the Government to look carefully at that option and to look at the redistribution of work so that there are indeed more jobs. However, I must say that I would not want it to go to the extreme that we find in the United States. I refer to an *Adelaide Review* article (January 1999) which may be one of the last articles that Don Dunstan wrote. Headed 'Impoverishing the work force' he talks about the American miracle, and I note that the American miracle was commented on earlier by the Treasurer. The article states:

The Americans claim an unemployment rate of 5 per cent. Those are the official figures, but the nature of the 'employment' is worth examining. Consider the following: when President Clinton boasted at a rally that he had created 11 million jobs a worker interjected, 'Yeah, and I've got three of them.' When he added that most of the jobs were relatively well paid, the Economic Policy Institute, a Washington think tank, showed that 30 per cent of America's full-time workers earned poverty level wages.

The article also states:

When the American minimum wage was increased to \$US5.15 per hour it meant that minimum wage workers were still \$US2 000 worse off than 30 years ago.

When people start talking about the American miracle, they are talking about a work force where 30 per cent of full-time workers are at poverty level, where there is a casualisation rate well beyond Australia's, and where the minimum wage of \$5.15 an hour is \$2 000 a year worse than it was 30 years ago. I recall another article which indicates that, when you do an analysis of what the Americans call 'unemployment', it is different from what Australians call unemployment.

America has a large gaol population of 1.5 per cent, and they are not included in the unemployment figures. America has an extraordinary number of people on parole—I think around 7 per cent or 8 per cent—and they are not counted. They are unemployed but they are not counted as unemployed. There is also a large number of people in America who have never registered as unemployed for a range of reasons—for example, the Mexican workers who pick a bit of fruit for part of the year and for the rest of the year they are not in work and therefore they do not exist and so they are not regarded as unemployed. People living in the ghettos are not employed and have other means of getting revenue, I guess.



They are not working in an official sense, and that is what is driving the drug scene in America: the high levels of poverty. That is what is driving crime in America. Of course, those people will never be counted among the unemployed because they will end up in prison and on parole as well. They will never be unemployed in their whole lives. That is the American miracle.

People who blithely talk about what is happening in America forget that it is a sick country and it is a country in which Australians, unless they happen to be in the wealthy section of America, would never want to live. I have visited America on a couple of occasions and have met some delightful and lovely people there and I have seen some great things, but it is not a place in which I would choose to live, nor would I want Australia to ever model its economy on the United States.

I have discussed some things that we may do. Some things are beyond the State Government but, while we have a tax debate running, we could look at the way in which our tax structures work. I recall Mr Howard many years ago, I think, talking about the possibility of couples combining their incomes and having a tax structure that addressed that. I find that somewhat attractive because the current tax structure works in such a way that, if one person works, you get all sorts of benefits through the tax system if their partner does not. The moment their partner starts to work, many of the benefits disappear, and it is a classic poverty trap that impacts on an individual. Once you come into the work force you have to work a lot to start making up for everything you lose.

Then of course there is child care, and people start chasing their tail. It is not Democrat policy but personal comment when I suggest that there is some merit in what I recall Howard talking about six or seven years ago in relation to a tax structure that encompasses household income in some way. There are some households where both people are working and making enormous amounts. There are many couples who would happily work fewer hours but, as I said, unfortunately many employers do not offer that option and to some extent the tax structure does not encourage it either.

People have to work either full time or not at all because of the poverty trap arrangements that work within the tax structure itself and in terms of the various benefits that are available. I am not talking about making women stay at home: I am suggesting that, if I was a teacher and still teaching and in another five years I would own my home and everything else, I would be happy to work .8 and work on my fruit block in the Riverland or just spend more time by the river. Such an option is not available at this stage.

I look at some of my friends where one or both partners are teaching and looking to wind back their work time but still have children at school. The tax structure works in such a way where, as I said, you have to work full time or not at all and perhaps not half time. I am largely going to focus on what the State Government can do but, while I am talking about the Federal Government, I point out that we now have another opportunity because the GST debate is about much more than a goods and services tax. The GST debate is about the way our whole tax system is structured in Australia, and it gives us an opportunity to talk about many other matters that could help employment.

For example, this could be the opportunity to abolish payroll tax, which is a major source of State revenue and which States would not want to give up, yet we also know that it is clearly a tax on employment. I find it curious that one of the reasons given for introducing a GST is that it is not

a tax on employment, like some other taxes, yet the Federal Government has never put payroll tax on the table. If it is serious about getting rid of taxes on employment, payroll tax is an obvious tax to remove. As I said, the States would not be too happy about that because payroll tax is one of the few sources of revenue we have. At the same time we should be entering the debate with the Federal Government and saying, 'Let us look at the vertical fiscal imbalance that is currently occurring within Australia and let us look at the way the States themselves are being funded. Let us give some guarantees so that payroll tax, FID and all the other taxes that the States have been forced to rely upon do not continue to create problems'.

I do not criticise the State Government for having payroll tax, FID or other taxes because we need the income. On the record on a number of occasions I have said that at this stage the State probably has no choice but to look at a tax increase. However, with the GST debate occurring right now, States would be foolish not to grab this opportunity to look at restructuring the way our own revenue sources work. I simply pose a hypothetical question at this stage as to whether or not there is some possibility of consensus between the Democrats, Liberal and Labor, not necessarily on the whole of the Government's tax package but at least on some elements of tax reform which might be of benefit to the States and to the benefit of employment. Within the context of the debate we are now having I pose that question, and I would certainly like the Government and the Labor Party to respond to it.

*[Sitting suspended from 6 to 7.45 p.m.]*

**The Hon. M.J. ELLIOTT:** I will return, briefly, to an earlier discussion about the work force and its structure in order to underline my concern about the way in which jobs are now distributed and the particular sorts of jobs that are now being created. The December job list figures from the Australian Bureau of Statistics show an improvement in South Australia's jobless rate. Full-time work continues, however, to be replaced by part-time jobs. The figures show an increase in total employment of 8 300 since the previous month, but the number of full-time employed fell by 2 700 in December. The job market has continued to rely on increases in part-time work to offset the ongoing drop in full-time jobs. In fact, I said previously that I would encourage more part-time work—if it was part-time permanent work—where workers opt to take it. As I understand it (although the figures do not show it), most of the growth in part-time work is not part-time permanent work and, as such, is a reason for real concern. Since January 1998 South Australia has experienced a total drop in full-time workers of 4 400, so we are seeing an expansion in the number of working poor who are relying on part-time casual work to survive. That is a matter of very real concern.

I spoke about some changes that I thought could be initiated via the Federal Government, but there are some things which can be done within the State itself at a legislative or regulatory level and which could further assist growth in jobs. For some time, the Australian Democrats have been both concerned about and actively fighting on issues which impact upon small business. We do need, I believe, legislation within this State that prevents companies with excessive marketing power engaging in oppressive and unconscionable conduct. Some elements of that are now found within the retail trade legislation, but I have some doubt whether or not that at present is sufficiently strong.

It must be noted that for every job that is created in a large retail business about 1.7 jobs are lost in small retail businesses. As this aggressive competition from the monopolies or oligopolies of retail and other areas continues, we are seeing an increasing move towards expenditure in capital items replacing labour. Society does not gain in that we are losing competition, and we also lose because there is less employment in many of these large businesses for the same amount of investment as one will find in smaller businesses.

Legislation is long overdue at both State and Federal levels which tackles issues of monopolies in a real sense. It is quite clear that current anti monopoly legislation in Australia is far weaker than the anti trust legislation in the United States, where they break up monopolies with much less market power than we see in the Australian situation. Certainly, we could also do things to assist small business in terms of the amount of red tape that is involved. I have already spoken earlier about the suggestion that payroll tax could be abolished as part of the GST package, but we can go much further. For the life of me, I do not understand why employers have such a myriad different forms to complete, with information often duplicated. For instance, if one has employees, one must fill in forms in relation not only to income tax but also to WorkCover and a whole lot of other things, many of which contain the same information.

I would suggest to this Government that one simple solution would be a computer software package which would run on a PC and which would be capable of generating all the various forms from one set of input. That would not be a complex computing job. If the Government wanted to facilitate small businesses, all it would need to do is come up with a computer program that runs people through the series of questions they need to answer, and the computer itself would then generate the various forms which are necessary, whether it be for income tax, workers compensation or whatever else. The paper war would be much reduced and, therefore, the disincentive for employing people would be reduced.

Even in my own capacity as a member of Parliament, I employ people to do work for me, but there are times when I think the paperwork hardly compensates for the amount of work they end up doing. I suggest that that is a very simple thing which the Government could do. I would argue that the development of such a computer program would not be inordinately expensive. I suppose an alternative would be to have one body acting as an agent for all these other bodies. I cannot see why it would not be possible for the Australian Taxation Office to act as an agent for South Australia's workers compensation or as an agent for any of the other levies that are also imposed on employers so that it is effectively a one-stop shop. So, there are two alternatives, but both of them would significantly reduce the time spent embroiled in paperwork by small businesses. It does not tend to impact on big businesses as much, in that they can afford to take on specialist staff, and it is probably a small cost in the overall costs of their business. However, a small business generates a greater percentage of paperwork in relation to employees (and by 'percentage' I mean the percentage of the total effort that goes into it.)

In terms of legislation and regulation, I know that people have different views about the way in which the Development Act could and should work, but I have been a long-term advocate arguing that the current application of the Development Act, particularly in relation to major projects, has been working to no-one's benefit. There has always been a danger

that the Government would try to steamroll things through, but at the end of the day I think that creates a greater, rather than a lesser, level of uncertainty.

We need a process that is absolutely predictable and not reliant upon a Minister's saying, 'Don't worry about it, I'll fix it up for you.' What we need is good up-front planning that gives very clear guidelines about what is and is not acceptable. Perhaps if that had been happening for some years South Australia would not have the reputation that it now enjoys. It has been Governments' preparedness to kowtow to the white shoe brigade, suggest that everything is okay and try to bully the way through that has created the level of confrontation that we have seen in South Australia.

I think the Government could look at some of the successful things that have been done. I think the current Government was responsible for the creation of a zone for siting foundries—a very good idea. It created a great deal of certainty. People knew they could go to that zone and establish a foundry without running into any problems. Foundries have problems with their local communities. Castalloy, for instance, is having those difficulties in Camden at the moment. I think that providing that level of certainty up front is a good thing.

The other example that comes to mind is the development on top of Mount Lofty, where the zoning was not necessarily conducive to what happened there. The Government set up a genuine consultative process, and I heard nothing but praise from all directions—from conservation, Aboriginal and development groups—as to how that process worked. However, David Wotton himself said that the one mistake he made was that, having gone into the initial planning stage, he disbanded the group. His regret was that it was not maintained through the design stage, as that would have ensured that the few residual problems that eventuated almost certainly would not have.

I am surprised that the Government, having done something so successfully, did not learn a lesson from that and do it again. However, it has not, and that mystifies me. In fact, I do not think that those two successes to which I have referred have been replicated since. The Government should look at these very real successes and seek to build upon them.

The next area I want to look at briefly relates to infrastructure. The Government, with very strong support from the Democrats, has been promoting the Adelaide to Darwin railway. In this place I have argued that we need to look at our transport infrastructure elsewhere in the State. I think that if we are to make the Adelaide to Darwin railway a real success the route between Adelaide and the Eastern States needs to be upgraded as well.

In the past month or so I have become aware that some significant work is about to happen on the Adelaide to Melbourne line, although the area most needing upgrading and where the greatest amount of fuel is expended and where a great deal of time is lost is that through the Adelaide Hills. That needs a significant amount of work done. The current tunnels do not allow double-stacked carriages through, and this means that the movement of freight will always be inefficient unless either those tunnels are upgraded or a new route is found. Also, the various gradients through which the line goes in the Hills are such that the size of trains is limited and the number of locomotives needed is very high. That again is avoidable. An upgraded line will make Adelaide more competitive into the eastern markets in terms of the cost and speed of delivery from Adelaide into the Eastern States and would also mean that Victoria, in particular, would be

more likely to support the Adelaide to Darwin line if it could see that it could use it quickly and efficiently.

But there are other internal links. We in South Australia are very reliant upon cheap fuel, and while fuel is cheap road transport looks great. But there is no question that the day will come when the fuel dependent road system will not be as cost-effective as a rail system. Already a long-haul rail beats road. At this stage Mount Gambier is isolated from rail, and we need to look at that again. It worries me that Eyre Peninsula, which has an internal rail system, is disconnected from the rest of the system. I think that Whyalla, which cannot rely upon BHP, as I understand it, for more than probably 15 years (that is how long before the ore runs out) would gain not only by being connected to the east but by being connected back into the rest of Eyre Peninsula. Its capacity to be a major service town across the Peninsula for new mining and other ventures, which are almost certain to happen, is very great. I think we need to look at that.

This is the first time I have talked much about spending money, but I have to say that it is a question where we spend our infrastructure dollars. I personally would have spent our infrastructure dollars on improving the rail system before I spent it on the tunnel that we have just built on the freeway. That is a personal decision, but in terms of the long-term benefit for the State I think an upgraded rail system would have created greater long-term economic benefit for the State than that tunnel which, at the end of the day, probably saves about five minutes of travel time—I would be surprised if it is much more than that—and creates similar problems which the Southern Expressway has created.

People on the Southern Expressway are saving two to three minutes and, because it works so well, the traffic count has gone up and the traffic speed from there to the city has slowed down. It has been an investment which, unfortunately, has been counterproductive: it was a great idea in isolation, but it does not operate in isolation. I do not think that the best bang for the bucks in infrastructure was achieved. The Government would have been much better off putting a light rail system into the southern suburbs and making a real attempt at shifting large numbers of people in that manner.

Another industry where dollars need to be spent by Government is in aquaculture. I want to put on the record again that the Democrats believe that for a range of reasons aquaculture has an important role to play in this State. First, and most importantly, virtually all our fisheries are at maximum extent, and I would suggest that probably some of them are being over fished at present. The only way that there will be further seafood will be through aquaculture, which has major economic potential as well.

Unfortunately, this Government has tried to do it on the cheap, and at the end of the day I think everyone is a loser. I hear the tuna farmers complaining right now, but I cannot help but think that they partly brought it on their own necks. They have tried to fast-track things through cosy deals, but all the research has tended to concentrate on aspects of the biology of the tuna alone and not look at the interactions of tuna with the environment and at questions such as, 'Are their risks with bringing pilchards into South Australia?'

There is no reasonable doubt now that disease was introduced into the pilchard fishery by the imported pilchards. I have seen enough scientific evidence now to make fairly clear that the imported pilchards brought in the disease that decimated the fishery not only in South Australia but also interstate. I think it is sloppiness, trying to cut corners and not working on sound scientific advice which created problems

with the pilchards and which I believe was responsible for the tuna deaths at Port Lincoln. We must build an industry on adequate scientific research and on proper independent—and I stress 'independent'—scientific advice. If we can do that, we will have an industry that will supply a lot of jobs for a long time. If we do not do that, I think we will find that even investors in the long run will be severely hurt.

In relation to business assistance, I have already talked about the potential for reducing paperwork. I think that we should also be looking at business incubators. I note that there are some start-ups of those now happening in South Australia. The Democrats have been long-term supporters of small business incubators. For those who are not aware of how they function, basically a person with a business idea in the first instance would convince the operators of the incubator that they have a viable business idea; they enter the incubator; and they are provided with a range of assistance. You often find that small businesses fail in their first three years, and they usually fail because they are not very good at anything other than their core business. A person may be particularly skilled at metal work, aquaculture or some other skill and that may be their core business. However, they also have paperwork to do, they need business plans, and they need to be able to advertise their business. They need to do a whole range of things for which they do not have the skills. The idea of a business incubator is to provide support in those areas and to give them skills as their business develops. After two or three years, the expectation is that they will move out of the incubator into their own premises and that new businesses will come into their place.

I am quite excited by the incubator I saw at Wallaroo, which is an aquaculture based incubator, and an incubator is also starting up at Mount Gambier. As well, a computer business incubator is operating in Adelaide. Incubators have been successful when used overseas and, importantly, they build new small businesses. We know that small businesses are the bulk of our economy, and we know they are also the major employer in our economy. Anything we can do to get up small businesses that are likely to survive in the long term is a good thing. It need not be a net cost to the community, because it would be expected that the services provided would not be provided simply for free. The small business would be expected to pay for the assistance that they are receiving. However, more importantly, there will be a pay-back to the community as a whole as they prosper and as they start to employ.

There has been a failure in South Australia to adequately market the State overseas, although there have been some promising signs in the past 12 months or so. There are three areas in which we have failed to capitalise on opportunities. With regard to education as an employer, according to the last figures I saw, South Australia was getting about 4 per cent of tertiary students who came to Australia. On a population basis, we should be getting about 8 per cent. We have clear advantages over Melbourne and Sydney, because Adelaide is a cheap city for accommodation and food, an easy city in which to move around and a safe city in which to live. It has all the profiles overseas parents would be seeking for their children, yet only 4 per cent of overseas students came to Adelaide. It was simply a marketing failure.

We had individual universities—sometimes individual departments—marketing themselves in a vacuum. They were going into a market trying to promote their product when nobody knew where South Australia or Adelaide was. I note in the past 12 months that a group has been formed, which is

now seeking to do some coordinated marketing, and the major driving force behind that was the Lord Mayor, Jane Lomax Smith. If the Government had its way, the Adelaide City Council would not have existed, but luckily it did not get its way. Perhaps the new Minister for Education Malcolm Buckby may have played some small role, and for that I also congratulate him. However, we still have a long way to go.

There are success stories. The catering school in Adelaide is doing extremely well. The Waite Institute now has more postgraduate students than it has undergraduate students. For years the flying school at Parafield has been bringing in large numbers of trainee pilots from Indonesia, Greece and a whole range of countries. They have been the few successes among what otherwise has been very much a vacuum.

What is true of education is also true of health. We have a superior quality—although I must say severely underfunded—health service, particularly compared with that of any of our neighbours. I know one hospital was even seeking to start marketing itself in the United States, because it was cheaper to fly to Australia to have an operation than it was to have it in the United States, and you would get better quality medial attention at the same time. So far I have seen some individual hospitals and services—again, like the universities—trying to market themselves in a void of awareness as to where South Australia is and what it had to offer.

I have put to several Government Ministers that what we should be doing, as they have more recently done with forming a body for education, is to form a similar body for health as well. I went a step further and argued that there really needs to be a promotion of South Australia as a destination for education, health and tourism. Many of those growing tourism markets in Asia are also the potential markets for both education and health. I have had personal experience of that. My wife worked briefly with a firm that was bringing in patients for medical procedures in South Australia. On one occasion, I joined her when she met the patient who arrived. The patient travelled not alone but with three other relatives: her husband, mother and brother-in-law.

I found it interesting to note that, while they came here for the medical procedure, they did the full tourist bit. They travelled around not just Adelaide but the district in a taxi, spending quite a few dollars. The brother-in-law visited Flinders University, because his wife was looking to get some postgraduate qualifications. So the combination I have just been talking about, in a hypothetical sense, is very real. This one group of people came for one reason—a health reason—yet tourism and education were also on their agenda. You can clearly create positive feedback between those three industries, and all three are capable of being significant employers. I am encouraging the Government to look at a body that would oversee the three of those and strongly promote Adelaide as a quality destination for all those things, and to build an awareness of Adelaide to start off with, so that individual hospitals, universities and tourism enterprises can all go into a market that has a good awareness of South Australia to begin with.

We can also use education as a way of stimulating industry. Our wine industry undoubtedly was built on the success of education; it was built on the success of Roseworthy. For many years, Roseworthy was turning out quality wine makers or wine technicians. These people went into the marketplace, and they not only worked for big wineries but a number of them became involved in setting up small wineries as well. Those small wineries acted as an educator for the South Australian consumers who went to them. It was

a gradual process for a long time, but it was building. The whole underpinning of the wine industry clearly had this quality of education, so that we had, one on one, the best wine technicians in the world. There are brilliant winemakers in other countries but there are a lot of ordinary ones. However, I do not think Roseworthy was turning out bad ones, or even ordinary ones.

**An honourable member:** They made some good wines, too.

**The Hon. M.J. ELLIOTT:** Absolutely! The question I pose quite simply is: having had that success with wine, why can we not learn our lesson and ask where else there are opportunities? There are opportunities. The dairy industry in South Australia is small by national standards, yet the dairy potential, particularly of the South-East of the State, is huge. I ask the question: why are we not turning out quality cheese makers in the same way as we are turning out those quality winemakers? In South Australia we are making almost nothing but cheddar cheese, cheese spreads and powdered milk. They all have very real markets.

However, I have read quite a few of the industry journals, and there is a major problem in Australia with sufficient know-how on cheese making. The few independent cheese makers we had, for example, Yoannidis in the South-East, have been bought out by the big cheese makers and have disappeared. Yet, while he was there, he was visited by a lot of people and was playing that same education role in the public that the small winemakers played. I think we should look at food technology in general and increasing the number of cheesemakers. There are five or six small cheesemakers in the whole of South Australia at present, some of whom are quite good, but it would be good if a tourist could come to South Australia and visit a region that not only had wineries but cheesemakers: the two go well together.

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** I don't think it is very hypothetical. Most of our wine areas have had or do have dairy industries. Golden North in the Clare Valley in the past had a very active operation, as did the Barossa, the Adelaide Hills and the South-East. Those two industries would run hand in hand very well. If we set up this State as a place of excellence not just for winemaking but also food making, we will go further.

We are now talking about producing olive oil—there are a lot of olive trees going into the ground—but I wonder whether we have all the technicians that we need even to do that as well as we might. I suspect that we do not. I do not think it would take very much up-front expenditure on education to produce the people who can drive that industry forward. I have no doubt about that.

The opportunities go on and on for further value adding to our aquacultural products. We have one or two people now making excellent smoked salmon and those sorts of things but, again, I wonder whether we are barely scratching the surface. If the Government spent some money on education with a relatively small investment it would create a bigger industry. It will not happen overnight; it might take another decade before the major rewards come, but it should be done.

At the last two elections the Democrats advocated that the Government pick several areas within universities where we should seek to be at the forefront of research. I have talked about food technology, but why do we not create a chair at a university in urban water management? We are doing some fairly creative things in Adelaide at the moment, but I think that academic underpinning of that would be useful.

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** Yes, lots. South Australia has the potential to develop a tourist market that is very different from a great deal of the existing Australian market—the niche of ecotourism. I remember when I first raised this five years ago that I was attacked by the *Advertiser*. I re-read the text of that article to remind myself. I think I know who the author was. It states:

The Australian Democrats, on the other hand, seem blithely unconcerned with long-term growth. They live in such a nice world, warm, caring, drenched in history, full of sensitive people and tooth fairies. Such is the impression created by the Party's tourism policy unveiled by Legislative Council member and would-be House of Assembly member, Mr Elliott. To be fair, it was not something as simply brutal as a tourism policy; it was a cultural and ecotourism plan. Mr Elliott says people come to Adelaide to enjoy its charm and go to the Outback for the open spaces. Restoration of Adelaide's many historic buildings was a priority under the plan he announced.

I could go on. The journalist talks about people coming 'to gaze, weak at the knees, at the iron lace verandahs of North Adelaide and the glorious facades of long gone banks. They later intend to frolic under the stars in the desert.' I still stand by what I said. When I launched that tourism policy, I was photographed looking out of a window of the Beehive building suggesting that it should be renovated.

*An honourable member interjecting:*

**The Hon. M.J. ELLIOTT:** Yes. I feel that I might have been on the right track, because I have no doubt that that building is becoming one of the more photographed buildings in Adelaide. There is no question that the fabulous facades of Rundle Street East are one of the big attractions of Adelaide. There were some who would have happily pulled those buildings down and replaced them with modern buildings. I believe that the revival that we are now seeing of Central Adelaide is being driven by the survival of the feel of places such as Rundle Street East. People find the area so attractive and comfortable that it is bringing more people into the area to live.

It is not a matter of not having development—we will have heaps of it—but what is driving it, what is the attraction? There is no doubt that the quality of life in Adelaide—quality in both a physical environment sense (the built environment) and the physical environment itself—is what makes Adelaide attractive not just a place to live but to visit.

I was critical when I released the policy of a Government that seemed to be too focused on marinas. I retain that position. People do not come to Adelaide to look at marinas. If they want marinas, they can go to many cities around the world. Adelaide used to be one of those cities where you could walk from one end to another along the beach. It is not any more. How many cities in the world can boast the capacity to walk from one end to the other along a clean beach?

**The Hon. A.J. Redford:** I've seen it in hundreds of tourist brochures of cities around the world.

**The Hon. M.J. ELLIOTT:** Yes. If you go to Waikiki, the beach actually comes from Australia—it is artificial. Tourist brochures contain little narrow shots, but they do not make up for—

**The Hon. A.J. Redford:** Where can't you walk?

*The Hon. T.G. Roberts interjecting:*

**The PRESIDENT:** Order!

**The Hon. M.J. ELLIOTT:** You missed the point. As we develop tourism in country South Australia we must make sure that we do not in any significant way alter what people come to see. There is potential for huge employment in

tourism in rural South Australia. Ultimately, the size of that employment might be limited by the wrong sorts of developments going into areas that people come to see.

It has always been beyond the comprehension of the Democrats why South Australian Governments (both Labor and Liberal) over the years have not tackled the issue of alternative energy development. Some years ago, when the Hon. Ian Gilfillan visited Israel, there were people in Israel who were involved in alternative energies who wanted to come to Whyalla and set up part of their operation. At that time, the State Government simply was not interested. If any State has good reason to be involved in alternative energies, it must be South Australia. We have relatively limited available fossil fuels—and we know that the significant use of fossil fuels must be limited—but we have any amount of solar power coming down onto our State every day and we have chosen not to develop it.

The last area on which I wish to touch involves universities. I do not believe that we in South Australia have picked up on the potential for research as an industry in its own right. We often see research as something that is done and on which industry builds. That is true, but research itself can be an industry. I refer, for example, to medical research. Some of South Australia's leading medical research scientists are under increasing pressure to relocate interstate or offshore, which will lead to a brain drain at a time when South Australia wants to sell itself as a technologically advanced State.

South Australia was under risk last year—I am not sure what has come of this—of losing a major Australian breast and prostate cancer research group, which had received offers from several other States to move there. That group, which was based at Flinders University, was exploring two significant offers. The problem stems from there not being enough institutional based funding to support the infrastructure requirements of research projects. We are losing opportunities to attract scientists to South Australia as we do not have enough base funding to keep them in the State.

The top 20 per cent of research projects in Australia survive on Federal Government grants received through various research councils. Only one in four or five applications are funded. Projects are never fully funded by grants with researchers having to seek additional funds themselves from charities and other organisations to enable them to carry out their work.

One of the real tragedies is the way in which funds are given. Many young people are missing out on funding. Grants are offered after taking account of the track record of researchers. So, if you are starting out and have only a few runs on the board you are less likely to receive a research grant than an older colleague. Even once a grant is offered, it goes through a series of cuts. Many research workers spend as much as a third of their time preparing research grants for sums of \$5 000 to \$10 000. Because of this competitive process, you have to have a good track record or you never get going.

With health budgets being cut, hospitals which have traditionally taken up the maintenance costs of research programs no longer have the reserves and are being forced to cut back on areas such as research and teaching. Research does help South Australia's economy. It brings in about \$400 000 to the Flinders Medical Centre alone. The main problem is a lack of infrastructure support. A major review conducted last year rated South Australia second to bottom in the infrastructure support that it receives. Infrastructure

support includes providing support staff, the purchase and maintenance of equipment, the presentation of materials and the essential reagents needed for experiments.

In my discussions with senior research scientists, the suggestion has also been made to provide seed money for scholarships which would provide funding for strategic initiatives in research. This could assist young researchers to get runs on the board or scientists returning from overseas seeking to re-establish themselves in Australia. If financial help is provided, opportunities can exist to make more money out of research and also attract further research interest to South Australia. Other States such as Victoria are now using State Government funds to support the infrastructure requirements and, in Western Australia, State Government income from lotteries is earmarked specifically for research.

In the medical research area, the Government needs a total of only \$2 million to be shared across medical research teams to make them more competitive, which in turn would bring more money into the State. I am aware that in Queensland, which had a negligible research base, particularly in the medical area, it has grown dramatically from a relatively small up-front investment.

I realise that scientific research as an employer sounds fairly exclusive, but it must be realised that you are employing not only the scientists but also laboratory assistants and various other people and, if it is generating wealth for the economy, it will provide further employment. At one stage, a significant amount of the medical research in Australia was being done in our State, and I understand that within the next two years we will have fallen below average. That is simply because of inattention by the present State Government, whilst other States—

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** That is not what I was talking about. You obviously were not listening.

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** Look, you sat there having a yarn, not listening, and then you chip in, not knowing what you are talking about.

*The Hon. A.J. Redford interjecting:*

**The Hon. M.J. ELLIOTT:** You couldn't chew gum and stand up at the same time! As I indicated at the start, with only four days prior notice that we would be debating this today, I would have wanted to make a more significant contribution, but I am sure that, with the contributions of others, the Government will have plenty to work on. We look forward to some positive results.

**The Hon. K.T. GRIFFIN (Attorney-General):** I am pleased to be able to support the motion. It is important that both the Legislative Council and the Parliament as a whole is able to explore issues relating to jobs and unemployment. I join the Leader of the Government, the Hon. Robert Lucas, in commending the Premier and the Hon. Mr Brindal, the Minister specifically charged with responsibility for dealing with the jobs workshops, and you, too, Mr President, for your involvement in the workshops that were held around the State.

It was, of course, a novel approach. There has been a lot of talk about jobs, and the Leader of the Opposition had talked about a summit—yet another summit!—but the way to really get down to some creative thinking was to develop this series of jobs workshops around South Australia. Men and women, some young and some not so young, were given the opportunity to participate in these jobs workshops and

develop ideas for initiatives that might create even greater opportunities than have been present in the past. The essence of government has always been community consultation, and from time to time we tend to forget that community consultation is necessary if we wish to discern the sorts of issues that affect men and women, young people and older people, not just in relation to jobs but all of those issues that affect their daily lives.

The interesting thing about the jobs debate is that sometimes the focus is on something like jobs without recognising that it is really a very serious issue that affects people as individuals and, if unemployment is the experience for any person who has the desire to work, it is a devastating experience. For those of us who have been fortunate to be in employment or following a vocation over most of our lives, it is difficult to comprehend the sense of devastation, frustration and diminishing levels of confidence that occur from not being able to obtain work and a job if one desires to pursue that course of activity. Of course, there are many people who do not necessarily want to work but, with those people, they also seek work and in doing so meet frustrating obstacles and in some instances rejection and a less than sympathetic response from employers.

I think it is important to recognise that unemployment is not just a Government problem: it is a community problem. It demands that communities accept responsibilities. It also means that employers must accept responsibilities when dealing with those who seek employment from them to be sensitive and courteous and, if a job is not available, then to deal with that in a way which is not just discarding them onto the scrap heap of being an unsuccessful applicant. Employers must recognise that the rejection of a person for employment must be dealt with sensitively.

I have a very strong view that employers do have to be sensitive and reasonable in their approach to those who seek work. That applies particularly to young people. I know it can be devastating for older or mature persons seeking employment, but it is even more important to recognise that for young people to be unsuccessful in an application, and particularly if it is an unsuccessful application in a line of many, it can be a particularly soul-destroying and confidence-busting experience.

There are employers who do not seem to recognise that this can have a long-term effect on young people and can destroy their confidence not only in themselves and in society but also in employers. It is incumbent on those seeking to employ young persons in particular that they recognise that young persons must be dealt with appropriately, particularly if they are unable to obtain work.

In terms of some of the practices of employers who might engage a young person and after two weeks say, 'Sorry, that was work experience, and we will not pay you for it,' it does not do much for the reputation of business when that occurs. I have heard that that has occurred on occasions, and I certainly do not condone it. I criticise it because I think that it is a most inappropriate way of dealing with any person, whether young or not so young.

Of course, in the same context one has to recognise that unemployment does have wide ranging consequences, for example, in the nature of criminal activity, drug abuse, maybe domestic violence, the frustration of being unemployed, having insufficient funds with which to live, child abuse, depression and even suicide. It is that human side of unemployment which needs to be addressed as we in the community go about trying to find more ways of creating

jobs. There always seems to be something magical about the figures, but behind the figures there are always human stories which need to be recognised and dealt with appropriately.

In terms of the consequences of unemployment, a lot of initiatives are being taken in this State, both at the governmental level (State and Federal) and at the private or non-government agencies level. I suppose you can never put enough money into these sorts of projects, you can never really do enough, but there is an obligation upon all of us to ensure that that side of community life is properly addressed. However, in terms of job creation we also have to recognise that, as I said earlier, unemployment is not just a Government issue but an issue for the whole community, and we have to recognise that Governments are limited in their ability to create jobs.

Governments can act as a catalyst, they can set the right framework for business activity and they can create confidence by the way in which they tackle the task of governing, and by getting rid of red tape they can enhance the prospect for a business to get on with the job. Certainly in my area, consumer affairs, which is particularly concerned with occupational licensing, over the past five years we have been taking quite significant steps to remove a lot of the red tape which was attached to occupational licensing and which had a dampening effect on those who were so licensed or registered in enabling them to undertake business activity.

In respect of jobs generally, as I say, Government can only facilitate: it can provide a framework; and it can provide a stimulus through development by examining closely the bureaucratic or statutory requirements which attach to development issues. In respect of exploration and mining in this State, the Government has been putting very substantial amounts of money into exploration initiatives, believing that exploration activity leading to mining activity will enable corporations to develop their mineral interests and thereby engage more people. We have placed a significant emphasis upon information technology and back office facilities, all in the interests of obtaining more opportunities for jobs to be created—building work activity, housing activity and building factories. All that we do in this State as a Government has been directed towards facilitating that sort of development activity.

We have placed a special emphasis upon aquaculture which, when we came to office five years ago, was little known but which has developed dramatically since that time. We have placed significant emphasis on tourism and the wine industry, which is a success story in itself and where South Australia leads the nation. All the activities upon which we have placed emphasis in order to get economic activity going has been not only in the city and suburbs but in the regions of South Australia, because in all of the drive to create opportunities for jobs we must continue to place an emphasis upon regional development.

I come now to the major issue and the issue which has captured the public debate, and that is the sale of ETSA. I will not spend much time talking about that issue, except to say that what does not seem to be yet well recognised is that the sale of ETSA will provide a significant opportunity for us as a State to get ahead, to encourage development and to become much more competitive in the opportunities and infrastructure which we provide to encourage industry both to develop in this State and to expand. A very sad consequence of the debate about ETSA is that people believe that by waving some other magic wand we will solve the economic difficulties of this State. However, there is no magic wand.

The sale of ETSA is critical to the long-term stability and economic progress of this State, in consequence of which more employment opportunities will be created for both our young people and for those who are not so young.

There are so many things that one could say about employment and about job creation, but ultimately it comes back to providing a framework within which the private sector can, with some confidence, look to the future and create employment. I believe that that is already occurring in this State, but it would be given a very significant boost by the sale of ETSA, because it would remove the debt burden from the shoulders of South Australians and also remove what is currently a very significant risk that the taxpayers will yet again be burdened by additional costs as a result of the inability of the State to get on top of its economic difficulties.

I close by again commending the Hon. Mark Brindal in particular and the Premier for the way in which they have led the initiative of the jobs work groups and hope that from that will come some very positive initiatives for South Australians to develop further opportunities for employment.

**The Hon. T.G. ROBERTS:** I rise to note the report and to make a contribution, perhaps not as emotionally enthusiastic as I might have been had it been a contribution in any other way, but I suspect that the reason we are being asked to make a contribution has more to do with some defined competitive view that the Government may have concerning its ideas for stimulating the economy as opposed to what the Opposition has in relation to its views and ideas. I do not think it is the right forum for that sort of expression because most of us within this Chamber (and in the Lower House) have worked assiduously over many years to try to get the best opportunities for our electorates. As a Legislative Councillor I have worked through a wide range of regions—

**The Hon. A.J. Redford:** Tirelessly.

**The Hon. T.G. ROBERTS:** Yes, and I know many other members have as well—throughout the State trying to come to grips with the problems associated with unemployment, restructuring and the new disease of under employment. I have worked with communities in the northern regions of the State around Port Augusta in trying to organise seminars to bring forward ideas on job replacements for the impending withdrawal of Federal funds from the rail and steel industries. The previous Federal Government followed the lines basically of the European models, trying to put money into regional centres or centres of potential high unemployment before industries collapse; trying to put into place training programs; and trying to refocus community views and ideas on where they will be in half a decade, given that structural change and reorganisation of economies is such that, where there used to be lead times of 20 and 30 years for many industries, we are now down to lead time planning of less than a decade.

Some industries can start and finish, as in Europe, where they have set up job incubators in industrial areas. I refer to my own experience in areas around Liverpool in the late 1960s, when Governments tried to define where that area would be in a decade or a decade and a half. Money was spent but the industries were already seen as redundant within 10 to 15 years and new planning methods for new industries and new technologies had to be made to try to keep the infrastructure in those areas vibrant.

I think we have lost our way in trying to put together education and training programs and trying to find job alternatives for whatever the figure is. If members heard the

Treasurer's contribution, they would know that the Bureau of Statistics is having trouble working out what the final figures are in percentage terms in areas in particular States. However, it is clear from some of the contributions by people who are much more closely aligned to being able to define the figures in particular areas in Australia that they have placed their figures geographically. That is the problem we are having. We do not have an overall 9, 10 or 11 per cent unemployment rate: we have areas having high levels of unemployment and other areas in the State and nation having particularly low levels of unemployment.

Traditionally, Australia has had a general even development program. One of the benefits of having States and indeed Canberra having a policy of using the States to have fiscal equalisation and programs where there can be positive discrimination in certain areas of Australia ensures that those communities are developed for either industrially strategic or social justice reasons. For whatever reason, there was always a federally developed policy and a State developed administrative policy that evened out those lines of employment/unemployment involving equalisation through an egalitarian society based on a policy that was attuned to all the variations within the nation.

Unfortunately, that does not occur any more. The economic rationalists believe that areas of the nation and the State would benefit from investment programs, and the egalitarian society in which we used to live no longer exists. We now have hot spots in the economy and we have what are regarded as graveyards starting to form within Australia's economic development.

One of the problems that Governments have is being able to forecast ahead of time where those areas of decline will be and what policies they should develop to try to alleviate or forecast beneficial programs that will alleviate some of the problems confronting people, particularly in the regions. It appears that we are now heading for 25 years of restructuring, through either technological advancement or changing trade patterns that have occurred since the early 1970s. Regional economies appear to be hurt the worst because of the positive discrimination that used to apply through Governments previously trying to apply decentralisation policies plus internal spending programs, particularly through rail, road and transport links. Those benefits no longer exist.

The problem we have at the moment in dealing with unemployment is that those who had the most in terms of benefits delivered to them over the past 90 years through Federation seem to have the most to lose in the new restructuring program that we are now being asked to say is being forced upon us, negotiated through the States, for the benefit of all the nation.

As I said earlier in my contribution, the challenge for Governments is to be able to forecast those areas that have restructuring within their midst and to try to build into their economies some sort of parachute or safety net that allows them to restructure around new and emerging industries. If we compare, say, the South-East and compare it with the Iron Triangle, we see that we have two areas of the State different geographically: one has a very dynamic region which has an economy of its own, does not soak up a lot of Government funding in relation to support and assistance, and does not need a lot of pump priming for any economic driver development, because it has an economy of its own driving it.

However, if we go to the Economic Development Board or local government meetings, or talk to people in the northern regions of the State around Peterborough or Port

Augusta and Whyalla, we see that their problems are markedly different. As a member of Parliament, particularly a Legislative Councillor, we need to be flexible about how we approach job or industry development, job replacement and those sorts of policies. People in Whyalla have been subjected to a wind-down, first, in the ship building industry and the steel industry. Port Augusta people have been exposed to the wind-down in rail and the maintenance of the rail industry; and Peterborough certainly was almost closed down as a town revolving around transport and the rail industry. Innovative ideas and restructuring of those cities and towns had to be undertaken in short time frames with few natural attributes or benefits in those areas.

Access to information about the wind-downs and reforming of cities, towns and regions is vital. As an illustration, a lot of the negotiations in relation to the restructuring of the rail industry took place over at least half a decade. Although some people at the Commonwealth level had an idea of what the final position and impact would be on the town of Port Augusta, it was not until the eleventh hour that people were able to make a final assessment on what they had to deal with in relation to job loss.

Whyalla is in the same position. The ship building industry closed down relatively quickly. Most of the people in that industry were forewarned by their union representatives or the unions representing them, their local members or their local government members, so they were able to try to put together a policy development which would attract alternative industries to that region. Unfortunately, they have not had a silver bullet which has delivered any single major industry to soak up the unemployed and to build up the population to 18 000 to 25 000 people, the number which existed in the 1960s and 1970s. The population is now languishing around 15 000 and they are waiting for a major development to occur in that area.

I am not pretentious enough to try to put forward any forecasts, ideas or views on what industries should be put into Whyalla to replace the losses in the transport, steel and ship building industries, but I know that people up there are working as hard as they can to try to bring about a changed circumstance for that town so that it can maintain its infrastructure to keep the young people in that area, to keep their cities drug and alcohol dependence free, and to keep their young people educated, trained and ready for employment.

The same sort of people are working in communities in Port Augusta, Peterborough, Port Pirie and other places in the Iron Triangle to ensure that they place themselves in the best possible position to take advantage of any Commonwealth-State funding and private funding to keep their cities and communities together. If members look at their prospects and try to define where they will be in another five years, and if members ask this current State Government or the current Federal Government where they will be, the community leaders are left short of ideas and views.

If members look at the document before us, they will recognise the ideas for jobs and programs for the northern regions (although they do not have a regional listing from any economic area) as opposed to those from other economic areas which do not have the same urgency for survival as perhaps the northern regions. The Government needs to recognise that areas within this State have an urgent priority.

In Adelaide, both the southern and northern regions are in desperate straits. Marked differences have started to appear over the past 10 years or so. With it grows the social problems to which the Attorney-General referred but on which he



did not elaborate that occur as a result of creeping unemployment, infrastructures deteriorating to a point where they cannot attract new industries, where the heart of those communities dies and where young people have little or no hope of being part of what I would call a mainstream economy.

A situation has been developing in Australia and in South Australia across all Governments—not just the current Government—for the past half decade. Many people are losing hope of ever joining the economy in what would be regarded as a first world way. They almost have a third world attitude as to their prospects and hopes. So, we end up with people who have very slim horizons, who do not have too much ambition and who do not see a place in society for them. Of course, as Governments, we then end up administering programs to try to prevent youth suicide; to try to prevent alcohol and drug abuse; to try to prevent single unit families from becoming poverty stricken and caught in poverty traps; to try to administer programs on behalf of Aboriginal people who are killing themselves in gaols; and to try to deal with problems concerning heroin abuse.

I refer to the amount of effort that we put into trying to rehabilitate the lost souls who finish up as victims of our inactivity or our inability to come to grips with the 8 per cent or 9 per cent who are not employed or in the mainstream economy; these people take our focus for probably larger amounts of finance allocated from budgets through health, welfare and, perhaps, their being incarcerated in prisons. They take larger chunks of the budget than they would have had we turned our attention to prevention programs through employment creation.

I will not get into detail of putting forward employment creation ideas. I have done that around the State for the past 13 years as a member of Parliament, and I also participated in the first programs of employment creation through City Programs, which I understand were implemented during the mid 1970s. I also took part in programs which tried to find alternative jobs for displaced workers who were retrenched from war-time economy factories in the mid 1970s.

The *Financial Review* of 5 February probably describes the divisions which are being created and about which I have spoken in this House when we have been either in Government or in Opposition. I have spoken about the divisions that are being created and about the entrenched opinions and prejudices which are starting to form in sections of our society and which come from our inability to deal with unemployment. It is probably best described in the Australian *Financial Review* of 5 February in an article, 'Focus on Jobs' and headed 'Doling out division'.

The article speaks about the variations of unemployment within our single societies. For example, if you take a city such as Adelaide, break it up into sectors and dissect, say, the northern regions where there is up to 27 per cent to 30 per cent unemployed adults, and probably a higher percentage of unemployed young people, and then try to visualise the social problems which emanate out of a household whose adult has not worked for at least two generations, you can try to come to grips with some of the social problems that those young people experience in trying to deal with their expectations. You can then try to extrapolate the problems that the education system has in trying to deal with teaching children from those households who have no expectation of being part of the mainstream economy. That will enable you to visualise how many people know or understand that problem, even though we live cheek by jowl

and right next to each other in what I regard as a city State. In that way you can work out how much sympathy there is for people in that situation. If you do that I think that you will then have some idea as to what hope we have of solving that problem.

The first thing we have to do is have some empathy for the young family with one or two children trying to get by on \$350 a week and trying to feed, clothe and educate the children. If you then look at other sections of the city, as other members have discussed—that is, those with twin salaries of \$1 200 a week who are working 40 to 60 hours a week—you see the inequities that are starting to emerge within our economy. So, we must have more than a debate where each member speaks for 10 minutes, 15 minutes or even 20 minutes. We must have a bipartisan approach to these issues and how we deal with these problems. We should not look at just the youth wage and try to adjust wages as a part of the problem. That will drive down wages and conditions and make South Australia the poor relation in respect of the Australian States. That simplistic approach appears to be the way the Government is trying to encourage industry development or any development in this State.

Because I have referred to the Australian *Financial Review*'s article of Friday 5 February I had better read what it is says. Under the heading 'Doling out division' it states:

Talking of 'the unemployed' as if people out of work were one single homogenous group is about as meaningful as focusing on a 'national' unemployment rate. Such labels disguise the reality that experience of unemployment is highly differentiated.

Unemployment discriminates on the basis of where you live, where you were born and how old you are. It discriminates profoundly on the basis of education and skill. If you lose a job, these factors will help determine which of three distinct camps you fall into: people who remain out of work for a short time; the one-third of the unemployed languishing in the ranks of the long-term jobless; or the vast majority of job-seekers who are 'churning' between short-term or casual work and unemployment.

As Australia integrates into the world economy, the distribution of unemployment between regions and between occupations has become more uneven.

The point is made about America's economy, but it is exactly the same in Australia. I overheard a conversation—and I have relayed this to Parliament on one other occasion—between two young women who were describing their circumstances for the day, where one had to move between three jobs on that day and find child-care or support for a small child. Full employment and permanent employment are things of the past for many people, and with that goes security. There is a certain desperation that comes into finding secure circumstances out of that.

One other contribution today suggested that those people who find themselves in either part-time or casual work will not make the same investment decisions as somebody in full-time work. Somebody who finds themselves in casual work will not make the trip down to see the bank manager and will not make the big investment because they do not feel that their job is secure, so they will make a whole series of small expenditures during the week and, consequently, the economy changes. The article continues:

As Australia integrates into the world economy, the distribution of unemployment between regions and between occupations has become more uneven. Unemployment and poverty are concentrating in certain districts, affluence and employment opportunity in others. Where you live matters so much to your job and life prospects that it makes more sense to talk of Australia as a series of regional economies than as a single economy.

Therefore, the proposition that I have put to the Council is that it makes more sense not only to hold regional seminars

on unemployment but to have a central seminar on unemployment to work out how a central State administrative body can assist those regions achieve the outcomes that they require.

Each region will have differing reasons for asking for assistance. As I said, some, as is the case in the South-East, will rely less on Government expenditure than those in the northern regions. I will not hold up the Council for too long. My shadow portfolios of Assisting in Regional Development and Industrial Relations have brought me close to a lot of the problems that exist in regional areas. My other shadow portfolio of Aboriginal Affairs made me aware of the major differences that exist in our economy and who the victims are. There are probably no greater victims in this State than young Aboriginal people who are drug and alcohol dependent and who have no prospect of a job, who have limited education and who will never have to worry about the problems associated with wages and taxation and will only be able to share in the social wage through the use of prisons and hospitals.

Until there is a serious attempt by the Government to put together a State jobs seminar and invite all those people who are in leadership positions in this State to participate in workshops at a peak level—those in the tertiary, secondary and primary education systems, those who have experience in dealing with wages and conditions and in trade unions and employer organisations, and those who deal with taxation and the social wage, including health and education—I do not think we are taking this issue seriously enough.

Enough information is available to predict where this economy will be in the next five years. Access and rights to information need to be a priority so that it can be shared with local communities and economic development boards, which hopefully will put the information together. State and Commonwealth Governments must formulate policies that alleviate some of the worst social consequences of unemployment in this State.

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** Over the past decade and possibly longer, this State has experienced unacceptable levels of unemployment. I applaud this Government's initiative in speaking to many people across South Australia in a whole range of circumstances through seminars and workshops. I do not know why the Labor Party believes in a summit and why it places such weight on it. Given the ideas and outcomes resulting from the workshops that were presented to this Parliament yesterday, it would be hard to argue that it would be possible to receive or comprehend one more idea than already has been outlined in the ideas presented to Parliament by the community. In the areas of transport and urban planning in particular, I note that almost every workshop, statewide and region specific, mentioned these two issues, and I am not surprised at that.

Transport is an issue that is so critical to this State given the nature of our business and the fact that more South Australian businesses depend on exports for their livelihood than any relevant number of businesses per capita interstate. Our small and large business sectors are export oriented. At the same time, we have a small domestic market, and we also have markets that are distant from our own shores, whether they be interstate or overseas markets. So, from every perspective, transport and the price of getting goods to those markets is absolutely critical.

There is absolutely no point in attracting one more business enterprise to South Australia, whether it be to the

regions, the cities or the suburbs, and there is no point in supporting any new venture with any existing business if we cannot guarantee that they will be able to get that produce to market at a competitive rate, considering the disadvantage of distance that this State has to counter. I want to highlight that background and reinforce the basis for this Government's effort over the past five years to ensure that we implemented projects that have been talked about in this State for years and years but have never been acted upon—projects that over the past five years we have achieved or at least advanced to the State's advantage.

I mention briefly the Adelaide Airport runway extension. When I was sitting in Opposition for four years as shadow Minister for Transport, I raised the matter repeatedly. It was talked about by Labor when it was in Government, but it was not advanced. This Government, with the help of the Federal Liberal Coalition Government, has been able to complete the project, and we are now able to take fully-laden aircraft direct to Asia. This is a huge advantage for our horticulture industry, our Food for the Future projects and for the creation of jobs in this State, because we can get time sensitive exports to market much more quickly as we have extended our runway.

Five years ago the Ports Corporation operated under a bureaucratic arrangement through the Department of Marine and Harbors. At the time it was the only bureaucratically operated ports facility in Australia. We as a Liberal Government completely changed the structure. We set up the Ports Corporation and gave it a commercial charter, and the results have been simply phenomenal. I will note some of these results briefly for the record tonight.

In the first half of 1998-99, the growth was above 60 per cent in container volumes for the third successive year. In the past financial year, container traffic jumped 25 per cent, almost matching the previous year's hefty rise of 27 per cent. New shipping lines and services to Asia and Europe have been attracted to do business through the port and, while I am no longer responsible as Minister for Transport for the healthy state of affairs at our container and bulk cargo terminals, I am pleased to see that an initiative I advanced has been almost completed, that is, a further extension of the wharf facilities at the container terminal at Outer Harbor, at a cost of \$3.8 million.

I note that Sea-Land has delivered on its promise to install one further container crane and that a further new container crane will be operating by mid year, making a total of four cranes. All those investments and increased cargo handling volumes through both the container terminal and our bulk handling terminals are so important in the creation of jobs and the marketability of any of our product.

The Alice Springs to Darwin railway link is a project we have advanced with \$100 million of funds dependent on the creation of jobs in this State. We are investing on the basis that we will also be creating jobs for the infrastructure—hopefully, the concrete sleepers, the rail lines, and I would like to think the signalling systems, as well. We are waiting until the end of February, possibly March, for the final three in the consortium to present their final bids.

I note that the Hon. Mike Elliott was critical of the Southern Expressway. It was not the experience of business in what was known as the 'Forgotten South' to be so critical. They applaud the fact that it is now easier to approach the markets to the north of Adelaide if they have established a business in the south of the city. We must remember that the Southern Express is only at Stage 1 at this time, and we aim

for the first contracts to be let in the very near future for Stage 2. It has always been the expectation that Stage 2 will deliver the greatest benefits in terms of not only time savings but in opening up opportunities for tourism development on Fleurieu Peninsula and Kangaroo Island.

The B double capacity of the Berri bridge certainly has been a critical and long awaited advance in the Riverland, with the horticultural and citrus industries in particular. We have permitted their produce and larger container size in South Australia but nowhere else in Australia, and that will ensure that our product is more competitive. We have invested in the standardisation of the Pinnaroo railway line, and that is a completely new venture for Transport SA, which has been focused principally on roads to date. However, it is recognised that the transport future of this State and the competitive advantages that efficient transport systems can provide will also mean that we have to provide economies for the operation of vehicles on roads. We must also provide a competitive freight sector, and in my view that means that we must support a more productive and competitive freight transport system. You will see in this State under a Liberal Government the greatest investment of any State Government in our rail freight infrastructure in the future. I want to expand this issue briefly regarding the way in which the Department of Transport is working, because until I became Minister we had never invested in roads that were not the State's responsibility.

I highlight, for instance, the roads in the Barossa Valley, tourist roads on Kangaroo Island and roads in the Flinders Ranges. Essentially, these are local roads, but this State Government through Transport SA has invested in them knowing that the sealing of the roads on Kangaroo Island, the upgrading of roads to all-weather standard in the Flinders Ranges, and the road strategy in the Barossa Valley are critical for business and primary production. The councils in those areas simply do not have the capacity to fulfil their responsibilities to upgrade those roads and therefore provide a better development environment for industry and jobs in their respective areas.

So, the department, notwithstanding the difficult economic times that obtain, has expanded its role to include investment in local roads in selected areas. It has also found funds to finally seal all the roads that are our responsibility in council areas. I refer specifically to the sealing of rural arterial roads, a project which over 10 years is costing the State's taxpayers about \$70 million. A number of these roads have been sealed over the past five years. Burra to Morgan is one such road, and it has provided an absolutely critical new east-west road link in South Australia.

*The Hon. T.G. Roberts interjecting:*

**The Hon. DIANA LAIDLAW:** It was pretty ghastly to cycle on as I did before it was sealed. It took me days to recover. I did not even want to repeat the experience when the road was sealed. I knew it would be better but I took everyone's word for it!

To advance those issues that I have talked about in terms of infrastructure that is designed to improve the competitive basis of South Australian industry, as well as to create jobs in the development of that infrastructure, the Government in more recent times in joint projects with the Federal Government has invested from its own sources \$200 000 for the establishment of a sea freight council and a further \$200 000 for an air freight council. Information from both those projects, as they advance over the next year, will be brought together into a new freight council.

We will keep our sea freight and air freight councils, and hopefully in a year's time we will have reason to have a rail council or something similar. That collective knowledge, wisdom and ideas will be channelled into a freight council. All those projects are critical. I am pleased to have been part of them in terms of the jobs they will create during the construction stage and, thereafter, the longer-term economic benefit that they will bring to this State.

During my contribution, I want to highlight briefly the subject of ETSA, because I have not spoken publicly on this issue. I have found it an excruciatingly difficult job as a Minister with portfolios that call for funding every day of the week from every sector and every South Australian, as I have been charged to do over the past five years. Transport and the arts are demanding portfolios in terms of expenditure. In the transport portfolio, I could use the whole State budget if I met the expectations of every member of this place and the other place.

*The Hon. T.G. Cameron interjecting:*

**The Hon. DIANA LAIDLAW:** That's right. It is my will to do everything that every member wants—as well as what every person beyond this Chamber or the other place wants. I could use up the whole of the State budget. I am pleased that the Hon. Nick Xenophon is present in the Chamber at this moment because I have argued for five years that we have not had the money to carry out the projects that the community is keen that we as a State Government should respond to. It occurred to me at Christmas time that I had been waging a stupid argument. In fact, we do have that money: this State actually has the money to carry out almost every single project that every single person brings to me in transport or to you in any other capacity.

The fact is that \$2 million a day is spent on debt, and this means that we cannot do the things that people want us to do. We have the money, but it is now going to pay off the debt. It is not realising the creative urges, zeal or ambitions of South Australia. We have the money, but it is going to a dead end purpose: that is, to pay off debt. In my view, we are not serving the best interests of South Australia if we continue to use that money, which we have, for that purpose.

I am even more anxious when I see the capital projects that come across my desk every day. With the best of intentions, the Hon. Terry Roberts asked me again about country roads. I would love to say to him that the \$2 million that we spent today on paying off debt would go towards providing passing lanes on the Princes Highway for which he has asked. We could install every passing lane that the Hon. Mr Roberts wants within a week if we were not putting the money that is already in our hands into paying off debt.

I ask the Hon. Nick Xenophon to think about the fact that we have this money. I ask Labor members opposite what they would do if they were in government and had that money. Would they also find it satisfying to think that that money was going to some dead end purpose to pay off a debt to some capitalist or financial institution interstate or overseas and not being put towards the creative infrastructure projects and other projects that would satisfy the zeal of South Australians who really want us to advance?

It is not just that we have the money today to realise almost every ambition of every South Australian to improve infrastructure in this State: if we do not get the sale of the ETSA plants through, we must ensure that they are structured to win and maintain business, because they have to satisfy their customers every day of the week. To do that they must be in peak condition. You are asking, instead of money for

country roads, that out of the scarce State funds for capital works that we now have available we say 'No' more often to more people because we are now going to be required to put even more of those capital funds into meeting the infrastructure needs of those generating facilities. As the Treasurer said today, it is not guaranteed that those infrastructure facilities will necessarily win or maintain that business.

I find it extremely disappointing to think that there is no greater job creation project in this State, there is no greater way of satisfying the pent-up will of South Australians to get out of this quagmire of debt and apology, and there is no greater way of advancing State pride than to look at how we could progressively rid ourselves of the debt, to ease up the money that we have in this State and put it to projects in which South Australians actually wish us to invest.

**The Hon. Nick Xenophon:** What happened to the debt reduction strategy?

**The Hon. DIANA LAIDLAW:** That is still our priority, but we have to find some way to get one more vote in this place to develop the pride of this State. I was just fascinated when listening to the debate about Don Dunstan yesterday and in recent days reminiscing with my father, who was in this place when Don Dunstan was also Premier. My father came from an industrial background, and he and Don Dunstan were oddfellows in their respective Parties, but they worked extraordinarily well together, pooling their knowledge for the State's good. They did not always let others in their own Parties know the discussions they were having, and I think the point was made by the Hon. Robert Lawson in relation to the confidences that could be kept because it was for the State's good.

Somehow, in a State that is as vulnerable as South Australia, but particularly in a Parliament which supports two Houses—because this is a House of Review that surely has some credibility not only in these days but to advance in the future—we must look at how we realise the ambitions of South Australia to advance this State. And the biggest way we can do that is to see that money which we already have at our disposal each day is actually spent on creative projects that will advance this State, create jobs, keep kids here, and satisfy every call we receive every day from members opposite to spend on projects that they and I believe are worthy. However, we cannot get that going while we still have assets which will cost us more to keep in capital terms and which are costing us more because we are not freeing up the burden of debt. Finally I want to say that—

*The Hon. P. Holloway interjecting:*

**The Hon. DIANA LAIDLAW:** I borrow money, and businesses will borrow money, but even if you freed up \$1.8 million of debt each day—even if you freed up just \$1 million of debt—every passing lane that every person wants in every country district of South Australia would be built. We would build them within two weeks.

*The Hon. P. Holloway interjecting:*

**The Hon. DIANA LAIDLAW:** I am arguing that the way we are spending money at our disposal on debt is debilitating. It is money which we have and which we could use for more creative purposes. I do not necessarily argue that every—

*The Hon. P. Holloway interjecting:*

**The Hon. DIANA LAIDLAW:** Yes, of course they could; it is their choice, but you are frustrating the choice. You are insisting that that money continues to be spent for debt replacement purposes. We could free up some of that. Even if \$1 million a day was freed up, just imagine the range of projects that we could see generated in the State. Just

imagine also the pride of South Australians thinking that projects for which they have fought and fought and which they want for their districts or industries could actually be satisfied. Yet you sit here and say 'No,' and that you would prefer that money which we have at our disposal to go and pay debt for investments which fouled up when you were in government and for which you do not take responsibility now. You simply wish that money which we have in this State to continue to be poured into debt and not be used for positive purposes that meet the expectations of South Australians. You are a disgrace!

Anyway, I will get back to some of the other issues that I wish to talk about very briefly. Planning has been raised at workshops across the State.

*The Hon. P. Holloway interjecting:*

**The PRESIDENT:** Order!

**The Hon. DIANA LAIDLAW:** I want to alert honourable members that very soon, following a customer survey undertaken by Ms Bronwyn Halliday of users of the planning system in this State, I will be delivering a paper that recommends a range of advances. We are certainly working with the South Australian Farmers Federation in terms of local councils and planning issues to advance planning frameworks, and I know with our waste management strategy that we will be able to generate a lot more jobs through the resource management proposals that we will be able to advance following the closure of the Wingfield dump.

I will not continue further because I know that many members are very eager to participate in this debate, because all of us feel a responsibility and passion for this State, and all of us want to see that more families and younger generations of families stay in this State because they see that the State has purpose, and the State will have purpose when we are actually able to invest further in projects which this State must build to maintain a viable competitive future and to generate jobs. While ETSA is not sold, that future will continue to be frustrated.

**The Hon. T.G. CAMERON:** I welcome this opportunity today to contribute some ideas to the debate on employment generation. Before doing so, I would like briefly to examine the economics lesson that the Minister for Transport just gave the Council. First, I am not sure that the actual figure of interest that the State is paying is \$2 million a day.

**The Hon. Diana Laidlaw:** It does not matter if it is \$2 million or \$1.5 million. The issue is the same.

**The Hon. T.G. CAMERON:** Well, \$500 000 might not mean much to you with all your money, but \$500 000 a day, which would come to \$170-odd million a year, I think would make a great deal of difference.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. T.G. CAMERON:** No, feel free to interrupt. I will choose when I wish to respond to you.

*Members interjecting:*

**The PRESIDENT:** Order! Interjections are out of order.

**The Hon. T.G. CAMERON:** I would like to make the point that to argue that our debt is costing us \$2 million per day, a figure that has been thrown around by the Treasurer and, I suspect—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. T.G. CAMERON:** It is all right: I am ignoring them, Mr President.

**The PRESIDENT:** *Hansard* has to try to listen to you and they cannot hear you.

**The Hon. T.G. CAMERON:** Very well. The figure you have picked up is one that the Treasurer has thrown around time and again. A more realistic figure is about \$1.6 or \$1.7 million a day. It is only \$300 or \$400 000, but to some of us that is quite a bit of money, seeing that it is occurring on a daily basis.

I was quite intrigued with the Minister's suggestion that if we sold ETSA we would have \$2 million a day extra to spend on infrastructure projects here. Can I suggest that the Minister has a quiet word with the Treasurer, because she might find out that, if ETSA is sold and the debt is paid off, that does not translate into \$2 million or even \$1.6 million or \$1.7 million a day that we would have to spend, because you are not taking into account any income that the generating arm or the other arms might earn. So, whilst I share her passion, I am not quite certain that that was the way to characterise it.

I am not so sure that I would be so gung ho about spending all the money, when some of us have argued long and hard that the real priority is to get our debt down to much more manageable levels. I am not an optimist like the Premier. I just think that too much pain would have to be delivered to South Australia to get our debt down to nil, even if we could sell ETSA between now and the next State election. I do not want to take up too much time, but I would point out that the figures that have been thrown around about what we might get for ETSA are \$4.5 billion, \$5 billion. I do not have much hesitation in saying that, if we do get to a position—

*The Hon. P. Holloway interjecting:*

**The Hon. T.G. CAMERON:** I do not know that I would agree with the Hon. Paul Holloway on that point, either.

*The Hon. P. Holloway interjecting:*

**The Hon. T.G. CAMERON:** We do not know the answer to that because there are too many unknown variables. However, I believe that with the Australian dollar at its current level, with interest rates at their current level, and based on price earnings, ratios and examination of the prices assets have been achieving in Victoria, a much more realistic figure in the current climate would be \$5.5 billion to \$6 billion. My view is that, if ETSA had been sold last year, we would probably have received \$200 million or \$300 million more for it than we would today. Anyway, I am not here to talk about ETSA; I am here to talk about getting the unemployed back to work.

**The Hon. Diana Laidlaw:** They are related.

**The Hon. T.G. CAMERON:** The Minister says, 'They are related.' I have no doubt in my mind that, if we were able to sell ETSA or to lease ETSA, irrespective of which Party was in Government, it would put the State finances in a position to launch a proper assault on what is really destroying the social fabric in South Australia; that is, not only high levels of adult unemployment but the intractable nature of our youth unemployment in this State. It is a real pity that a whole generation of young people are basically seeing not only the first three, four or five years of their life wiped out but it impacts upon their entire life. They do not get a decent start and they cannot even save up money for a car or a deposit on a house. In relation to these young kids who do not get into meaningful employment until they are 21, 22 or 23, I would submit to the Chamber that it is not until the age of about 30 that they get back to where they would have been had they been gainfully employed since they left school.

I agree with the interjection that the Minister has made: if ETSA was sold or leased and we were able to tidy up the

balance sheet, it would leave the Government (or the next Government) in a much better position to launch a decent assault on what I see as the major problem facing our State, unemployment. Quite simply, currently there are 50 unemployed people in South Australia for every advertised vacancy and the overwhelming majority of these people are young people. South Australia's unemployment shot up to 38 per cent, the highest in mainland Australia. It was higher than it was at the last Federal election. It is 5 per cent higher than at the 1997 October State election.

However, one of the real tragedies in relation to unemployment is that unemployment is impacting much more severely in areas that I would describe as Labor, that is, areas I would describe as working class. Unemployment is hitting much more in those areas than it is in the eastern suburbs, or what I would call the Liberal held seats in Adelaide. If members have a close look at the figures for the northern industrial suburbs of Elizabeth and Salisbury, they reveal that the youth unemployment rate is stuck at 40 per cent. That is more than twice the rate that it is in the eastern suburbs—19.2 per cent. Whomever members want to blame and whatever the reasons members might suggest for the economic situation in which South Australia currently finds itself, the real victims, the ones who are really suffering as a result—and I know small business is suffering and whole sections of our community are suffering—the ones who are having their lives ripped up in front of their eyes, are the young men and women of our State who leave school only to find that the only work available to them is a casual job at the corner delicatessen for a few hours a week, or they find themselves on the unemployment queue and, unfortunately, many of them, despite their best efforts at finding employment, stay unemployed for many years.

We have heard arguments from the Howard Government and there has been a lot of hype about how it will tackle unemployment. To date, no commitment has been made by the Federal Government to tackle unemployment, particularly youth unemployment. Although, the other day I was heartened to hear Peter Costello talk about the possibility that the Government might embrace a target of 5 per cent unemployment. It is one of the few times I have heard the Federal Liberal Government recognise that unemployment and youth unemployment is a serious problem in this country. The Federal Government's solution to unemployment was to cut the labour market; education and vocational training programs were introduced by the Keating Labor Government. All that did was result in the number of long-term unemployed in Australia jumping by 32 000.

It has tampered around with the dole scheme. It has introduced a network of privatised employment agencies—and one only has to read the papers to see what sort of problems are being picked up with that. Unemployed people now have to pick from more than 50 employment brokers who charge fees for services previously supplied free by the now defunct CES. All sorts of horror stories are emerging about these agencies who fail to look after the hard cases, particularly low skilled youth and long-term unemployed and long-term unemployed youth. The work for the dole scheme was recently expanded with 100 000 (mostly long-term jobless) being forced into the program. Work for the dole schemes do not solve youth unemployment; they force young people to perform work no-one else wants to do for below poverty line wages.

I was pleased to hear the Premier, John Olsen, talk about unemployment. It took a near election defeat for the Govern-

ment to wake up that unemployment has reached a crisis point in this State, and we find that South Australia's unemployment rate has blown out to be 2.3 percentage points higher than the average rate across the country. Unemployment rates in some South Australian towns and suburbs are more than triple the national average, with as many as three out of 10 people out of work. One only has to visit country towns to find out why they treasure the permanent jobs in their country towns so much and why there was so much angst about a reduction of Government services in country towns. Full-time jobs in country towns are regarded like gold nuggets—they are hard to find and they hang on to them as much as they can.

Every time a full-time job is lost in a country town the opportunities for those people to find work elsewhere is nil. Their only chance of finding work is to leave their family and friends, come to the big smoke where there is a much bigger employment market and hope that they will find work. Many of those end up being disappointed and have to leave the State. We find that a lot of these decent young people are leaving the State and going elsewhere to try to find work. The budget predicts that the State's economy will grow by 2.5 per cent. I hope the Council appreciates that that is not even enough to keep unemployment at the current rate, let alone reduce it.

I do not know whether this debate or discussion we are having about ideas to reduce unemployment has recognised that fact, but, quite simply, it will not matter what brilliant ideas we come up with: the simple truth is that, if we cannot increase our growth rate in South Australia, if we cannot build up that growth rate and if we cannot rebuild confidence in our economy, no amount of job creation schemes or old red type schemes or work for the dole, or what have you, will fix unemployment. We need growth in the economy to create real jobs, that is, jobs that last and are of a permanent nature.

We saw a promise from Dean Brown in 1993 that over 20 000 jobs a year would be created for a decade. We now have a much more realistic commitment from John Olsen, who says that the aim of the Government is to lower the jobless rate to the national average. John Olsen made the statement that at the next election his Government will be judged on how it has been able to tackle unemployment. We need a more strategic approach to reducing unemployment. We need one which is quantifiable, which has achievable targets and which is capable of capturing business unity and community support. The *Advertiser* got it right in a recent editorial when it stated:

This is John Olsen's biggest promise. It is the promise he will be held to for the remainder of his term and may well cost him government in the long term.

The challenge facing the Olsen Government is clear. The challenge that awaits it between now and the next election is to get South Australia's unemployment rate down so that it is no worse than anywhere else in Australia. We must get it down to the national average. I submit to the Council that, whilst that is an admirable goal, it is only part of what we need to do. Just getting our jobless rate down to the national average will mean it is only a touch above 7 per cent. That is not an acceptable unemployment rate.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. T.G. CAMERON:** The Minister for Transport interjects and says that she agrees. I appreciate that the commitment to lower our jobless rate to the national average by the next election is a medium term commitment and I would be surprised if there was any member of this Council

who did not believe that we should be aiming for an unemployment rate below that.

I am pleased that we are having a debate about unemployment. Judging from the contributions made to date, I believe they have been made with good spirit. It is not my intention to stand here and slag off against the Government, because I have done that on a number of other occasions about unemployment. We do need to take the blinkers off about unemployment. We need to look at new and innovative approaches if we are to solve this problem.

I would like now to quickly run through one possible solution which is, I believe, deserving of consideration. This program is launched and being trialled by the New South Wales inner city council of Liverpool, which has developed a new employment strategy 'Working Proudly'. The strategy was developed in March 1997. However, the concept was developed before that originally here in South Australia by the Chief Executive Officer of the Tea Tree Gully council, who brought the proposal to me to see whether or not it would be possible to get anyone's interest. I understand that he had taken the proposal to the State Government but nothing had happened. I was able to run his proposal around amongst people in New South Wales and I am pleased to see that his Working Proudly proposal has now been picked up.

Working Proudly provides a framework for the development of the community sector to provide an alternative source of employment to the traditional public and private sectors of the economy. The model can be easily modified to any local community. The aim of Working Proudly is to ensure that members of the community sector currently not employed in the public or private sectors have the opportunity to become productive and also have the capability to respond to changing and new employment opportunities as well as contributing to their quality of life. As a society we need to challenge traditional economic theories because they are just not working. Unemployment is not just an economic dilemma as Keynesian and monetary theorists would have us believe. In our modern world it is a social problem which requires social solutions.

Does any member realistically believe that, if we could actually get our unemployment down to what it was in the 1960s and 1970s when it ranged between 1.2 and 2 per cent, we would have such high levels of crime, youth crime and vandalism? Clearly, unemployment should not be looked at purely in the context of economics. It has to be looked at more broadly than that. It has to be looked at as a social problem. We should not only be searching for economic solutions to the problem of unemployment but we also need to embrace social solutions. With the current mindset people are either employed in the public sector, the private sector or they are unemployed. We need a paradigm shift in thinking. This means a third sector—the community sector—employing those people who are not engaged in either the traditional or private sectors. This change could ensure that the community sector is ready and responsive to any economic growth and will have the confidence to develop new job paths as a result of working in one's own community.

The primary objective of this approach is to ensure that members of the community sector currently not employed in the public or private sectors have the opportunity to become productive and have the capability to respond to changing new employment opportunities as well as contributing to their quality of life. This would be achieved through a community board which would be required to act as the engine or catalyst of change. The board would be driven by directors open to

influence and having authority to draw upon expertise and resources from all sectors. The community board would be guided by a charter that will outline objectives necessary for creating this paradigm shift. Directors on the board would appoint a manager to develop programs which would significantly enhance the capacity of people not currently employed in the public or private sectors.

However, a whole of government approach is required. Program funding would need to come from Federal, State and local government sectors. Participants would receive an allowance determined under a community award negotiated with unions, Government and employer representatives. This allowance would be above that received on unemployment benefits. Work programs would be developed within the local area so that people could work for the benefit of their own community. To ensure participants will be able to respond to a changing labour market and that skills are developed, training needs will be identified and facilitated with the program. Participants in the program would be invited from those currently on unemployment benefits who voluntarily wish to be part of a productive community sector.

The benefits of such a scheme would be many. For the Government it would mean reduced unemployment and responsibility would be shared with all levels of government and the community. Employers would benefit through the creation of a new job market and giving people a work ethic and improved skills. The community would gain through community sector ownership and involvement, greater local community cohesion, maintenance of community assets, improved community sector skills and community sector pride. The recent amalgamations of our councils mean that they are more than ever better situated to play an active role in regional, economic and employment development.

Unemployment is one of the most serious problems facing our State. It is destructive of individuals, families and communities. The unemployed, particularly the long-term unemployed, are less healthy and happy than their counterparts and are more likely to be homeless or in conflict with the law. In the case of young people, high and prolonged levels of unemployment are an obstacle to their achievement of social and economic independence.

Although the present unemployment situation is serious, I believe it can be substantially reduced only if the Olsen Government is willing to show the political will and provide the necessary resources that until now have been sadly lacking. I commend the Working Proudly Program to the Government for its consideration, and I urge the South Australian Government to contact the Chief Executive Officer of the Liverpool Council and to closely examine the program that is operating there. It may well be useful for consideration by the South Australian Government because it may well contribute towards reducing unemployment in this State. As I understand the Working Proudly Program, it is also ideally suited to be integrated into country towns and our larger regional cities.

Rather than be too critical of the Government—I have done that in the past—like other speakers I am putting forward not a range of suggestions but one suggestion that I believe is worthy of consideration, and I hope that the Government examines it.

**The Hon. G. WEATHERILL:** I am rather disappointed with this debate. It is now 10.7 p.m. and, to be quite honest, members on this side of the Council thought that the Treasurer would have got stuck into ETSA and Optima and every-

thing else that the Government wants to sell. But, he did not do that. Rather, he talked about supporting South Australia—which I really appreciate.

The Treasurer knows that I am a person of very short speeches, but I thought we were here today to give ideas to the Government to try to create employment. If a person in the community who is looking for a job listened to this debate today, he would be totally frustrated with what is going on. My friend the Hon. Trevor Crothers some time ago talked about aquaculture. We used to have a great aquaculture enterprise at West Beach which bred barramundi in hatcheries. Aquaculture is now a multi million dollar business. It is no longer located at West Beach, although there is a hatchery which is breeding native fish and snapper.

As a fisherman and someone who loves the sport, I watch the Rex Hunt show quite regularly. The only thing that puts me off is when he kisses the fish and throws them back: I have never thrown a fish back in my life. I can catch them, but I never throw them back. His program is absolutely magnificent and is basically free advertising for the various States. He goes to the different States to see what they are doing in relation to aquaculture and tourism. I have always believed that we could do this in the Murray River in South Australia quite easily. Murray River fish stocks have dropped dramatically; they are starting to pick up now, but they have dropped dramatically over the years.

A hatchery at either Morgan or Murray Bridge could breed native fish and, in the long term, it could reduce the numbers of introduced fish in the river. People could come to South Australia, catch a few of these fish and then go home and tell their friends. Rex Hunt or someone like him could then come here to look at the situation. Tourism in this State would progress significantly. Tourism in this State would go ahead if people could come here to catch fish, because they would then return to Victoria or New South Wales and tell people about it.

I thought the purpose of this debate today was to discuss ideas. Obviously, it is not. Even though the Treasurer did not do it, several other members got up to slag the Government or to talk about getting rid of ETSA and Optima. I was under the impression that we were supposed to give ideas which might make a difference to South Australia. Obviously, that is not what it is all about.

**The Hon. NICK XENOPHON:** Given the hour of the day, I propose to make a brief contribution on this very important issue. I commend the Government for providing this opportunity for members to contribute to this important debate, and also the Opposition ought to be commended for raising this issue previously, albeit in a different form, and I think the Treasurer was generous in acknowledging that earlier today.

Unemployment is an important issue. It is an issue which carries with it a raft of social problems. At an individual level it can be devastating. It is an issue which has affected our youth, and it is in no small part a significant contributing factor to a number of social problems arising from it in terms of youth homelessness, drug problems and a number of other issues including crime.

I have a number of concerns which I propose to raise, briefly, in respect of factors that can create greater levels of unemployment and that act as fetters to positive job growth. In that context I propose to raise those before outlining a number of potential solutions. I note that this evening members have raised a number of solutions, and they all

deserve to go into the melting pot, the potpourri of attempting to reach a constructive solution to our unemployment problem.

I am concerned that there are some industries which do not create net jobs growth when you consider their impact on other industries. It would be remiss of me if I did not mention the impact of our gambling industries on net jobs growth.

*The Hon. T.G. Cameron interjecting:*

**The Hon. NICK XENOPHON:** The Hon. Terry Cameron has asked me how many jobs poker machines have created in this State. My friends at the Hotels Association tell me that some 17 000 jobs—and not necessarily full-time jobs—have been created in this State since the advent of poker machines, an industry where poker machine losses are approaching \$400 million *per annum*.

I remember some wise words in the first few days I was in this place in December 1997 when the Hon. Terry Cameron in responding to the Address in Reply made some very wise statements about the impact of gambling on small retailers and referred to a comprehensive survey carried out by the Small Retailers Association which indicated that for every job gained in the poker machine industry there was a net job loss. I think the estimate from the Small Retailers Association was about two jobs.

We need to look at that in context. There has not been any comprehensive research in relation to this matter. I know that the Treasurer has disputed that figure: my challenge to the Government, and indeed to the Opposition, is that there ought to be some comprehensive research on the sorts of industries that create net jobs growth and those industries that drag down jobs growth in other sectors, particularly the small business and small retailing sectors.

In this regard I refer to a book that I have mentioned on a number of occasions, *The Luck Business* by Professor Robert Goodman of the University of Massachusetts, a book that I gave over a year ago to the Treasurer and the shadow Treasurer. I am sure they have digested the contents of that book—or I would like to think they have. In Professor Goodman's treatise on the economics of gambling he refers to a number of studies carried out in the United States. In regions where there has been a take off of gambling industries and of gambling losses, there has been a consequent loss of employment in other sectors with a net jobs loss.

He also refers to the fact that retail business and retail employment in Atlantic City have continued to decline despite the presence of gambling. By 1993 unemployment in Atlantic City was double the State average. This is Atlantic City, which is very much the hub of the casino industry on the eastern seaboard of the United States. Professor Goodman also talks about job losses in Iowa in terms of gambling expansion in that State and refers to some significant losses of farming income and manufacturing production that he relates in part to the expansion of gambling industries in that State.

I also have a concern with respect to corporate welfare. This is something that was raised in a very good article by journalist Chris Kenny in the *Adelaide Review* of January 1999, where he made reference to the benefits and other related issues, and the potential costs, of corporate welfare in this State. I think Mr Kenny's article was cautiously supportive of the Government's approach with respect to job creation through corporate welfare (for want of a better word). He also graciously acknowledged research carried out by *Time* magazine in November 1998 about corporate welfare in the United States, where some very serious concerns were

raised over the net benefit of corporate welfare—the sorts of things that State Governments around Australia were doing. In this Council the Hon. Terry Cameron has raised concerns over the degree of subsidies that Governments give for job creation in this State, and they are matters that ought to be taken into account.

*Time* magazine in its investigation refers to Durant, Mississippi—the place where it all began with respect to corporate welfare in the United States. It makes the point that Durant, Mississippi was the poorest State in the nation when its corporate welfare program began in 1936. Today, 62 years and hundreds upon hundreds of million dollars in economic incentives later, it remains dead last in per capita income. That is something that ought to be borne in mind. I am not specifically criticising the Government's job creation measures in terms of incentives to major corporations but I am simply saying that we ought to look at the cost benefit analysis—to what extent would more jobs have been created if it was targeted to the power house of jobs growth in this country, to small businesses. That is something that ought to be looked at in the context of a comprehensive job employment program.

I urge the Government to look at that and to research the particular cost benefit analyses that need to be carried out in order to determine where taxpayer dollars can best be spent to generate the maximum amount of jobs for the least amount of money. In terms of solutions, it would be remiss of me if I did not mention a book co-authored by Mark Duffy, a Federation Press publication entitled *Labour, Prosperity and the 90s Beyond the Bonsai Economy*, which essentially—

*Members interjecting:*

**The PRESIDENT:** Order! The Hon. Mr Xenophon can not be heard properly.

**The Hon. NICK XENOPHON:** Mr President, some members might say that that is not such a bad thing. In relation to Mr Duffy's book, whilst it was essentially a discussion of labour history, it does—

*The Hon. T.G. Cameron interjecting:*

**The Hon. NICK XENOPHON:** Mark Duffy.

**The Hon. T.G. Cameron:** The ETSA Mark Duffy.

**The Hon. NICK XENOPHON:** You might call him the ETSA Mark Duffy. I just call him Mark Duffy, the co-author of a book on labour history and labour economics.

*The Hon. R.I. Lucas interjecting:*

**The Hon. NICK XENOPHON:** The Treasurer is being ungracious in suggesting that it is being sold for 10¢. I can assure members that this book has been part of the curriculum, I understand, of a number of universities. I can ask Mr Duffy to provide the Treasurer with an autographed copy, if he so desires.

*Members interjecting:*

**The PRESIDENT:** Order! I ask the Hon. Mr Xenophon to return to the debate.

**The Hon. NICK XENOPHON:** That book looks at regional minimum wages and differential wage rates, taking into account different cost of living structures in different States and different regions. Clearly, if you look at the Sydney rental market it obviously costs a person there much more on average to get rental accommodation than it does in Adelaide.

In terms of solutions, I also think it is important that we look at the issue of microeconomic reform, particularly with respect to electricity utilities. In the 1990s the Industry Commission, as it then was, discussed the reform of the electricity market as a major microeconomic reform. I would



like to think that there is some unanimity on both sides of the Parliament in relation to that, but that is why I am a passionate advocate of cheaper electricity and why I believe that Riverlink is an important factor in terms of any micro-economic reform. The Hon. Terry Cameron is not convinced yet: I will continue to work on him, but not in the context of this debate.

In terms of solutions, I refer to work carried out by the SA Economic Development Council and Professor Richard Blandy on customised enterprise specific training. I understand that this is something that is with the Government and that the Minister for Employment is looking at it. It is a program that mirrors programs that were very successful in South Carolina whereby rather than giving a straight out job subsidy it was very much about having a customised approach for employers to have job ready employees for their specific industries at a cost of some \$1 500 to \$2 000 per employee. It is a program that was very successful in South Carolina and has been copied in a number of States. There has been some comprehensive work carried out in relation to that which has been made public by the Government. I urge the Government to look at that in terms of its management and program delivery.

I also refer to an article in the *Age* of 22 September 1988, again by Professor Blandy and Anne Hawke, a Research Fellow at the National Institute of Labour Studies at Flinders University, entitled 'If we all club together we can buy jobs'. I quote briefly from that article, as follows:

In our scheme we allow all working people to become stakeholders in the program. Rather than create an enormous Public Service infrastructure the employed monitor the job creation effects of the scheme. The key is to assemble the flow of funds to pay the wages of the unemployed. To halve unemployment to around 4 per cent we need to find money to pay the wages for an extra 4 per cent of the labour force and simultaneously create the jobs in which these people will be employed.

That article, which has also been the subject of a number of comprehensive papers, refers to those in a position in the community to make a contribution to a jobs levy, particularly in industries and particularly for those who have an ability to pay. I know that that is controversial but I suggest that it something that is at least worth considering.

To that extent I urge members to at least give consideration to a pilot program in this Council and in the other place for members of Parliament to pledge a small percentage of their income, say 3 per cent or 5 per cent, to set up a parliamentary trainee employee scheme. I suggest that it is something that would show some community leadership—and it is an area where we ought to show some leadership—with a view to indicating that there can be circuit breakers. A 5 per cent levy, for instance, would create 15 jobs in terms of extra parliamentary researchers and assistants at a reasonable trainee wage.

*The Hon. T.G. Cameron interjecting:*

**The Hon. NICK XENOPHON:** No more compulsory than the ALP's levy on its Legislative Council members.

*The Hon. J.F. Stefani interjecting:*

**The Hon. NICK XENOPHON:** All members. I am suggesting that it is something that we ought to consider. It ought to be considered in the context of a circuit breaker to show some community leadership, to indicate the level of commitment that I believe all members have to reducing the rate of unemployment in this State. I note that it is receiving a chilly reception in this place.

*The Hon. T.G. Cameron interjecting:*

**The Hon. NICK XENOPHON:** Not only will I lead by example but I pledge 5 per cent.

*The Hon. T.G. Cameron interjecting:*

**The Hon. NICK XENOPHON:** Maybe that should be looked at. I am more than willing, I say here before members, to pledge 5 per cent.

*Members interjecting:*

**The PRESIDENT:** Order! There is only one member on his feet.

**The Hon. NICK XENOPHON:** I will pledge 5 per cent of my salary to such a scheme. I believe it is worthwhile. Members could do much worse than to look at the proposals of—

*An honourable member interjecting:*

**The Hon. NICK XENOPHON:** I said of my parliamentary salary, but I also do my bit for job creation in my law practice. You will find that I am doing my bit to employ a number of South Australians—at last count it was nine or 10. This is an important issue. I urge members to consider an appropriate levy on their salaries to show some community leadership and to show that we want to do something constructive about this.

In summary, I commend the Government for bringing on this debate and for instituting a job workshop program. I would like to make sure that this process—the debate, the job workshops and all the discussions surrounding it—is not the end of the debate but the beginning of the end of the high rate of unemployment in this State, particularly amongst our youth.

**The Hon. R.D. LAWSON (Minister for Disability Services):** I wish to bring a portfolio perspective to some of the issues of employment which have been raised in the job workshops and which are the subject of this motion. In particular, I want to address some of the issues around people with disabilities and also the ageing and employment issues.

Before I come to those specific matters, it is worth mentioning, as other members have, that employment is a multifaceted problem and the generation of employment is not something over which Governments alone have control. It is a problem that involves all sectors in the community, not only the private business sector but also semi-Government organisations and agencies, as well as charities and community organisations. But, of course, it involves the Government, because some Government policies can have a positive effect on employment.

Notwithstanding that it is a multifaceted problem, it seems to me that the single greatest contribution that any Government can make to improving the employment prospects of its community is the provision of an education and training system which equips people for employment, as well as for life. It is within the power of Government to encourage appropriate links between education and training and employment, and between economic development and those factors. I note that this Government is committed to developing those links.

The solutions are difficult. The Hon. Nick Xenophon spoke a moment ago, and his quick fix solution to an aspect of the problem was to have a levy on parliamentary salaries. He unfairly said that it received a chilly reception in this Council. Any frostiness in the reception probably reflects the fact that people in this Council, as they are in the community, are cynical of quick fix solutions which seem to have some popular appeal but which really do not address the issues that

are said for effect rather than to provide some long-term benefit.

I will deal now with people with disabilities and their important place in the labour market. I am delighted that the South Australian Government Youth Training Scheme, which has been in operation for some time, supports the intake of young people with disabilities into these traineeships. It is good to see that large numbers of people with disabilities—and a wide range of disabilities at that—have been applying for those traineeships, and they have been successful in applications in many cases. That is a trend which I hope will continue as young people with disabilities continue to gain skills and confidence.

Another program that is run through the Disabilities Services Office of the Government is called the Moving On program, which is designed to provide programs for school-leavers and which in many cases for those for whom it is suitable can lead to an employment pathway. Last year, I renegotiated an extension of the Commonwealth-State Disability Agreement and, in the course of those negotiations, secured an additional contribution by the Commonwealth for Disability Services of \$1.5 million, and I applied that, and agreed to do so, in the development of day activities and employment.

I am delighted that, late last year, when we put together the package for the Moving On program for people with disabilities, in 1999 we have a number of programs that are designed to assist people to make the transition from school to employment, because one has to be patient with people with many disabilities as training and life skills have to be brought along at the same time.

In this State, we have some wonderful organisations that have provided employment opportunities for those who have had disabilities for many years, Bedford Industries, the Phoenix Society, Minda and other organisations having made a great contribution, in recognition of the value not only to the community of people with disabilities working but also of the personal development which employment opportunities allow.

Career Systems is an organisation which is doing good things in this field in this State. It is one of the State's most progressive employment services for people with disabilities. Established in 1995, it arose out of some predecessor organisations—the Vocational Resource Agency Incorporated and Endeavour Supported Abilities. It provides open employment services for about 160 people with disabilities. About 100 are employed and are receiving ongoing support, and Career Systems works together with the other 60 people seeking to secure long-term employment.

In September last year, I was delighted to present awards to a number of employers in this State who recognised the value of employing people with disabilities, and I want to commend organisations such as Career Systems, the funders of programs under which they operate and also employers and businesses who go to the trouble of taking on those with disabilities. Each year, awards are made to a wide range of employers across the whole spectrum of business who are making a contribution to employment opportunities in this significant area.

Last year, on the International Day of Disabled Persons (3 December), I had the opportunity to present the Employee and the Employer of the Year Awards which are conducted by Disability Action each year. This is another program of awards that brings forward a number of really inspiring stories of people with disabilities who are striving to obtain

employment and also those employers who are prepared to take them on. It is worth mentioning that in this brief context, because to give a personal identification to the issues is significant, as too often in these debates people talk in the macro rather than the micro.

The Metropolitan Employee of the Year last year was a woman called Delia Giglio, who works part time for the City of Salisbury's library service. Delia is very disabled. She has suffered for many years from obsessive compulsive disorder. She has a hearing impairment and has great difficulty in oral and verbal communication, but she has been working in the library at Salisbury for a number of years. She has not had a holiday in many years, has not had a day away sick for I think about five years, and is highly productive and making a great contribution.

The Employee of the Year in the Regional category was Allan Wilton, a young man who works at South Coast Firewood. He is both deaf and blind, and has a severe mobility impairment. Notwithstanding the severity of those disabilities, he is a highly productive employee.

The Rural and Remote Employee of the Year was a young man called Trevor Lawrence, who lives at Hynam and daily cycles 15 kilometres each way to work at Naracoorte, which is an indication of his dedication and commitment. He has worked for a number of years at the South-East Environmental Services, notwithstanding very severe intellectual disabilities.

One of the Employers of the Year which I think is worth recognising is a company called Overseas Pharmaceutical Aid for Life (OPAL). It is a not for profit charitable organisation which conducts the safe collection and safe destruction of unwanted or expired pharmaceuticals in the community and uses many of these drugs for transmission to overseas aid agencies through World Vision and other organisations.

OPAL, which has a very innovative business, does employ people with disabilities. The Managing Director of the company, Geoff Lockyer, himself has a severe work injury and, at these presentations I am mentioning, gave a really inspiring account of the work performance of those with disabilities.

Finally, Tim Hardy, a farmer who nine years ago became a paraplegic after a motor vehicle accident whilst mustering sheep, lives at Penong on the Eyre Peninsula, and works part time in a farm machinery spare parts business, notwithstanding that he is confined to a wheelchair and has by dint of his enthusiasm and motivation developed a business and skills in welding, and is an inspiration to all who know him.

When we are dealing with employment issues, it is well worth remembering the importance and significance to the work force of those with disabilities. I believe that these programs must be enhanced and developed, as I said, not only through Government funding and Government encouragement but also through all sectors of our community. Recognition ought to be given of the fact that programs have been developed and that, through the jobs workshops and other programs, we will be enhancing the opportunities for those with disabilities.

The other portfolio area that I should mention is that of the ageing. Issues around older people and employment are extremely significant. It is little understood what impediments exist to older people participating in the work force. One encounters a number of stereotypes across the whole of the ageing spectrum. One frequently hears the false suggestions that older people are, for example, 'slow or unable to learn

or unproductive or inflexible and unwilling to work', and that is a quotation with which I do not agree.

The result of labelling of that kind, which has absolutely no basis, is that employers are somewhat reluctant to hire older workers and are more likely to offer current older employees early retrenchment, because there is a great emphasis in most of the debate, both at a political level and elsewhere in the community, on the need to reduce youth unemployment and to focus attention to securing employment opportunities for younger people. I do not for one moment seek to deny the importance of that. However, it is important at the same time to balance the needs of the older members of our community.

We do live in a community in which the median age of the population is rising, and the median age of the work force will also rise. It is important to ascertain and fix upon the incentives and disincentives for older people to remain in work, and also to examine future patterns of work for older people, including issues such as unemployment, early retirement and income security.

This year, 1999, is the International Year of Older Persons, and I have announced that it is a priority of the Government during this year to focus upon employment and older people. I was pleased to meet Dr Philip Taylor from the Open University Business School in the United Kingdom when he was visiting Australia recently. He had been involved in extensive research regarding employment options and developments for older workers within the European context, and he had a number of very interesting insights into means of providing employment opportunities.

I should acknowledge some of the research that is being conducted and the launch recently in South Australia of a book by Associate Professor Margaret Patrickson and Ms Lynley Hartmann, Senior Lecturer at the University of South Australia. Their new work, *Managing an Ageing Work Force*, contains a number of interesting insights to these issues. There was participation at a seminar, at which Dr Taylor spoke, entitled 'Older Workers Maximising our Advantage in the New Millennium'. There will be additional research into these issues which I believe will enable us more accurately to understand the problems and also to plan for the future.

I also met Ms Louise Rowland, the Executive Director of Jobs East, the Mitcham area consultative committee in Victoria, which has adopted a number of initiatives regarding older workers in the work force that I think bear examination here. In this State, the organisation DOME (Don't Overlook Mature Expertise) has been operating for a number of years. Its target groups include people of mature age, namely, those over 40 years, and also people with a disability. DOME is supported by the State Government, and it undertakes activities to support this clearly and increasingly disadvantaged group. DOME is a participant both at a policy and practical level in meeting the needs of older members of the community.

As we go forward, there is an opportunity to examine the possibility of extending some of the programs which presently exist for the younger employed to those of older age groups to advance the interests of the mature workers. I commend the Minister for the jobs workshops and I commend the motion.

**The Hon. T. CROTHERS:** I begin my contribution by making the following observation, and I include the two major political Parties in this country—both my own Party

and the Liberal Party. Both Parties tell us that, if we take certain policy decisions and directions, we can resolve all our unemployment problems. Unemployment is at a horrendous level here, but no more so than in all but one or two of the so-called western economic engines of the world. We are told, for instance, that we have to cut and reduce wages and that we have to be more flexible so that we can export more of our goods and services. The bulk of our exports comes from our very efficient farm sector and perhaps our even more efficient mining sector.

I remind honourable members in this Chamber that the United States of America, the so-called economic engine of the world at the moment, exports only 8 per cent of its gross domestic product. I want members to take that on board. The United States of America, in spite of having one of the most depressed wage-worker relationships in the western world, exports only 8 per cent of its gross domestic product. I said there were two economies in the world that ran with reasonably low unemployment rates. One is the United States of America, which is running with between 5.5 per cent and 6 per cent of its work force unemployed, and the other is the 18 million strong Dutch monarchical nation, which is running with—and these figures are 12 months old—about 3.5 per cent unemployment. All other nations in the industrial world have unemployment levels not less than 10 per cent of their work force.

Just how many more unemployed there are we will never know, because in two income families benefits are paid to only one spouse—they are not paid to the other spouse if one spouse is employed. How many people have declined to register? There is an invisible number, which I think runs to hundreds of thousands, of unemployed in the community of each nation. It is fallacious in the extreme now that Governments have surrendered their sovereign rights to the multi-corporate corporations. In the name of economic rationalisation, in the name of divestment of Government owned instrumentalities and in the name of the globalisation of nations Governments have divested themselves of almost all control over their own fiscal destiny. Control of the fiscal destiny of nations now lies mainly in the hand of those corporate giants.

Even a nation as fiscally strong as the United States does not control its own fiscal destiny. The only reason why unemployment has remained at this level in America is that all the overseas invested capital from the failed tiger economies—Brazil and Russia, that fallen giant—is now being hauled out and parked in the safe haven of the United States. So, it has overseas investment dollars running out of its ears. I note the adjustment which has been a long time coming and which has brought share market prices in the various stock exchanges back down to their proper level. In respect of stocks and shares today, I believe that they are at least 40 per cent over valued as to what their real true worth is.

We have people such as George Soros, who made billions—he made £3 billion alone out of a mistake made by the Bank of England—saying that it is getting too hard for people such as him, hedge fund investors, people who use money to make profits out of chasing money—much the same as the banks are doing today. They are no longer concerned with being a service industry; they are closing down. In Australia, I believe that computerisation is enabling banks to close down country branches all over the place. In 1997, nearly 200 branches in rural Australia of various banks were closed. However, the little people are fighting back through the Bendigo Bank. People are setting up their own

banking system under the expertise and advice of the Bendigo Bank and are now saying, 'We are not closing any more country service areas.'

They were not closed because they were not profitable; they were closed because they were not profitable enough. That is horrendous. Is it any wonder that we are in the pickle we are in? For Governments to say that they can solve the unemployment levels that currently exist, they are playing with themselves. They are deceiving the people. My own Party, as well as the Government Party in this place and other political Parties, including the Democrats and the National Party, if they are saying that they can resolve the world's unemployment problems are playing with themselves. Our unemployment has been brought about by the multinationals that answer to no law. George Soros said, 'This is getting too difficult now, hedge fund investment, milking countries of their currency without the rule of international law'.

Members may remember that in a speech I made in this place two years ago I asked why the United Nations was not being used to police investment, a body set up for that very purpose. I believe that one of the great destroyers of the social fabric of our society has been the obscene pace with which computerisation has been introduced into our society. It has been introduced not for any good that it can do you or I. Any good or fun that we get out of it is purely by accident. Of course, they give us the odd game to play on our computers so as to keep the people happy—the wine and circuses of the old Roman empire.

**An honourable member:** It's bread and circuses.

**The Hon. T. CROTHERS:** Well, I do not know, I am on such a diet I have not eaten bread—I cannot even spell it now—for at least four days.

*The Hon. R.I. Lucas interjecting:*

**The Hon. T. CROTHERS:** Wine and circuses, I thought. As a South Australian, I was being patriotic in the extreme. I refer to the original quotation of Emperor Maximus of bread and circuses. Do we learn the lessons of history? In a pig's ear we do! People must remember that the reason why the Bastille was stormed in 1798 was the deprivations of the Industrial Revolution.

**An honourable member:** And the lack of bread.

**The Hon. T. CROTHERS:** Yes, it is all between your ears. I am just as quick as you; maybe quicker. Maybe I am God's best oratorical English speaker since William Shakespeare—not you. He is such a genius that he interjects sage comment—

**The Hon. L.H. Davis:** Would you describe it as sour dough?

**The Hon. T. CROTHERS:** You are not Robert Service, let me put it that way, you with the bats in the belfry—you are no Robert Service.

**The PRESIDENT:** The honourable member will come back to the subject before he loses his train of thought.

**The Hon. T. CROTHERS:** Thank you, Mr President; they do drive me to distraction in the many ways and means of the form of that word.

**The PRESIDENT:** I would not want you to lose your train of thought.

**The Hon. T. CROTHERS:** I would not want to do that.

*The Hon. L.H. Davis interjecting:*

**The Hon. T. CROTHERS:** I have hitched on a very heavy locomotive, if some of the cretinous honourable gentlemen will listen. People forget that it was the Industrial Revolution that first brought about the rise of socialism in the form that we understand today, by the fall of the Bastille in

1798. We do not learn from the lessons of history. I will go back to Tallyrand, the French Foreign Minister who must have been pretty good, having served the last of the French kings and queens, who were beheaded. He was also Foreign Minister for Napoleon and also Foreign Minister for the first of the Bourbon kings, after Napoleon had fallen. The queen said to him in about 1797 as they were passing the Bastille (I would say it in French, but we have to speak very simple English here so that Legh can understand it), 'Monsieur Tallyrand, why are those people over there in an angry mood?' He said, 'Madam, they have no bread.'

So much was she in touch, this aristocrat of aristocrats with her own people whom she governed as the spouse of the reigning king, that she said, 'Why not give them cake?' But we have not learned that lesson. I tell the Council that, if the unemployment levels are allowed to continue to rise untrammelled, with Governments being powerless to do little or nothing about it because they have surrendered control of the bulk of their sovereignty to the gnomes of Zurich, if that is allowed to rise, I have no doubt that in 10 or 20 years we will have a revolution which will not be brought about by another industrial revolution but by a technological revolution.

I have no problems with investors getting some of the benefits of computerisation. What I do have problems with is computerisation being used to destroy the social fabric to bring about a break in law and order. Soros and other economic gurus—people at the forefront of economic rationalisation—are talking about it. I object to the obscene use of that science to maximise profitability. Truly, the great God Mamom has the whole of the community in a very devious form, and these people are aided and abetted by the media barons, who are so small in number that they, too, like Murdoch, Packer, Black and several others in the world, are multi-billionaires. They too have a monetary and vested interest in controlling the population.

So, we are fed a line from the media designed to keep us in check. We can see the job Rupert Murdoch did on the British Foreign Minister in respect of his divorce while Murdoch's particularly messy marital situation was left untouched. That clearly shows what monopolies can do. I have said that I have no objection to computers being used to increase profitability. We can talk all we like about job creation but, if we want to preserve the social fabric of our society and do something in respect of trying to come to grips with the horrendous levels of unemployment, why should not computers be used to reduce the working week? Why should that not happen? Fifty years ago in this State the captains of industry—such as Sir Arthur Barrett, the Cooper family, Don Laidlaw and Sir Roland Jacobs of the brewery, a man I knew 30 years ago—had social consciences.

That has all but deserted the captains of industry today, and they are governed by their understanding of the decimal point as they reach out. They are beyond the capacity of sovereign nations to deal with. The only people they have to satisfy—and we know they stack their general meetings—are their shareholders. Whilst they make bigger and better profits they will get voted back each time the directors are up for election.

I believe that the latest falls on the stock market might well bring the wheel to a full cycle not even experienced through unemployment in the 1930s. Because of the global situation, if the world falls into the unemployment traps of the 1930s, because of the interconnecting links—and they are now closer than they were before—it will be horrendous, and

it might well be at that point that we get another storming of the Bastille by angry, frustrated citizens of nations.

The storming of the Bastille was not the only rebellion, although it might be the most famous that occurred at that time. We had Garibaldi leading the Italian masses in the 1840s; and we had the rebellion or demonstration at Peterloo, where Wellington brought in former Napoleonic war troops who fired on the citizens and shot dead 17 of them. We saw the same thing in the United States in 1912 and thereafter where workers demonstrating for their rights were shot dead by either State or Federal troopers. In one case they were Federal troops led by General Douglas MacArthur of Pacific and Second World War fame.

I refer to the journal *Thesis* and an article by the Greek Prime Minister dealing generally with foreign policy issues. The lead article was written by the Prime Minister of the Hellenic Republic, Costas Simitis. Costas Simitis has many things to say which I will put on the record just to show where we are at in the world of unemployment. Headed 'Combating Unemployment' he states:

Allow me to stress once more that—

I am quoting the Prime Minister of the Hellenic Republic—

important as these steps might be, they will not serve our purpose of strengthening the legitimacy of the union [the European Union] by recapturing popular support for it if we do not manage to tackle the crucial problem of unemployment and social exclusion. I think that both the political and economic conditions are now right for launching a new initiative and promoting a more effective strategy for employment. . .

Further on he says:

What is most important now is the fight against unemployment. Today, 18 million people in the European Union are jobless.

That is up six million from four years ago when it stood at 12 million, as it had done for a decade or more. He continues:

This is a tragedy in itself—

he talks about rebellion—

and a long-term threat to democracy. We must not ignore the breeding ground that this provides for anti-democratic and xenophobic groups.

We can see how the world, when it needs unity more than ever, is now becoming more divided into smaller quarrelsome ethnic groups. He further says:

Employment policy guidelines should be given the same weight as corresponding instruments in the economic and monetary spheres. Sweden and Greece once stood almost alone in pushing for an employment chapter in the Union Treaty. Now it has become a reality.

Further on he says:

Secondly, economic growth must be accompanied by social development, openness and democracy. The crises in Asia and Russia have shown us the importance of a solid economy and publicly funded social safety nets. The Union therefore must pursue a policy of high economic growth, better and more education, social responsibility and environmental improvement. We want to see a Europe that combines social responsibility with vital growth, and this is formation for stability in a nation-state in the era of globalisation.

To bolster the point I made, namely, that it is almost impossible for Governments, whether at a State or national level, to do any more with unemployment than to fiddle around the edges (despite what my own Party and the Liberal Party says), I want to show members in the breakdown of the unemployment of the EU how horrendous it is. The total population of the 15 nations of the European Union is some 380 million, give or take a million. I wish the Hon. Mr Lucas would stop smiling. If this is supposed to be a summit for

learning, listen to the erudition being placed gently in front of you.

**The Hon. L.H. Davis:** I don't think you've got a lot to be happy about on your side—

**The Hon. T. CROTHERS:** I certainly haven't: I sit opposite you, and that is enough to make one pretty unhappy. I can tell you—listening to your raucous, inane voice from the back every day.

Australia currently has a population of almost 19 million people, and our work force component stands at 8.5 million, that is, about 43 per cent of the total population is in the work force. I have looked at figures of other nations, and 45 per cent is about right. If members look at 45 per cent (and I am sure the Hon. Mr Davis will tell me), that is about 170 million. Members should put 18 million against that to find out what the percentage of unemployment is. It is slightly more than 10 per cent.

It has been like that in the European Union ever since it was a nine member union; it stayed the same when it was a 12 member union; and it remains the same now that it is a 15 member union. People might well ask why nations, as strong a group as the European Union, cannot do anything about fixing unemployment. The answer is that there are no national laws, even in the Union, that apply to the vagaries and peregrinations of the hedge fund investors and the multi corporate takeover raiders, etc. Even some of the original Thatcherite gurus are now turning against globalisation, economic rationalisation and Government divestment of assets.

As I pointed out, computers can be used to generate employment instead of being used to destroy employment and, with it, the social fabric of our society. The only way that nations can handle this problem is by ensuring that international laws are in place to deal with the vagaries and investment naughtinesses of the multi corporate and hedge fund investors. Without those, then truly you will get another storming of the Bastille.

The Hon. Costas Simitis, the Prime Minister of Greece, has referred to that in his bald statements of unemployment in what is, after all, the foreign affairs journal of the Greek Government. It has been operating in the Balkans for a long time, so they are not exactly innocents when they have come to operate and survive successfully in that neck of the woods, given the prominence of Bosnia, Croatia, Macedonia (formerly Yugoslavian Macedonia); Slovenia; now the Montenegrans are playing up; Albania and Kosovo, as well as the other ethnic groups such as Chechenya and the two ethnic groupings in Georgia, etc.

One may be forgiven if one saw this as a deliberate ploy by the wealthy of this world to draw attention away from the real problems that beset us. One could be forgiven if that was the conclusion one drew. But, the matter is in hand; the matter is of moment. I say this to the Government (and I will pursue the issue in our own Caucus): what little help we in this State can render in respect of unemployment requires an all hands to the wheel, non-political, unified position from all political Parties in this State.

I welcome the unemployment debate that we are having, and I would welcome such a situation as I have outlined about unity of purpose if it could arise. The only chance we have to assist in a minimalist way, and the only chance we have to maximise our capacity to do something about unemployment, is direct and absolute unity. Nothing less than that will achieve anything; it will have been so much of a talkfest and a gabfest. I shall certainly do all I can with my

limited powers within our Caucus, provided that the Government is reasonable.

I take my lid off to the Hon. Mr Lucas, who I thought today put forward a very constructive point of view in respect of unemployment. He was not like one other contributor, who dwelt purely on his ministerial portfolio to the detriment of all else—unlike others who, in my view, were talking not about unemployment but, rather, about their own future employment. I think that is appalling in a debate as rare and as important as this. I shall not forgive that individual in a hurry. I conclude my contribution by saying to the ladies, in Latin, *e pluribus unum*.

**The Hon. J.F. STEFANI:** I am pleased to make a contribution to the jobs workshop debate which has been an initiative of the Government to provide a forum for the input of ideas by members of Parliament as well as the wider community. Since its election in 1993, the Liberal Government has set the development of exports as one of the key strategies to improve the State's economic future. The reason for concentrating on exports is not only the more rapid growth that South Australia will achieve but also the greater degree of economic stability that we could gain by diversifying away from our present dependence on the Australian market.

Fundamental to any export strategy for growth is the progressive reduction of the cost of supplying foreign markets. This means that it is important to reduce all costs of production in South Australia. However, some costs have more of an impact on exports than others; hence, any reduction in transport and communication costs between South Australia and foreign markets will be particularly important.

A reduction in Government red tape to reduce the cost of selling to foreign markets will also be especially valuable. Any efficiency gained in the labour market for goods and services that are destined for foreign markets will also enhance our competitive position. Synergies which can be developed and which will reduce the cost of supplying to foreign markets will give South Australia a significant advantage. It follows that specific incentives should be offered by the Government to business enterprises which are engaged in production that has an export component. This will assist businesses to be competitive and to create the opportunity for growth and further employment.

An example of the type of incentive to which I am referring is the Government's initiative to offer freight guarantees to international carriers with the aim of securing the cheapest possible freight rate from South Australia. The Government may also be in a position to purchase large blocks of STD and ISD telecommunications capacity at very low contract rates for South Australian businesses.

I also strongly support the rebate of the proportion of payroll tax paid by companies engaged in export related activities. The Government should consider concessions from regulations to companies that have achieved significant export business in order to assist them in dealing with the needs of their overseas customers. These are some of the short-term strategies that could and have been adopted by the Liberal Government to encourage greater economic activity in order to create more jobs.

However, the long-term strategy should be for the Government to achieve the development of greater skills through research and development as well as the infrastructure and synergies necessary to achieve greater efficiencies

which will reduce our costs as a State when we compete with the rest of the world. I believe that we should be attracting a number of medium sized key industries which can spearhead the export drive and which will provide valuable input to our economy to enable us to achieve growth and a greater level of production.

South Australia already has a number of industries which operate at the national and international levels with increasing prospects of greater export opportunities, despite our distance from world markets. Without being prescriptive of the industries that could further develop our economic growth, and therefore our future employment opportunities, I would like to mention the following: data processing, software and communication; tourism and conventions; wine, special foods and food processing; small business services; new technology; manufacturing; recreation, entertainment and culture; tertiary education; defence procurement; and pharmaceutical and health services.

The Liberal Government has been working hard to establish regional headquarters for major companies engaged in data processing, software and communication, and the Westpac Mortgage Centre and the Bankers Trust are amongst the companies to establish their head offices in Adelaide.

The world economy operates more and more on electronic data and information exchange via communication highways. The challenge for the Government will be to make Adelaide a significant data processing centre in a world grid that will expand to include payroll services, flight and theatre bookings, financial transactions and insurance settlements, as well as a data bank information service that is being utilised in a world-wide network by many international companies.

Defence procurement offers South Australia a major opportunity with the rapid development of countries in the Asia-Pacific rim and the formation of new security relations between Australia and these countries. Defence spending is growing rapidly in this region. For historical reasons and through the DSTO, Adelaide has long been a major site for Australia's defence research and development.

The submarine project has also taken that historical position a step further. With a high level of communication capacity in place, South Australia can become the headquarters for subsidiaries of Western defence related enterprises. As a State, we offer a safe and stable base for the operation of research and development and partial manufacture for export of highly sophisticated defence based enterprises. There are important technological and skill transfer opportunities associated with many of these enterprises which can be invaluable to South Australia.

Recreation, entertainment and culture is one of the world's fastest growing industries. In employment terms, it has grown strongly over the past seven years in South Australia. Today many people spend a bigger share of their spare dollar to entertain themselves. The communications revolution has expanded enormously, and costs to provide entertainment through electronic means have been cut considerably. This means that locations that can specialise in production and distribution of entertainment and culture to world markets will be able to provide a large and growing number of jobs.

South Australia has a good track record in a number of areas, not the least of which is the Adelaide Festival and the Adelaide Convention Centre, which have enhanced our reputation at national and international levels. Special foods and food processing also has a great future in South Australia because of the growing demand for specialty uncontaminated food products, especially for Europe and the Asian markets.

Aquaculture exports have continued to expand annually, with sales in the hundreds of millions of dollars being achieved through export and many job opportunities being created. The wine industry is a classic industry that has achieved a world-class reputation for South Australia. It will continue to be a wonderful success story, creating many thousands of jobs as the industry continues to expand in order to meet the rapidly growing demands of the world market. Recognising the potential for this industry, the State Government has committed funds to establish the National Wine Centre, which will further assist in the promotion of this important industry.

Pharmaceutical and health is another area where South Australia has achieved world class success. The Government is supporting the establishment of joint ventures and strategic alliances between South Australian companies and other Australian and overseas Governments and companies in these industries in order to provide specialised products and services.

Tourism is an area of great promise, especially as we market ourselves effectively in conjunction with other States and Territories to provide a unique holiday destination as an overall Australian tourism experience. This area has the potential to create many jobs for young South Australians as we attract a greater share of the tourism market. With the major infrastructure development of the Adelaide to Darwin rail link, South Australia can provide a joint tourism initiative which will link the tropics, Kakadu and Arnhem Land in the north with the outback, Uluru in the centre and the Mediterranean regions in the south. The concept would be a highly significant region for Aboriginal heritage and culture. It would offer a full and interesting itinerary for the tourist entering Australia through Darwin or Adelaide who was seeking a genuine Australian experience. I have spoken about some of the future prospects for expansion and for a vigorous, diverse and outward looking economy which will create more jobs for our young people. My vision is to transform the circumstances within which we operate in order to fundamentally change the long-term economic prospects for South Australia.

I would now like to make a few final comments about the role our multicultural diversity can play in our future development as a State. The emphasis on exporting, including meeting the needs of overseas tourists visiting South Australia, will provide a greater potential for our people who retain connections with their overseas countries of origin and who have business, cultural and linguistic connections, family and sporting ties with those countries. South Australians from all backgrounds can be involved in a special way in expanding our economy. There are more than 35 Australian and overseas Chambers of Commerce and Business Councils, more than 25 foreign language newspapers, more than 45 voluntary radio committees preparing broadcasts for 5EBI FM and a similar number of arts and cultural organisations that cater for our multicultural communities. More than 500 clubs and associations of various kinds operate throughout South Australia. This represents an invaluable resource and asset to assist South Australia with its export efforts.

Multiculturalism is adding a dynamic dimension to our capacity as exporters and in creating a society that is more capable of meeting the challenges of a globalised world economy. Immigrants, through their circumstances, have been the builders of bridges between two cultures—their culture of origin and the culture of their adoptive homeland. Products and services that have developed and are being

provided in Australia for our multicultural society are more likely to be appreciated and accepted by many other cultures and world markets. In a sense, our own test for the best products and services, such as tourism, education and food products, will ensure our success on world markets. Multiculturalism will continue to provide an exciting basis for our export success which goes beyond the important bilateral exchanges between Australia and other countries. In particular, the acceptance and valuing of human and cultural differences is likely to be a source of great strength as we develop strategies to compete in a global economy in which South Australia will be required to compete. I support the motion.

**The Hon. CAROLINE SCHAEFER:** I commend the Government on the initiative of the jobs workshop and the opportunity for all members of Parliament to contribute to this summit, and I say 'summit' deliberately, because I do not believe this should be a debate. This is an opportunity for us all to contribute ideas that will encourage employment. It is a rare opportunity for us to work together for the betterment of the State, and those who seek to use it for political point scoring cheapen both themselves and the process. As such, I commend the Hon. Mike Elliott on his contribution on behalf of the Democrats. I most often do not agree with Mr Elliott, but I recognise that on this occasion the Democrats have sought to sincerely offer ideas that may produce solutions. As someone said this afternoon, there would be few, if any, here who have not witnessed at a personal level the tragedy of a family member or friend who is unable to obtain employment despite their best efforts.

The gradual erosion of confidence is sad in the young but utterly tragic in the middle aged. The Government sought broad community input in its series of jobs workshops held throughout the State, and the findings of those workshops make particularly interesting reading. They reflect the views, parochialism, cynicism, optimism, hopes and aspirations, and the contradictions which make up South Australia. Some of the contradictions in the report included: get rid of the youth wage/do not get rid of the youth wage; abolish Work for the Dole—it doesn't work/Work for the Dole is a great initiative; extension of shopping hours kills small business/(further down the same page) deregulate shopping hours, we should have our own choice of opening. Such is the diversity of views in the report. However, I was impressed by the number of comments promoting a positive attitude.

For some time now I have felt we are our own worst enemy in South Australia because of our pessimistic outlook and our lack of belief in ourselves. Some of the comments that impressed me included:

- Break the cycle of negativity that the media, etc., presents;
- We must become the 'can do' State instead of one that is shackled by the State Bank disaster—and this requires cooperation between Government, the Opposition and the media who all too quickly shoot down good ideas and concepts;
- There are too many small interests that try to hijack development on conservation grounds;
- Recognise the achievements of government and promote success in the private sector;
- Encourage a more positive attitude;
- Better to get a positive culture happening—focus on employment not unemployment;
- Large events create work and give a sense of morale and confidence for South Australians;
- Promote this State's competitive advantages to business, including the quality of life assets; and
- Target the 20 per cent of business opportunities which are likely to get the 80 per cent of benefits.

These were all comments which interested me and which reflect a real desire within people to get up and get on with it. Of course, it is important to remember, as these comments reflect, that even 10 per cent unemployment means 90 per cent employment. This is not a figure of which we are proud, but one that many nations would find acceptable. Perhaps it is also time for us to be honest enough to admit that 5 per cent unemployment is probably close to full employment in real terms.

With the onset of the age of information technology, we are undergoing a change of work practices greater than those involved in the industrial revolution. Someone recently remarked to me that we do not need many blacksmiths or candle makers any more. Similarly, many of the traditional manual occupations will become redundant, and considerable reskilling will need to take place. From a regional point of view, many of the initiatives embraced new and innovative ideas, but most of them also required considerable investment in infrastructure. It is not the job of Government to be in business but to provide the infrastructure for business to survive and thrive. As such, recognition should be given to roadworks and maintenance, to schools and hospitals and jetties, and so on, which have taken place in rural South Australia over the past six years or so. As an example of the importance of this, a couple of weeks ago I was in Kimba where both a road gang and mining exploration are staying. In a small town of that size, this 20 or so people mean the employment of extra staff at the hotel, butcher's, supermarket, and so on. Can you imagine how much greater the impact would be if these people were to become permanent, if we could proceed with some real infrastructure or we could develop the granite mines near Wudinna or explore mining in the Yumbarra National Park?

Some of the initiatives suggested from country areas were: further development of tourism; development of more aquaculture; set up jetty maintenance teams; provide incentives for employers to keep trainees for over 12 months; provide incentives to attract qualified people to country areas, for example, locality allowances, discount on cars, and so on; empower local communities to make local employment decisions; provide career counselling within schools on a regional basis; use arid lands more productively, for example, by growing quandongs, sandalwood olives, and so on, by processing by-products on the spot; target business migrants to come to country areas; make Whyalla a duty free zone; make Whyalla a tax free zone; provide start up capital for business on Yorke Peninsula; create a film industry in Whyalla; and the list goes on.

In my view, some of these ideas have merit, others less so, but they all reflect a real desire to create meaningful employment and keep their communities together. Sadly, no-one can create a job. Jobs only flow from a buoyant economy. Employers only employ extra staff when they are making a profit. Governments can do things to encourage business. They can reduce red tape, encourage less bureaucracy, and give incentives to help business, but they cannot create jobs.

As has already been pointed out by the Hon. Diana Laidlaw and the Hon. Terry Cameron, this Government can do little to help or even provide seed funding for enterprise while it is financially hamstrung. We can argue as to just how much interest we pay or what the net effect of getting rid of our debt would be, but the fact is it would free up large amounts of money and allow us to get on with providing at least some of the incentives and infrastructure needed. Until

we can do that, many of tonight's good ideas will be nothing more than empty words.

**The Hon. R.R. ROBERTS:** I rise to comment on the initiative of the Government to undertake these workshops. It is an initiative only because the other option was to do nothing. Therefore, it is a positive step in that sense. What we have is a compilation of ideas that have been gathered from people—some enthusiastic, some desperate, some clutching at straws, and some clutching at idealism. What must happen now is the engine drivers of employment must analyse all of these ideas and then set up a structure to see whether in fact there is any merit in any of the ideas that have been gathered. In a sense, what the Government has done is put the cart before the horse.

Instead of setting up the heads of industry, the heads of Government, in a truly bipartisan way, we have seen an unfortunate denial of the opportunity for a truly bipartisan approach to unemployment in South Australia. It is a political issue, and I do not shy away from a political issue, because without political intervention, this State will get worse. I attended one of the workshops at Port Pirie at which Minister Brindal was present. I would have to say that his presentation was very good. It was about the third or fourth time he had done the exercise. It was slick and professional. It gave some confidence, and he espoused some enthusiasm.

But I looked around at members of local government, people of community groups, those who I know have worked in industry, who have been made redundant and who were looking to try to regain some dignity in the workplace. I saw people who had seen a whole range of schemes, people who have been on city development committees, council development boards, regional development boards, and regional local government associations that have looked at regional development. I saw people who a few years ago were convinced by the Federal Government policy that there ought to be one regional board and seed money provided for that. Great enthusiasm in rural South Australia was generated at that time. A community of interest was created, and in fact it was working. Through Government intervention, these people had seen that torn apart and were now facing yet another meeting to talk about the same things that they have been talking about for the last eight to 10 years.

I had the opportunity to speak to some of the leaders, and some of them said, 'Well, we have to come along. We have to keep trying. We cannot give up, but it seems that "here we go again".' Other speakers have talked about the whole of South Australia and what we are doing in the metropolitan area, but my interest—and I make no apology for this—is what is happening in rural South Australia. When Mike Rann extended the invitation during the election campaign for a summit, I think it was a statesman-like initiative that did have merit. It was a genuine attempt to try to get all South Australians to pull together, to try to make a start on a reestablishment for South Australia.

People in South Australia have been affected dramatically by Government policy and Government rationalisation in country areas. The sad thing about it is that it has been done in an *ad hoc* way. Each Government department every year has its budget scrutinised and is given a directive that it has to cut by a certain percentage. What we have seen as a consequence of that is jobs taken out in the areas of education, police, EWS, ETSA, and highways. Right across South Australia we have seen job reductions on a department by department basis.



I was actually part of the policy development committee at the last election, and took note of what happened in Queensland with the Office of Country Affairs which was set up by Tom Burns in the Queensland Government to look specifically at country issues. There is no doubt that there are some issues that affect country people differently from those people who reside in the metropolitan area. We announced that we were going to do that, and within a few weeks the Liberal Government had decided that it would set up an Office of Country Affairs in the Premier's Department. The head of that was a person from Primary Industries, and it was going to do basically the same things that Labor had espoused in its policy launch.

The other thing we said was that before the Government closed any Government services in South Australia, there ought to be a transparent community impact statement to see what the effect of those job reductions and those reductions in services would have on those communities where they took place. For instance, in an area where the highways office closed down, those families would go and take their children with them, and the local store would lose trade. A whole range of incomes would no longer be spent in that community. It would affect the number of children in the school which consequently would affect the number of school teachers.

Other problems would arise whereby pressure was put on the local hospital, and then the community could not attract doctors. The turnover in the bank then winds down and therefore the bank closes. There is a contraction in the incomes of the whole of that community, which has been impacted by individual decisions made by individual Government departments. These cases of themselves may mean a few jobs in one area, but the cumulative effect has been drastic on the country community. That has accelerated the urban drift back to the metropolitan area.

An interesting thing is happening in rural South Australia in that the people with skills who have been made redundant, sacked, or have lost their employment because of the consequences of Government departments closing down have moved from the country to the cities to seek employment. There is also a drift back the other way; that is, the long-term unemployed are finding that in places such as Peterborough and some of the other country cities and towns there is an abundance of cheap housing and that housing costs them about half of what it costs them in Adelaide because all those skilled people have moved out. It is like giving them a wage increase, and they have moved to regional South Australia. However, the sad part about it is that, in many cases, they take no skills with them and there are very few opportunities for them to gain employment and, unfortunately, the cycle continues.

The other thing that concerns me about Government policy is the trend, which has almost become a business, whereby whenever new industries are mentioned—and it turned up in the workshops—more incentives are offered to businesses to go into different areas, along with tax havens and rate reductions. What is developing is a business in providing information to those people on how best to access Government assistance. What we are doing is creating a market in which we bid for the highest amount of money and concession from one city to another to see which city can attract a prospective business.

Members who have followed the Parliamentary Library publications would have read some of the effects this policy is having in America, where a situation arose whereby

\$130 000 in concessions was given to provide one job in a city. It is a worrying trend that long-term investment in industry is dependent on what Government concessions, including council rate reductions and tax exemptions, can be given. That is an area at which we need to look closely.

In relation to enterprise zones, I agree with the prospect put forward by Mike Rann when he talked about enterprise zones as being unique. Honourable members would remember that when Mike Rann first floated this idea he said that we should concentrate on Port Pirie, Whyalla and Port Augusta as an enterprise zone to attract business. Unfortunately, the idea was poohooed out of hand by John Olsen and Dean Brown, who said that they would make the whole State an enterprise zone.

The effect of that is that absolutely nothing changes, because it applies to those cities that have geographical advantages and so on which may determine whether or not a business would be attracted to that city without concessions. Therefore, if we give everyone the same concessions, we change absolutely nothing. All we do is ensure that subsidies are offered to businesses. In my view, if businesses have to rely on subsidies to survive, they are not on a sound financial basis anyhow.

People in country areas are desperate. People in local government, on development boards and parents are desperate for employment in regional South Australia. The realistic fact of life is that it is only by sensible cooperation between all the major players in employment and Government that we will make a difference, and we have to make that difference based on merit and economic viability.

We have to return to a system of social justice and community service obligations. They are two things that, sadly, have been lacking in the past five or six years in respect of those people living in regional South Australia in particular. We have to also try to drag the focus away from the economic rationalists' view that everything has a cost and a price. We have to go back and look at the following questions: what is the social value; what is the community service obligation; what is the value of having a bank in every country town; and what is the value of having a policeman in most country towns whereby those people can have security and have the presence of a uniformed officer moving about? We have to work out what that would cost compared with the value to society, to the community in those country towns and to the dignity of those people who live and want to work in regional South Australia.

I understand that today the Government announced that we are to have some advisory board. I will not be surprised if that advisory board is made up of people who are already employed and who will get another job to supplement their existing income. I see these as the dangers, because on many of these development boards that is exactly what we have done and, if we measure the results against the effort and the cost, we have been unsuccessful. That does not mean to say that we cannot be successful, or that we should give up—I do not advocate that. I am prepared to support the process that has been started. I am prepared to become involved in a sensible arrangement whereby there is proper planning and it is not made into a sideshow.

Unfortunately, one of the down sides of this exercise is that there has been a splurge of publicity everywhere the workshops have gone. Every television and radio station has made itself available to do the same report in every town. In that respect it has been a bit of a sideshow. However, there is an acorn of an idea, and I am certainly prepared to sit down

with our Leader in this place, the Government, the captains of industry and those heads of Government departments who are in charge of Government services in country areas to look at the value of those services and to see how we can enhance real opportunities for real and productive employment. In other words, it will not be industries on the dole, if you like, in the sense that they will set up in a certain area only if the Government pays their way in respect of water, electricity, road building and other services and gives them a tax haven and a rate retreat for four or five years.

We have to get back to a situation of reality, and it needs to be done on productivity and on the natural assets that exist in each region. I hope that in 12 months my scepticism is proven absolutely wrong. It is my earnest hope that there is

some light at the end of the tunnel and that both Parties can put aside their desire to be the one that will be the saviour, and perhaps collectively we can be the saviour for those unemployed people, especially those who live and want to work in regional South Australia. As most other speakers have covered almost every other subject, I shall conclude my remarks in deference to the hour.

**The Hon. L.H. DAVIS** secured the adjournment of the debate.

#### **ADJOURNMENT**

At 11.55 p.m. the Council adjourned until Thursday 11 February at 2.15 p.m.