HOUSE OF ASSEMBLY

Tuesday, April 12, 1977

The SPEAKER (Hon. E. Connelly) took the Chair at 2 p.m. and read prayers.

PETITION: TOURISM REPORTS

Mr. EVANS presented a petition signed by 21 members of the tourist industry, praying that the House take action to release the Pak-Poy and Tattersall reports on South Australian tourism.

Petition received.

PETITION: STUDENT TRAVEL

Dr. EASTICK presented a petition signed by 1 415 tertiary students in South Australia, praying that the House request the Minister of Transport to give urgent consideration to issuing a form of student pass which would permit students to travel to and from their lodgings and their place of study by whichever form of public transport was most convenient at any particular time and at comparable fares.

Petition received.

MINISTERIAL STATEMENT: COOPER BASIN

The Hon. HUGH HUDSON (Minister of Mines and Energy): I seek leave to make a statement.

Leave granted.

The Hon. HUGH HUDSON: I wish to announce, on behalf of the Pipelines Authority of South Australia, the South Australian Gas Company, and Bridge Oil, that negotiations are proceeding to establish a consortium to hold the Commonwealth Government's and Bridge Oil's interests in the Cooper Basin. The Pipelines Authority's interest in the new group will be 50 per cent, or less if the group is expanded to include other Cooper Basin interests.

I will be contacting those companies which have a minor interest in the Cooper Basin to see whether they are willing to join the new group or, alternatively, to sell their interest to that group. I have written today to the Deputy Prime Minister (Mr. Anthony) informing him of the negotiations, and firming up on the State's latest offer to purchase the Commonwealth Government's interest in the Cooper Basin. When the negotiations with the Gas Company and Bridge Oil are finalised the new group will own a 19 per cent interest in Cooper Basin gas and about a 25 per cent interest in any future liquids scheme. I believe, and the Government believes, that these proposals are a significant move towards consolidating interests in the Cooper Basin, moves that will facilitate exploration and ensure the full backing of the State in securing the orderly development of the Cooper Basin resource. This is of fundamental importance to the State but it means also that all Cooper Basin producers can be assured of the State's commitment to the successful and profitable development of the resource.

QUESTIONS

The SPEAKER: I direct that the following written answers to questions be distributed and printed in *Hansard*.

OPPOSITION STAFF

Mr. MILLHOUSE (on notice):

1. What staff does the Government now allow to the Leader of the Opposition, and for what purpose?
2. What is the name of each member of such staff?
3. What is the total annual cost to the Government of this staff, and how is this amount made up?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Three Public Service staff, two Ministerial officers, and a chauffeur are allowed to the Leader of the Opposition. Approval has been given for the engagement of an additional Steno-Secretary, Grade I ($8 504-$8 900).
2. Public Service staff:

D. Ayling, Secretary to the Leader of the Opposition, $18 259.
R. I. Thomson, Steno-Secretary, Grade III, $10 426.
J. Hailstone, Office Assistant, $7 898.

Ministerial staff:

M. Dunleavy, Press Secretary, $17 126 plus 25 per cent.
P. H. Scanlan, Research Officer, $17 126 plus 10 per cent.

3. Total annual cost to the Government is $91 457 which will rise by between $8 504 and $8 900 when the Ministerial Steno-Secretary, Grade I, is appointed.

LIBERAL PARTY STAFF

Mr. MILLHOUSE (on notice):

1. What other staff, apart from electorate secretaries, is now made available by the Government to members of the Liberal Party in either House of Parliament?
2. Why is this staff, if any, made available?
3. What is the cost to the Government of this staff, and how is this amount made up?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Additional staff is made available to the Leader of the Opposition in the House of Assembly (see answer to question 3); the Deputy Leader of the Opposition in the House of Assembly (chauffeur); and the Leader of the Opposition in the Legislative Council (chauffeur and Steno-Secretary, Grade II).
2. Chauffeur and stenographic duties.
3. Total annual cost to the Government is $33 070 (excluding the staff to the Leader of the Opposition).

FESTIVAL CENTRE

Mr. BECKER (on notice):

1. What was the total cost of the construction of the sculpture on the southern plaza of the Festival Theatre and:
   (*a*) how does this figure compare with the estimate; and
   (*b*) what was the estimated cost?
2. What structural tests have been carried out on the roof of the southern plaza to ensure it can carry the weight of the sculpture, gardens and fountains, etc.?
3. If no such tests have been carried out, why not?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The construction of the sculpture on the southern plaza of the Adelaide Festival Centre complex is essentially incorporated as an integral part of the roof structure of the car park. As such, it is difficult to separate the elements that relate specifically to the environmental sculpture.

2. and 3. The sculpture, gardens and fountains are all part of the original concept for the southern plaza and

car park project and, as such, were included and considered within the original structural design. The total project was structurally designed to the appropriate codes and standards.

NORTH MALAYSIA WEEK

Mr. DEAN BROWN (on notice):

1. What specific commercial trade contracts or agreements have been made between South Australian and Malaysian interests as a result of the North Malaysia Week, what are the details for each agreement, and what is the total monetary value of each agreement?

2. What specific trade agreements have been made during the past 12 years between commercial interests in South Australia and Malaysia as a result of the continued contact between the Governments involved?

3. Did the Premier indicate publicly that orange juice and/or orange concentrate would possibly be sold to Malaysian interests from South Australia and, if so:

(*a*) have any such sales occurred;

(*b*) how much has already been sold; and

(*c*) what is the total value of such sales expected to be during the next 12 months?

4. Has contact with Malaysia assisted South Australian industries and, if so, in what specific ways and to what value has it done so?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. No agreements were entered into. Discussions on possible joint ventures are continuing, but these will take time and have to remain confidential.

2. Neither I nor my officers would be aware of the numerous contract and tendering arrangements made during the past 12 years. Since 1974, in co-operation with my Government, four successful joint ventures have been launched and several others are actively under consideration.

3. I did indicate publicly that orange juice and/or orange concentrate would be sold to Malaysia.

(*a*) Yes.

(*b*) Company involved advises large quantities of concentrate and powdered juice are being exported to Malaysia, but is unable to give amounts involved.

(*c*) The value is a private company matter.

4. Yes; they help to stabilise or improve employment in this State.

FEDERALISM

Mr. BECKER (on notice):

1. Does the State Government now accept the principle of federalism and, if not, why not?

2. How does the Government propose to continue funding extension and expansion of community health and welfare programmes?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The South Australian Government has always maintained that Australia, with its Federal structure, must have a workable and broadly supported system of federalism. The nature and history of our country makes it essential that local communities have considerable control over matters of regional administration, and the State Government has extended this principle in its own operations so that regionalisation of Government services and devolution of powers within Government services are encouraged. The present Federal Government has embarked on a centralist policy unparalled in Australia's post-Federation history. The Prime Minister and his Treasurer seem intent on destroying the ability of the States to operate as viable regional units and on ensuring that units of State Government have neither the financial nor constitutional powers to increase the measure of local community control.

2. The State Government has been able to provide some temporary and emergency funding of programmes from which the Federal Government has withdrawn because, as a result of the transfer of the State railways, South Australia had been able to build up cash reserves. The Federal Government's actions in systematically and deliberately following a policy of off-loading proper Federal responsibilities to the States and refusing to provide increased financial support to the States to carry out those programmes has placed considerable strains on the State's finances. I refer the honourable member back to my speech in the House when introducing the Supplementary Estimates on Thursday, March 31.

PREMIER'S FUND

Mr. DEAN BROWN (on notice):

1. Why were some invitations to the "Vintage Dinner with Don" to raise funds for the Premier's Fund delivered by hand by a person driven in a Ministerial and/or other Government vehicle?

2. Which Minister was responsible for the use of the particular Ministerial and/or other Government car, and had the Minister concerned given permission for such use of the car?

3. Has any information from any Government department or Government records been used in selecting the people invited to the dinner and, if so, what information was used, and who gave permission for its use?

4. Was this dinner a function organised by the Australian Labor Party (S.A. Division), or will the funds be used by the A.L.P., or to promote any A.L.P. candidate at the next State election and, if so, why was not some mention made of the A.L.P. on the invitation?

5. Were any staff of the Premier's Department or the Department of Services and Supply, or any Ministerial staff involved in the preparation and distribution of the invitations or for arrangements for the dinner?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. To facilitate delivery.

2. The Deputy Premier. He authorised the use of his Ministerial car.

3. Yes. Names and addresses were checked for a list of organisations which appears to be similar to lists used for fund-raising purposes by members of the Liberal Party.

4. Money in the Premier's Fund is used at the discretion of the Premier to support the Labor Government in South Australia. Invitations to the dinner were sent on that basis.

5. Yes; a member of the Premier's personal staff and a member of the Deputy Premier's personal staff were used to assist in the drafting of the invitation, the compilation of the guest list, and the arranging of a seating plan. Their use in this matter is seen as being no different from the use the honourable member put his electorate secretary to on some occasions, and is in accordance with the use made of Ministerial officers by the last Liberal Premier of this State.

SAMCOR REPORT

Mr. DEAN BROWN (on notice):

1. In the Samcor annual report of 1975-76, what was the source of funds on which $279 239 was earned as interest, and what is the average rate of interest?

2. If this source of funds is Loan moneys, who made the loans available, when, and what were the interest rates of interest payable?

3. Does the interest payable on borrowings of $618 880 represent total interest payments on medium and long-term liabilities, and, if not, what were the additional interest payments?

4. Have any interest payments on liabilities been capitalised and included in capital works in progress amounting in total to $14 411 247 and, if so, how much has been included?

5. In view of the fact that at June 30, 1975, capital works in progress amounted to $8 054 750 and on June 30, 1976, this had increased to $14 411 247, what were the reasons for carrying forward such a large sum over a long period, has this avoided a depreciation debit to the profit and loss account, and has it seriously distorted the trading result for the year?

6. When is it intended to charge depreciation on these capital works?

7. Does Samcor charge depreciation on buildings in accordance with normal accounting standards and, if not, why not, and what would have been the charge for the 1975-76 year?

8. In view of the fact that accounting standards are specific in respect to treatment of "abnormal items", what justification is there for the comments in the Chairman's report for 1975-76 concerning abnormal charging arising as a result of pay rate increases applicable to untaken leave entitlements?

The Hon. J. D. CORCORAN: The replies are as follows:

1. These moneys consisted of day-to-day surplus revenue funds and surplus Loan funds pending settlement of capital works progress payments. Receival dates of Loan funds are usually determined by the lender, and the average rate of interest received equals 9·671 per cent.

2. The following Loan moneys were invested until required to meet capital works progress payments:

	Date	Per Cent	$
The South Australian Superannuation Fund Investment Trust	17/1/75	9·85	250 000
The Savings Bank of South Australia	21/3/75	9·9	500 000
The South Australian Superannuation Fund Investment Trust	4/4/75	9·9	250 000
The Prudential Assurance Company Limited	1/5/75	9·9	50 000
The National Bank Savings Bank Limited	16/5/75	9·9	250 000
The South Australian Superannuation Fund Investment Trust	6/6/75	9·9	250 000
The State Government Insurance Commission	20/6/75	9·5	200 000
The Savings Bank of South Australia	19/9/75	10·5	900 000
The Bank of New South Wales Savings Bank Limited	19/9/75	9·8	350 000
The State Government Insurance Commission	10/10/75	9·8	800 000
The Commercial Savings Bank of Australia Limited	10/10/75	10·5	300 000
The Australian Mutual Provident Society	30/1/76	10·3	100 000
The South Australian Superannuation Fund Investment Trust	2/4/76	10·5	400 000
The South Australian Superannuation Fund Investment Trust	6/5/76	10·5	300 000

3. No. Additional interest payments, $904 359.

4. Yes. Interest capitalised 1974-75, total $113 012; interest capitalised 1975-76, $904 359.

5. The capital works in progress at June 30, 1975 and 1976, represented uncompleted capital projects. No depreciation was avoided.

6. Depreciation is charged from the time a capital project is ready for commercial use. This practice was detailed in note 5, annexed to the statement of assets and liabilities as at June 30, 1976. The southern works complex was ready for commercial use on August 18, 1976, and depreciation has been charged into costs from that date. The northern boning and processing facility is now being commissioned, and depreciation will be charged into costs on completion of such commissioning.

7. Yes.

8. The treatment of increased leave accruals in the annual accruals for 1976 and the proposed future treatment are both in accordance with the statement of accounting standards issued by the Institute of Chartered Accountants in Australia and the Australian Society of Accountants.

TAXIS

Mr. MILLHOUSE (on notice):

1. Has the Premier received a petition addressed to the House of Assembly making allegations in relation to certain conditions imposed on taxi operators by the Metropolitan Taxi-Cab Board of South Australia and praying that there be legislation to prevent the imposition of such conditions upon the freedom of choice of the individual and, if so:

(*a*) when did he receive it;

(*b*) does he propose to present it and when; and

(*c*) why has he not yet presented it?

2. What action, if any, does the Government intend to take in relation to the matters set out in the petition?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Yes. The petition was received in late February and will be presented to the House of Assembly today. It has not been presented yet, as it was forwarded to the Metropolitan Taxi Board of S.A. for its comments.

2. Officers of my department and the Minister of Transport's office have arranged meetings at which the petitioners will be able to make their point to myself and at which representatives of the Taxi-Cab Board will be present to discuss the issue. In the meantime, no licences have been terminated on the grounds of failure to provide two-way radio services.

FLINDERS TRANSPORT

Mr. MATHWIN (on notice):

1. Does the Health Department supply a taxi service for the use of people who are patients, out-patients, or close relatives of patients in the Flinders Medical Centre where no other public transport is available and, if so:

(*a*) what has been the cost of such a service since July, 1976;

(*b*) how many journeys have been made since July, 1976; and

(*c*) how far south from the Flinders Medical Centre does this service operate?

2. Is a similar service provided for residents of Brighton, Marino, Glenelg and Warradale and, if so:

(*a*) what has been the cost of this service since July, 1976; and

(*b*) how many journeys have been made by this service since July, 1976?

The Hon. R. G. PAYNE: The replies are as follows:

1. No. A taxi transport service is only provided for out-patients who have been clinically assessed by a medical practitioner as unable to utilise public transport due to their medical condition.

(*a*) $8 720.

(*b*) 2 659 journeys.

(*c*) Out-patient transport is not confined to specified boundaries.

2. (*a*) As residential location is not a condition of eligibility as above, no figures segregating the service by various suburbs are maintained.

(*b*) See 2 (*a*) above.

Mr. MATHWIN (on notice):

1. Has a feasibility study been carried out for a future bus service from Flinders Medical Centre to:

(*a*) Christies Beach;

(*b*) Port Noarlunga;

(*c*) O'Sullivan Beach;

(*d*) Reynella;

(*e*) Brighton and Marino; and

(*f*) Glenelg and Warradale?

2. If a study has been completed, what were the findings of that study?

3. If no feasibility study has been carried out, why not?

The Hon. G. T. VIRGO: The replies are as follows:

1. No.

2. Not applicable.

3. Because the present services conform to the authority's general standard of providing a public transport service as far as practicable within about 400 metres of all developed areas within metropolitan Adelaide.

McNALLY TRAINING CENTRE

Mr. MATHWIN (on notice):

1. What has been the cost of repairs to damage at McNally Training Centre caused by the inmates of that institution since July, 1976?

2. Were these repairs undertaken by the Public Buildings Department and, if so:

(*a*) on what dates were these repairs carried out;

(*b*) what type of repairs were needed on each of these visits; and

(*c*) what was the cost of repairs on each of these visits?

The Hon. J. D. CORCORAN: The replies are as follows:

1. $23 650.

2. The work was undertaken both by contractors and P.B.D. The approximate cost of P.B.D. work is $16 785 and is detailed as follows:

Repair work in excess of $200.

		$
22-7-76	Replace broken glass	1 650
13-8-76	Replace broken glass	512
26-8-76	Replace broken glass	490
8-9-76	Replace broken glass	1 016
15-9-76	Repair cupboard—Grenfell and Sturt Units	850
6-10-76	Repair fire-proof kitchen door	240
1-11-76	Replace broken glass	985
3-11-76	Replace broken glass	700
7-12-76	Replace broken glass	600
6-10-76	Replace damaged wire screens	900
2-2-77	Replace doors	300
21-2-77	Repair damage	1 800
24-3-77	Replace broken glass	850
23-3-77	Replace broken glass	500
6-4-77	Repair wire screens	307
		$11 700

Continuous minor repair works individually valued at less than $200 have been undertaken as required. Although these details cannot be itemised, expenditure of this nature is estimated to total $5 000.

ANCILLARY STAFF

Mr. BOUNDY (on notice):

1. What progress has been made in determining policy on funding for groundsmen and like ancillary staff at schools?

2. Has a decision been reached regarding the provision of full-time groundsmen for area schools, particularly those situated at Yorketown and Maitland and, if not, when will that decision be made?

The Hon. D. J. HOPGOOD: The replies are as follows:

1. A small working party has been established within the Education Department to review the ancillary staffing situation in schools. The policy on funding for groundsmen and like ancillary staff in schools is under consideration by this committee.

2. The provision of full-time groundsmen for area schools is also under consideration by the committee.

ELECTORAL COMMISSION

Dr. EASTICK (on notice):

1. Has the Electoral Commission at any time since the tabling of the 1976 Report of the Electoral Districts Boundaries Commission determined the numbers of electors who would be allotted to each of the electorates created by that report and, if so, what were those numbers for each occasion on which they were determined?

2. What is the percentage variation from the State quota in each instance?

3. Was the variation in any instance contrary to the expectations expressed before the Commission and, if so, in which instance, and has it been possible to determine a reason for the unexpected results?

The Hon. PETER DUNCAN: The replies are as follows:

1. No.

2 and 3. See 1.

URANIUM

Mr. MILLHOUSE (on notice):

1. Did the Premier write to the Prime Minister and Deputy Prime Minister during 1976, to the effect that while a committee would continue its study on the location of a uranium enrichment plant in this State, no firm negotiation of any kind would be entered into by the Government until the Ranger Uranium Environmental Inquiry had given its final report and, if so:

(*a*) when was the letter written;

(*b*) what are its full terms; and

(*c*) does the letter still represent the view of the Government?

2. If such a letter was written, what reply to it, if any, was received?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Yes.

(*a*) June 29, 1976, to the Prime Minister and June 19, 1976, to the Deputy Prime Minister.

(*b*) The Prime Minister was told that, while the Uranium Enrichment Committee would continue its study on the location of a plant in South Australia, no firm negotiations of any kind would be entered into until the final report of the Ranger Uranium Environmental Inquiry was made public. Mr. Anthony received a copy of the letter to Mr. Fraser.

(*c*) The letter does not now fully represent the views of the Government. The Government's present view was expressed in the terms of the motion on uranium passed in the House of Assembly on Wednesday, March 30, 1977. Nevertheless, as I stated during the debate on that motion the feasibility study into the uranium enrichment plant will go on. The Government needs to know about the possible development of uranium technology and, if there is a change in the future that can give us assurance of safety, the plant could be proceeded with.

2. The reply from the Acting Prime Minister (Mr. Anthony) stated that the study being undertaken by the South Australian Government was consistent with the Commonwealth's view that the feasibility of uranium enrichment should be fully explored. He also said that the attitude of the Commonwealth Government was that it should not make final policy decisions on uranium development before the report of the Ranger Uranium Environmental Inquiry was received. He added that any decision on a uranium upgrading and enrichment programme by the Commonwealth would await the outcome of the inquiry, and, if then appropriate, of full consideration of technical and economic issues.

COURTS

Mr. MILLHOUSE (on notice): Do the courts of the Adelaide Magistrates Court sit punctually at 10 a.m. on each weekday and, if not, why not, and what action, if any, will now be taken to ensure that these courts do sit punctually?

The Hon. D. A. DUNSTAN: Yes, if able to do so, except in the case of the remand court, which sits at 9.45 a.m.

Mr. MILLHOUSE (on notice):

1. How many matters were dealt with in each of the suburban Magistrates Courts during 1976?

2. Which, if any, of these courts has been closed, and why?

3. Is each court still hearing both defended and undefended matters and, if not, why not, and what alternative arrangements have been made?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Darlington 6 247
Henley Beach 5 886
Glenelg 4 430
Holden Hill 6 042
Prospect 5 638
Unley 5 250
Port Adelaide 12 685
Elizabeth 10 300
Christies Beach 5 115
Norwood (closed 1/11/76).

2. A magistrate no longer, as a matter of course, sits at the Norwood Court of Summary Jurisdiction. This court is about 3 km from the city of Adelaide. There are unused courts in the Adelaide Magistrates Court complex, since the Juvenile Court moved to its new premises in Wright Street. Lists of summary cases are far more effectively, efficiently and economically handled in a large complex of courts than by a single magistrate.

3. All magistrates courts hear both defended and undefended matters.

Mr. WOTTON (on notice):

1. Has the review of the court structure within the Adelaide Hills been completed and, if so:

(*a*) which courts are to be upgraded; and

(*b*) which courts will cease to function and for what reasons?

2. What is the present situation regarding the future of the courthouse at Mount Barker?

The Hon. PETER DUNCAN: The replies are as follows:

1. (*a*) and (*b*). The servicing of courts by magistrates in the Adelaide Hills is continually being reviewed. There are no plans for any courts to cease functioning, but from time to time the sitting days each month in a particular area may be varied depending upon the demand.

2. Public Buildings Department has been requested to arrange for the upgrading of the Mount Barker courthouse. It is proposed that a survey be made of accommodation in other courts in the Adelaide Hills by representatives of the Public Buildings Department and the Legal Services Department.

ADELAIDE ZOO

Mr. BECKER (on notice):

1. Since inception of the scheme, have any unemployment relief moneys been allocated to the Adelaide Zoo and, if so:

(*a*) when;

(*b*) how much;

(*c*) for what purposes; and

(*d*) how many persons were employed on each project and for how long?

2. Are any future works planned for the zoo, subject to applications for unemployment relief funds and if so:

(*a*) what projects;

(*b*) at what estimated costs; and

(*c*) how many jobs will be created?

The Hon. HUGH HUDSON: The replies are as follows:

1. (*a*), (*b*), (*c*) and (*d*):

1972-73 *Financial Year*	*Expenditure*
1. Construction of moat and develop area opposite camels' enclosure and behind macaw cages.	
2. Construction of moat for rock wallaby enclosure.	
3. Renew perimeter fence around zoo.	
4. Re-lay miniature railway line.	
5. Remove rough cast cement well around gibbon and bird cages and replace with low mesh fence and hedge.	
6. Remove old iron fence in horse paddock.	
7. Turf area of old canine yards.	$57 790
Average employed per week: 32 over a period of 32 weeks.	

1973-74 *Financial Year*	*Expenditure*
1. Construction of Australiana Exhibit ..	$18 313
Average employed per week: 10 over a period of 12 weeks.	
1974-75 *Financial Year*	*Expenditure*
February, 1975-June, 1975—	
Construction of nocturnal house	$71 834
Average employed per week: 13 over a period of 20 weeks.	
1975-76 *Financial Year*	*Expenditure*
July, 1975-November, 1975—	
Continuation of construction of nocturnal house	$87 352
December, 1975-March, 1976—	
Continuation of construction of nocturnal house	$36 730
Installation of sewerage system	$84 693
April, 1976-June, 1976—	
Construction of food breeding facility and ape enclosure	$48 170
Average employed per week: 12 over whole year.	
1976-77 *Financial Year*	*Expenditure*
July, 1976-October, 1976—	
Continuation of construction of food breeding facility and ape enclosure	$50 000
November, 1976-March, 1977—	
Continuation of construction of food breeding facility and ape enclosure	$64 600
Average employed per week: 13 since July, 1976.	
Total Expenditure	$519 482

2. (*a*) (*b*) and (*c*):

Future plans are a matter for the Royal Zoological Society to determine. Although it submitted applications for funding in the current grant period these were not approved and have now lapsed. However, should the Commonwealth Government respond positively to my request for South Australia to be paid those moneys which would have, but for South Australia's unemployment relief scheme, been paid as unemployment benefits, then it may be possible to consider further applications for grants.

PENSIONERS

Mr. BECKER (on notice):

1. What moneys have been made available to the Community Welfare Department for projects to assist pensioner home owners attend to maintenance of their gardens?

2. What was the source of the funds and from what date?

3. Who handled the applications and maintenance work?

4. How many persons have been assisted?

5. What is the estimated cost per job?

6. Who recommended the persons for assistance?

7. How many persons were employed on the project?

The Hon. R. G. PAYNE: The replies are as follows:

1. An amount of $80 000 was made available for the above purpose during the period December, 1976, to March, 1977, and a further $62 000 has been made available for the period April, 1977, to August, 1977.

2. Funds made available under the State unemployment relief scheme, during the periods shown above.

3. The South Australian Housing Trust.

4. 101 pensioners' gardens have been completed up to date.

5. The average cost a job is about $500 plus the share of capital equipment (tractor, mobile toilets, etc.) that are being used on all jobs.

6. (*a*) The Royal District Nursing Society of South Australia; (*b*) Meals on Wheels; (*c*) Domiciliary care and rehabilitation services; and (*d*) Community Welfare Department.

7. Currently 15 employed on this scheme; these people were previously unemployed.

ANZAC HIGHWAY

Mr. BECKER (on notice):

1. How many trees have now been planted in the plantation on Anzac Highway?

2. What kind of trees have been planted?

3. When will further trees be planted?

4. When will the existing dead trees be removed and why has there been a delay in removing these trees?

5. What plans and requests have been made to the Government for cycle tracks along Anzac Highway?

6. What is the estimated cost of cycle tracks along both sides of Anzac Highway from West Terrace to Colley Terrace, Glenelg?

7. When is it estimated such construction will commence and, if no work is proposed, why not?

8. What requests have been received for the general improvement and maintenance of footpaths and median strips along both sides of Anzac Highway and what is the estimated cost of such proposals.

The Hon. G. T. VIRGO: The replies are as follows:

1. Six as replacements.

2. Four Red Ironbark trees. Two Spotted Gum trees.

3. As existing trees die and space becomes available.

4. One dead tree has yet to be removed and replaced. This will be done in the near future. The delay has resulted from Highways Department's resources being fully committed to other projects.

5. None, except for occasional casual mentions in correspondence.

6. It has not been calculated.

7. No construction is anticipated, as it is the Government's policy to encourage cyclists to use low volume residential streets. There are, however, exceptions to this general rule where no alternative route through residential streets can be found for cyclists and where a high demand exists.

8. It is assumed that the question relates to the area between property boundaries and the road kerb. This is the responsibility of local councils.

BUS DRIVERS

Mr. BECKER (on notice):

1. What is the total cost to date of advertising vacancies for bus drivers:

(*a*) in the press;

(*b*) on radio; and

(*c*) on television?

2. How many male and female persons, respectively, have applied?

3. How many male and female persons, respectively, have been accepted?

4. How many drivers are currently employed by the State Transport Authority Bus and Tram Division?

5. What is the total number of drivers required?

The Hon. G. T. VIRGO: The replies are as follows:

1. (*a*) $6 926.
   (*b*) $2 434.
   (*c*) $1 014.
2. Males: 1 631; females: 30.
3. Males: 285; females: 3.
4. On April 3, 1977: 1 182.
5. On April 3, 1977: 1 195.

INDUSTRIAL DEMOCRACY

Mr. BECKER (on notice):

1. How many companies have now volunteered to implement industrial democracy in South Australia and (*a*) which are they; and (*b*) what is the total number of their employees?

2. When will the programme be implemented and, if it is not be to be introduced, why not?

3. What is the Industrial Democracy Unit's current work programme?

4. When will a positive report on the unit's investigations be given to Parliament?

5. What progress has the unit made to date?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. This information is not available for two reasons:
   (*a*) dealings between the Unit for Industrial Democracy and organisations are conducted on a confidential basis;
   (*b*) a number of organisations are introducing forms of industrial democracy without the involvement of the unit and the unit does not attempt to oversee the nature and extent of these developments.
2. As managements, unions and employees reach agreement.
3. An extremely busy one.
4. In the next session.
5. Substantial.

"CUMMINS"

Mr. BECKER (on notice):

1. Has a committee been formed to administer "Cummins", Novar Gardens and, if so:
   (*a*) who are the members of the committee;
   (*b*) when were they appointed;
   (*c*) what are their duties; and
   (*d*) how often do they meet?
2. Has a local resident been appointed to the committee and, if so, who is the representative and, if no local representative has been appointed, why not?
3. Who is maintaining the grounds of "Cummins" at present?
4. Has any decision been made as to who will occupy the premises and, if so, for whom or for what purpose will it be used and, if not, why not?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The Public Buildings Department has the initial responsibility for the management of "Cummins". A "Cummins" advisory committee has been appointed to recommend on alterations (and their cost) necessary to render the property suitable for accommodation of important State visitors, for exhibitions, displays and inspections by the public, for civic receptions, and any other compatible use. The committee will also recommend on the future management of the property.

2. Councillor D. J. Wells represents the Corporation of the City of West Torrens on the "Cummins" advisory committee.

3. The Public Buildings Department.

4. Action has been taken to appoint a resident caretaker. On other matters the recommendations of the advisory committee are awaited.

ATTORNEY-GENERAL

Mr. BECKER (on notice):

1. How many police reports, files and dockets, have been requested by the Attorney-General and/or his department for perusal since July, 1976, and:
   (*a*) for what purpose;
   (*b*) are such requests normal;
   (*c*) how many have been returned;
   (*d*) why are any outstanding;
   (*e*) what action is being taken to have these files returned;
   (*f*) how many files cannot be found and why not; and
   (*g*) have any charges been withdrawn following the Attorney-General's perusal of files and, if so, how many, what reasons were given and what were the nature of the charges?
2. Are police reports, files, dockets, etc., requested by other Ministers and, if so:
   (*a*) why; and
   (*b*) have all the files been returned and accounted for?

The Hon. R. G. PAYNE: The Attorney-General and the Legal Services Department consider many police files, reports and dockets every week. The Attorney-General, as senior law officer of the Government, has general responsibility for all Government and Crown litigation, and with respect to criminal proceedings it is he who is responsible for the enforcement of the criminal law in the courts. For these reasons, requests for files are routine in furtherance of the enforcement of the criminal law and the guardianship of the public interest.

POLICE FORCE

Mr. BECKER (on notice):

1. Is asthma a bar to entry to the South Australian Police Force and, if so, why?

2. If so, on whose advice and on what medical grounds was this bar authorised?

3. When was such advice reviewed?

4. What is the minimum accepted period of asthma-free attacks before application may be made for entry into the Police Force and, if there is no such period, why not?

The Hon. R. G. PAYNE: The replies are as follows:

1. Yes, because an attack may occur at any time. This could jeopardise his own safety or that of his workmates and the general public through his inability to react, at least physically, to the situation.

2. Acting on the advice of the Police Medical Officer, the grounds of bar to entry are as follows:—

(*a*) attacks can occur at any time, although they are usually brought on by catalysts, such as fatigue, physical stress, mental stress, pollens or air pollution;

(*b*) the effect of an attack is debilitating in that difficulty in breathing is experienced, shortness of breath occurs, distress can set in, and the sufferer is virtually brought to a standstill;

(*c*) an asthma sufferer generally requires continuing medication and, in particular, medication at the onset of an attack or soon afterwards;

(*d*) asthma is an affliction that can worsen in time and debilitate the sufferer even more than when first sustained.

3. This matter is subject to continuous review by the Police Medical Officer.

4. As a general statement, any history of a serious asthmatic condition is a bar to entry. However, when the history of the condition indicates that it is of a minor nature and there is medical evidence of freedom from attacks for a period of at least five years, entry to the force may be considered.

RAILWAYS

Mr. BECKER (on notice):

1. What engines and rolling stock have been ordered for the South Australian Railways and:

(*a*) what is the total estimated cost;

(*b*) where will they be constructed; and

(*c*) are the vehicles capable of being converted to operation on electrical lines?

2. What is the now revised and estimated commencement date and programme for the electrification of the Christie Downs railway line?

3. What is the estimated cost of this work?

4. What is the total cost to date of electrification equipment purchased and stored at Islington for the project?

5. Has consideration been given to scrapping the project entirely and disposing of equipment purchased and, if so, what is the estimated total loss that could be incurred?

The Hon. G. T. VIRGO: The replies are as follows:

1. (*a*) A total of 154 under-floor mounted diesel engines are under order to re-engine suburban rail cars at an estimated cost of $1 600 000. Tenders have been called for the construction of 13 trailer cars to replace older cars that have been withdrawn from traffic. The estimated cost is $5 330 000.

(*b*) Will not be known until a tender is let.

(*c*) Yes.

2. No commencement date has been set for the electrification of the Christie Downs railway.

3. No current estimate is available.

4. $106 352·18.

5. The project has been deferred because of the lack of Federal funds.

CHARITIES

Mr. BECKER (on notice):

1. Did the Government delay completion grants for this financial year to charitable and voluntary organisations and, if so, why?

2. What was the total amount of grants involved?

3. Will these grants be now paid in full and, if not, why not?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. No.

2. The sum of $640 000 was available for grants this financial year. It is expected that this amount will be expended in full.

3. See 1 above.

HOUSING TRUST

Mr. BECKER (on notice):

1. How many properties has the South Australian Housing Trust sold to long-standing tenants this financial year?

2. In which suburbs were the houses located and what were the highest and lowest prices?

3. What was the average price of such houses and what was the price ratio to market value?

4. Does the Housing Trust now intend to dispose of as many as possible rental properties to tenants and, if so, on what basis and how will they be financed?

The Hon. HUGH HUDSON: The replies are as follows:

1. 83.

2. and 3. The houses sold to existing tenants were situated as follows:

North-eastern suburbs	20
Southern suburbs	3
Elizabeth-Salisbury	17
Christies Beach	3
Country:	
South-East	17
West Coast	4
Whyalla/Port Augusta/Port Pirie	8
River towns	3
Lower North	8

The prices are all based on valuation of the house and land, and range from $17 000 to $24 000 in the metropolitan area, and $15 000 to $20 000 in the country.

4. No.

BITUMEN ROADS

Mr. BECKER (on notice):

1. What is the present estimated cost to construct one kilometre of bitumen road?

2. How does this estimate compare to similar cost estimates and costs a kilometre for each financial year for the past four financial years?

3. What action is being taken to reduce such cost?

The Hon. G. T. VIRGO: The replies are as follows:

1. Because of many variables, it is not possible to establish an estimated cost to construct one kilometre of bitumen road.

2. See 1.

3. See 1.

LOTTERIES

Mr. BECKER (on notice):

1. What is the turnover to date this financial year and for the past four financial years of all private lotteries, raffles, bingo, etc., in this State?

2. How do these figures compare with the total gross income of the S.A. Lotteries Commission for the same period?

The Hon. D. W. SIMMONS: The replies are as follows:

1. Gross turnover from lotteries under lottery regulations:
   1972-73 — $4 866 683
   1973-74 — $9 501 907
   1974-75 — $14 551 272
   1975-76 — $19 677 464
   From July 1, 1976, to March 31, 1977,—$18 959 793.
2. 1972-73 — $6 749 558
   1973-74 — $8 029 612
   1974-75 — $11 975 305
   1975-76 — $15 890 297
   1/7/76 to March, 1977—$12 888 147.

SUPPORTING FATHERS

Mr. BECKER (on notice): What assistance does the State Government offer supporting fathers and, if none, why not?

The Hon. D. W. SIMMONS: Supporting fathers may be assisted financially on a tempory basis from funds made available to the Community Welfare Department for special family assistance or special assistance. Other services which can be used by one parent families include family day care, outside of school hours and vacation care, and care in the integrated early childhood centres which have been established at Campbelltown, Brompton and Nangwarry.

SUPERANNUATION

Mr. BECKER (on notice):

1. Are any restrictions placed on which public servants are entitled to contribute to the State Superannuation Fund and, if so:
   (*a*) what are they;
   (*b*) who decides such restrictions;
   (*c*) what is the source of medical evidence; and
   (*d*) how regularly is medical advice reviewed?
2. What avenues of appeal are available and, if none, why not?
3. Will the Government consider granting rights of appeal?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. (*a*) Entitlement to contribute to the South Australian Superannuation Fund is governed by Section 43 of the Superannuation Act, 1974-76. Subsection (1) states "Subject to this Act, the board may on application by an employee . . . accept that employee as a contributor to the fund." "Employee" is elsewhere defined in the Act, and a public servant is not entitled to contribute to the fund if he is not an employee according to that definition.

   Subsection (2) states, "Before determining an application by an employee . . . the board may require the applicant to submit such evidence as it requires as to his soundness of health and where such a requirement has been made, the board shall not accept the application until it is satisfied as to the soundness of the health of the applicant". Any rejected applicant may subscribe to the Provident Account.

   (*b*) The restrictions are applied by the South Australian Superanuation Board in compliance with its previously stated duties under the Act.

   (*c*) Applicants in the metropolitan area are medically examined by the Public Health Department. Applicants living in the country see their local doctor who forwards his report to the Public Health Department. Further medical evidence, including a report from the applicant's own doctor, is called for in most cases where there is any doubt as to the soundness of the health of the applicant.

   (*d*) Some applicants are deferred by the board for a specific period, and further medical evidence is obtained at the end of that period. Other applicants who are excluded from the fund on medical grounds may submit further medical evidence to the board at any time and request a review of their case.

2. A person aggrieved by any decision of the board under this Act may appeal to the superannuation tribunal.

3. As indicated, rights of appeal do exist. The Superannuation Board is currently reassessing the criteria which it applies when considering an applicant's health, with a view to ascertaining whether such criteria should be libera--ised.

FIRE-FIGHTING

Mr. BECKER (on notice):

1. Did the Premier receive, on behalf of the Government, a submission dated November 11, 1976, from the Insurance Council of Australia re financing and co-ordination of Australia's fire-fighting services?
2. What action has the Government taken on this submission and what is proposed?
3. If no action is to be taken, why not?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Yes.

2. The Premier replied in detail to the Insurance Council. In the course of this reply the Premier implied that as the council's solution required a favourable response from the Commonwealth Government, further action would depend on community response and the reaction of the Commonwealth Government.

3. See 2.

STURT CREEK

Mr. BECKER (on notice):

1. What is the estimated daily volume of effluent that will flow into the Sturt Creek from the Heathfield sewage treatment works?
2. What is the estimated completion date of the works?
3. How will the flow of water be controlled during heavy winter rains and high tides at the Patawalonga mouth?
4. Will a special storage dam be needed to ensure a steady all-year flow?
5. What guarantee can be given that the effluent will be harmless?

The Hon. J. D. CORCORAN: The replies are as follows:

1. The volume of effluent will vary with the population connected to the works. The first stage of the works is planned to cater for 10 000 persons, which would result in a normal dry weather flow of 2 megalitres a day.

2. Present planning indicates completion of Stage I of the treatment works in 1982.

3. The flow from the treatment works will be quite negligible compared with design storm flows in the Sturt Creek which amount to 15 000 megalitres a day, so that there will be no need for special control of effluent flows.

In any case, the effluent from this proposed works would be quite negligible and would be discharged upstream of the Sturt River flood control dam, which ensures control of flows in this system.

4. Vide No. 3.

5. The treatment process selected for the Heathfield sewage treatment works is identical to that employed at the Coromandel Valley sewage treatment works, namely, extended aeration activated sludge. This latter works is reliably producing a sparkling clear effluent low in suspended solids and biochemical oxygen demand. As at Coromandel Valley, the effluent will be disinfected by chlorination before discharge to the creek.

HIGHWAYS DEPARTMENT PROPERTY

Mr. BECKER (on notice):

1. How many residential properties are now owned by the Highways Department?

2. What is the current cost of maintenance, and what is the estimated annual maintenance for the next financial year?

3. What is the expected income this year in rents from dwellings, and how does this figure compare with last financial year?

4. Do tenants have leases, and are bonds required?

5. What is the present total amount of these rents that are in arrears?

6. What action is being taken to recover this amount?

The Hon. G. T. VIRGO: The replies are as follows:

1. 835.

2. Estimated maintenance expenditure for 1976-77 is $700 000. An estimate for 1977-78 expenditure has not yet been prepared.

3. Estimated income from residences for 1976-77 is $1 300 000. Estimated income from residences for 1975-76 was $1 200 000.

4. Tenants have leases.

5. $28 700.

6. Every endeavour.

Mr. DEAN BROWN (on notice):

1. What is the approximate area of land owned by the Highways Department in each of the suburbs of Mile End, Thebarton, Hindmarsh, Hilton and Richmond, for what purposes is it proposed to use this land eventually, and what was the total cost of the land?

2. Does the Highways Department own any land in this general area for possible use as a major road and/or transport corridor and/or interchange to link the northern and southern suburbs of Adelaide and, if it does, how much land is currently owned, and what was the total purchase price of this land?

3. What are the current plans of the Government for the construction of a major road and/or interchanges to facilitate north-south traffic flow immediately west of the city of Adelaide, what is the anticipated cost of such a project, and what is the anticipated date of completion?

The Hon. G. T. VIRGO: The replies are as follows:

1. and 2. The statistical information sought is not readily available and would require considerable effort and expenditure to obtain. The land held by the Highways Department in the areas referred to was acquired for the proposed north-south transportation corridor and connections therefrom to the existing arterial road system.

3. As shown in the report Metropolitan Development Plan—Supplementary Development Plan No. 1—Transportation Routes 1971, published by the State Planning Authority. No cost estimates have been prepared since the M.A.T.S. report of June, 1968. No date has been set for construction to commence.

CONTAINER TERMINAL

Dr. EASTICK (on notice):

1. Were the first unloading and loading procedures at the Outer Harbor container terminal deemed to be satisfactory and, if not, what were the deficiencies or difficulties?

2. When is the facility expected to be utilised again, and has the selling campaign to popularise the facility yet commenced?

3. Have any shipping lines indicated that they will not use the facility and, if so, for what reason?

The Hon. J. D. CORCORAN: The replies are as follows:

1. Yes.

2. April 16, 1977; Yes.

3. No.

EVANSTON PRIMARY SCHOOL

Dr. EASTICK (on notice):

1. What plans are in hand, if any, to provide:
   (*a*) an activities room;
   (*b*) a larger library;
   (*c*) outside toilets and change rooms combined with a shelter shed;
   (*d*) a larger staff room;
   (*e*) storage capacity; and
   (*f*) interview rooms and deputy principal offices,

for the Evanston Primary School?

2. If no action has been taken, when will consideration be given to this school, which is at the centre of major housing developments?

The Hon. D. J. HOPGOOD: The replies are as follows:

1. Outside toilets and change rooms have been programmed for consideration during the 1977-78 financial year.

2. The need for the upgrading and enlarging of the Evanston Primary School is known by the Education Department. The work has been tentatively included on the building list.

LOCUSTS

Dr. EASTICK (on notice):

1. Has the Government given any consideration to providing compensation or other assistance to primary producers adversely affected by the locust plague and, if so, what has been the nature of such assistance, and how should producers apply?

2. Has the Government compiled a summary of the losses occasioned by the plague and, if so, what are the details?

3. As a result of the experience gained from the 1976-77 plague, has the Government yet formulated a plan of attack for any similar plague in the future and, if so, what are the basic features of the plan?

4. What is the estimated total Government cost in respect of its involvement with the most recent locust plague?

The Hon. J. D. CORCORAN: The replies are as follows:

1. It has been considered but the Government has decided to provide no special assistance.

2. Estimated losses were:

	$
Cereals	689 000
Pasture and forage	608 000
Lucerne for seed	450 000
Horticultural crops	296 000
Total	$2 043 000

3. A plan and operations handbook is being prepared.

4. $213 000. A further $44 000 has been allocated for the control of any late summer/autumn hatchings of locusts.

QUEEN'S LUNCHEON

Mr. DEAN BROWN (on notice):

1. Did the Government either directly or indirectly pay for (or intend to pay for) the Doulton dinner service, the crystal glassware and the sterling silver cutlery used for the luncheon for the Queen in the Barossa Valley and, if so, what was the total cost, and what was the individual cost of each of the three categories of items?

2. How many settings are there for each of the three categories?

3. What will they be used for in the future?

4. What is the description of all the items purchased?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. No. This was a private function hosted by Kaiser-Stuhl winery.

2, 3, and 4. See 1.

BUILDING ASSAULT

Mr. DEAN BROWN (on notice):

1. Have the police laid charges against any persons concerning the criminal assault on two persons at a building site at Prospect on Friday, February 18, and, if so, against whom have the charges been laid, and what charges have been laid?

2. Why were detailed statements not taken from either of the persons assaulted or from the witnesses until 72 hours after the assaults?

3. What is the normal time-span which elapses before statements are taken under similar circumstances if all persons involved are still present at the time of a reported assault?

4. Have the police been instructed not to become involved with any incidents that involve an industrial dispute?

5. Have the police carried out an investigation into the delay in taking statements from the persons involved and, if so, will the Minister table the report of the investigation and, if not, why not?

The Hon. R. G. PAYNE: The replies are as follows:

1. No.

2. The two assaulted men gave the impression that they did not wish to press charges against their assailants. They conveyed this impression both to the police officers first at the scene, and to the sergeant who arrived to supervise police operations. Nevertheless, the names and addresses of all persons concerned were obtained to allow follow-up inquiries to be made at the appropriate time.

3. There is no "normal time-span" for the taking of statements in assaults. Each case would depend on its circumstances. It is sometimes more important to prevent the situation that gave rise to the assault continuing or worsening than it is to obtain statements on the spot.

4. The instructions to police are that, in general, they will not become involved in industrial disputes other than to prevent breaches of the peace; protect life and/or property; or preserve law and order. The instructions referred to above are domestic instructions for the proper management of the force and have not been generated by any external authority. If offences are committed, the police in attendance have the normal discretion to deal with offenders by arrest or summons.

5. No specific investigation into the matter of taking statements from the persons involved has been made.

WASTE OIL

Mr. DEAN BROWN (on notice):

1. What action, if any, has the Government taken to ensure the re-refining of waste oil within South Australia?

2. If no action has been taken, why not?

3. What volume or weight of waste oil is currently re-refined within South Australia, and what percentage of total waste oil does this represent?

4. If any waste oil is re-refined, where does this occur?

5. Have any persons or bodies put proposals to the Government to re-refine waste oil and, if so, what action has the Government taken to facilitate such proposals?

The Hon. HUGH HUDSON: The matters raised by the honourable member are presently under active consideration.

WILKINS SERVIS

Mr. DEAN BROWN (on notice):

1. Has the Government or a semi-government authority recently given financial assistance and/or loans and/or grants to Wilkins Servis Proprietary Limited and, if so, in what form was the assistance, how much money was involved, and how much was the assistance given?

2. Has the South Australian Housing Trust been involved directly or indirectly in giving financial assistance to Wilkins Servis Proprietary Limited and, if so, what was the form of the assistance, and how much money was involved?

3. If financial assistance has been given to Wilkins Servis Proprietary Limited did the South Australian Industries Assistance Corporation and/or the Industries Development Committee give approval to the assistance and, if not, why not?

4. What conditions, if any, have been attached to the granting of such assistance, and has the Government placed restraints and/or conditions upon the management of the company?

5. Has Mr. Ian Gray been given the responsibility to manage and/or direct the operations of the company and, if so, on whose request was he given these powers, and does he report back to the Government or a semi-government authority?

6. If the financial assistance was in the form of a loan, what was the amount of money involved and what was the interest rate payable?

7. If the financial assistance was in the form of a guarantee, what was the amount of the guarantee to the lender and what conditions, if any, were attached?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. The South Australian Housing Trust has agreed to purchase the factory of Wilkins Servis Proprietary Limited

at Elizabeth West and will provide occupancy to Wilkins Servis under a five-year lease. The trust will purchase the property for $2 300 000 against which will be offset the company's liability to the trust of $1 150 000 under its existing mortgage. Thus, the net "assistance" to the company will be equivalent to a cash injection of $1 150 000. Settlement will be effected on April 14, 1977.

2. See 1 above.

3. The South Australian Industries Assistance Corporation did consider an application for assistance from the company. However, when the Housing Trust agreed to provide the above assistance, this application lapsed. As required by the Housing Improvement Act, the Industries Development Committee considered the assistance proposed by the trust, and recommended that the assistance be approved.

4. The following conditions have been attached to the assistance:

(*a*) Mr. I. B. Gray agree to act as a Director of the company, and Mr. Gray be appointed Chairman of Directors for a period of not less than two years.

(*b*) The South Australian Housing Trust have the power to appoint a director to the board of the company (other than Mr. Gray), and that power be exercised forthwith.

5. Mr. Ian Gray is now acting chief executive of the company. This appointment was made by the board of the company, not by the Government or the trust. He does not report back to the Government or the trust.

6. Not applicable.

7. Not applicable.

COOPER BASIN

Mr. DEAN BROWN (on notice):

1. Is the Government prepared to allow the Commonwealth Government to sell its share in the Cooper Basin to a party other than the State of South Australia and, if not, why not?

2. Has the State Government submitted an offer to the Commonwealth Government for its interest in the Cooper Basin and, if so, has this offer been increased and/or revised?

The Hon. D. A. DUNSTAN: An announcement is pending.

APPRENTICES

Mr. DEAN BROWN (on notice):

1. Have any colleges of further education been unable to accept applications from potential apprentices due to inadequate facilities and/or staff and, if so, what colleges are involved, and how many apprentices have been refused on these grounds?

2. What action is being taken to overcome any such inadequate facilities and/or staff within the colleges?

The Hon. D. J. HOPGOOD: The replies are as follows:

1. No College of Further Education in 1977 will refuse enrolment to any apprentices; however, some colleges are hard pressed, particularly with regard to staff and facilities. Marleston College of Further Education is in this category and acceptance of the enrolment of some apprentices will consequently be delayed until as late as May, 1977. I emphasise that notwithstanding this late enrolment the students will receive a full first-year training in 1977.

2. These difficulties have arisen because of a large increase in applications for enrolments by apprentices. For example, first year apprentice enrolments in the building trades have risen 49 per cent in 1977 compared to 1976, and in engineering trades by 42 per cent. The overall increase in numbers of first-year apprentices in 1977 compared to 1976 is 23 per cent. As a consequence, it has been necessary to engage extra staff; for example, 17 new lecturers in building and furnishing trades will be employed for Marleston College of Further Education by May, 1977. The increased enrolments are a welcome trend and will, together with pre-apprentice schemes initiatives taken by this Government, help to alleviate the shortage of skilled tradesmen from which Australian industry is suffering. However, the Further Education Department has had to divert resources to the apprentice area in 1977 to ensure that all apprentices can obtain technical training. Without further funds from the Commonwealth Government it will be difficult to guarantee that technical training and other educational programmes can be provided for all applicants. This will apply particularly if apprentice enrolments increase further in future years.

EDWARDSTOWN FACTORIES

Mr. DEAN BROWN (on notice): Has the Government or any semi-governmental authority purchased, or is it in the process of purchasing, factory premises in the Edwardstown area and, if so, what premises have been or are being purchased, what was the purchase price, and for what purposes are these premises being purchased?

The Hon. D. A. DUNSTAN: No.

SLAUGHTER CHARGES

Mr. DEAN BROWN (on notice):

1. Is the Minister aware that the Metropolitan Meat Industry Board in N.S.W. recently reduced slaughter charges at the Homebush Abattoir by 10 per cent?

2. Does the Minister anticipate a similar reduction in slaughter charges for Samcor in South Australia and, if not, why not?

3. What action is being taken by Samcor to ensure that slaughter charges at the Gepps Cross abattoir are as low as possible?

The Hon. J. D. CORCORAN: The replies are as follows:

1. Yes.

2. No.

3. The management expertise of the board is directed to this end.

Mr. GUNN (on notice): What are the reasons why the Government will not again reintroduce a $10 a head fee for slaughtering cattle in drought-affected areas?

The Hon. J. D. CORCORAN: The cattle slaughter programme was introduced when the majority of the State was suffering severe drought conditions and was terminated on November 10, 1976. By November, the seasonal conditions of the winter/spring production period had been established, and farmers throughout the State had ample opportunity to assess their position and to dispose of their stock by the closing date.

REFUGEES

Mr. WOTTON (on notice):

1. How many Indo-Chinese refugees are now in South Australia, and of these how many are adult male and adult female?

2. When did these people arrive?

3. Where are they now living?

4. How many have found employment?

5. Has the Government taken any specific steps to find employment for these people and, if so, what are they?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. There are 233 Indo-Chinese refugees now in South Australia. Of these 91 are adult males (over 18 on arrival) and 41 are adult females (over 18 on arrival).

2. 19 arrived 9/4/76. 33 arrived 22/4/76. 97 arrived 7/2/77. 84 arrived 20/3/77.

3. (*a*) Those 52 who arrived in 1976 are now living in private accommodation in the community, mostly in the city.

(*b*) Of those 181 who arrived in 1977, the majority are living in Pennington Hostel. Five are living in the community.

4. Of the adults who arrived in 1976, the majority have found employment. Of the adults who arrived in 1977, eight have found employment.

5. (*a*) Working in co-operation with Commonwealth departments, the Government has enabled the 1976 groups to find employment.

(*b*) Representatives of State Government departments, working in conjunction with Commonwealth departments and voluntary agencies, have formed a settlement committee to co-ordinate the development and delivery of programmes and services to assist in the orientation and settlement of the refugees. A variety of programmes continues to be provided for the 1977 arrivals, to enable them to gain employment and become integrated in the community. Eight of the recent arrivals are already in employment. For the majority, English classes are being held and all adults are currently being interviewed by an officer of the Commonwealth Employment Service, to establish their skills and appropriate areas of employment. Offers of employment have been received. Government assistance is continuing to enable the refugees to settle in South Australia.

MOUNT BARKER QUARRY

Mr. WOTTON (on notice): Are steps being taken for the replanting of native flora and the control of erosion in the area of the quarry situated on the slopes of Mount Barker and now traversed by the South-Eastern Freeway and, if so, what steps are being taken and, if not, what plan does the Government have to implement erosion control and beautification of this particular area?

The Hon. G. T. VIRGO: The quarry on the slopes of Mount Barker adjacent to the South-Eastern Freeway will be landscaped in due course. The plans for this work provide for terracing to better facilitate erosion control and regrowth of vegetation, and for the planting of grasses and various native trees and shrubs.

MOTOR CYCLE LICENCES

Mr. WOTTON (on notice):

1. How many new motor cycle licences were issued in 1974, 1975, 1976, respectively?

2. How many fatalities resulted from motor cycle accidents in each of those years?

3. Does the Government have any plans to introduce legislation to limit the capacity of motor cycles for a period of time until the rider has gained certain experience, and will the Minister of Transport explain why he is either in favour of or against such legislation?

4. Does the Government intend taking any other action to combat the increase in both serious and fatal motor cycle accidents?

The Hon. G. T. VIRGO: The replies are as follows:

1. No such statistics are available, but the number of persons licensed to ride motor cycles at the end of each year in question was:

1974	74 155
1975	82 371
1976	89 971

2.

1974	52
1975	35
1976	43

3. and 4. This proposal is currently being examined.

DIVORCE

Mr. WOTTON (on notice):

1. How many divorces were granted in South Australia for 1974, 1975 and 1976, respectively, and what were the reasons listed?

2. How many defended cases for divorce are awaiting hearing, and what is the anticipated waiting period for such a hearing?

3. What are the reasons for the backlog of defended cases?

4. How many children were involved in broken homes resulting from parents' divorces in 1974, 1975 and 1976, respectively?

The Hon. PETER DUNCAN: Divorces are now dealt with by the Australian Family Court and the information sought is not available from State sources. Some statistical information is available from the Australian Bureau of Statistics.

THIRD PARTY PREMIUMS COMMITTEE

Mr. WOTTON (on notice):

1. When did the Minister of Transport receive the interim report from the Acting Chairman of the South Australian Third Party Premiums Committee?

2. Has the Government dealt with the report and, if so, what action will be taken to carry out the recommendations contained therein?

3. If the Government has not dealt with the report, when is it anticipated that it will do so?

The Hon. G. T. VIRGO: The replies are as follows:

1. February 10, 1977.

2. Yes. It has been forwarded to the Compensation Review Committee for further consideration.

3. Not applicable.

PREMIER'S DEPARTMENT

Mr. WOTTON (on notice):

1. How many Government department functions have been placed under the administration and control of the Premier's Department since the last State election?

2. What are these functions and from which departments were they diverted, and for what reasons?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Seven.

2. (*a*) Unit for Industrial Democracy. This unit was transferred from the Department of Labour and Industry because industrial democracy is an important facet of this Government's policy befitting the attention of a Premier.

(*b*) Women's Adviser's Unit. This is a new function.

(*c*) Magistrates Division. Magistrates were transferred to Premier's Department because a judicial decision indicated that they should not belong to the amalgamated Department of Legal Services.

(*d*) Four new functions have been assumed by the Planning Appeal Board Branch, which is being developed as an administrative tribunals service. The mining wardens were transferred from Mines Department so they would be in a separate department. The Builders Licensing Appeals Tribunal, City of Adelaide Planning Appeals Tribunal, and the Water Resources Tribunal derive from legislation passed.

The Premier's Department has been divested of Builders Licensing Board staff, Minister of Mines and Energy staff, the Industrial Development Division and the Economic Intelligence Unit.

EMERGENCY ACCOMMODATION

Mr. WOTTON (on notice):

1. Is the Minister for Planning aware of the increase in demand for emergency-type accommodation in the Mount Barker district?

2. What plans does the Government have to provide such accommodation, and when?

The Hon. HUGH HUDSON: The replies are as follows:

1. An examination of the 78 applications for rental housing in Mount Barker which are on file showed no indication that there are circumstances that require emergency treatment. The trust is aware that there are a number of one-parent families requiring rental housing in Mount Barker but the demand from this particular group in Mount Barker is no greater than elsewhere.

2. The trust has no plans to provide emergency accommodation in Mount Barker. As mentioned in an answer to another question from the honourable member, there are at present 35 houses in the course of erection in Mount Barker and these should all be completed during the current year.

MOUNT BARKER HOUSING

Mr. WOTTON (on notice):

1. How many building blocks has the Housing Trust purchased in Mount Barker since January, 1975?

2. How many Housing Trust homes or units in Mount Barker:

(*a*) have been built since January, 1975;

(*b*) are currently being built; and

(*c*) are to be built in 1977?

3. Is it intended that any further land will be purchased by the Housing Trust in the near future at Mount Barker?

The Hon. HUGH HUDSON: The replies are as follows:

1. 108.

2. (*a*) 108.

(*b*) 35.

(*c*) No further commencements are planned for 1977.

3. No.

BEE-LINE BUS

Mr. WOTTON (on notice):

1. Will the Minister of Transport take the necessary action to extend the service of the Bee-line bus to enable people to travel to the Royal Adelaide Hospital from both the railway station and Victoria Square and, if not, why not?

2. What is the cost of providing the present service to the community?

3. What would be the cost of extending the service to the Royal Adelaide Hospital?

The Hon. G. T. VIRGO: The replies are as follows:

1. The Bee-line bus service could not be extended from the railway station to Royal Adelaide Hospital without adversely affecting the present standard of service and, as the main purpose of this service is to provide a public transport link between the major passenger transit terminals at Victoria Square and Adelaide Railway Station, it would be impracticable to extend the service to the Hospital. Public transport between Victoria Square and Royal Adelaide Hospital is already available on the St. Peters, Paradise, and Newton bus services.

2. The operating cost is about $127 000 a year.

3. See reply to 1.

GOVERNMENT TENDERS

Mr. WOTTON (on notice): What procedure does the Government adopt in accepting quotes on a tender for work to be carried out in the Public Buildings Department?

The Hon. J. D. CORCORAN: A letter of acceptance is forwarded to the successful tenderer by the Public Buildings Department.

TOYS

Mr. WOTTON (on notice): Is there any form of consumer protection available through factory quality control for the manufacture of children's toys, and, if so, what form does this control take?

The Hon. PETER DUNCAN: At present there is no quality control for the manufacture of children's toys. However, the Government is now researching the toys safety legislation operating in the United Kingdom, United States of America and Canada with the intention of introducing legislation in South Australia at an early date.

OVALS

Dr. EASTICK (on notice):

1. What is the Government's present policy in respect of the provision of school ovals and oval maintenance?

2. What specific projects in this area have been funded during the period January 1, 1976, to date?

3. Are any changes contemplated to the existing policy and, if so, what is the nature of such changes?

The Hon. D. J. HOPGOOD: The replies are as follows:

1. School ovals are provided at new schools as part of the building contract. After the oval has been established, the contractor is required to maintain it for a period as part of the maintenance contract. After Public Buildings Department inspection and acceptance the oval is maintained by the school. Schools are given money for this purpose under a grounds maintenance grant. In addition, if the enrolment of the school is sufficiently large, a groundsman is employed for maintenance purposes. It is now planned that school ovals, wherever possible, will be developed before building so that, when a school is opened, recreation areas will be immediately available to the students.

2. The specific projects are as follows:

(*a*) Secondary schools—Wirreanda (Morphett Vale East High), The Heights (Modbury Heights), and Parafield Gardens.

(*b*) Area schools—Yorketown and Karcultaby.

(*c*) Primary schools—Holden Hill North, Port Noarlunga South, Lonsdale Heights, Hallett Cove South, Fairview Park, Fraser Park, Nuriootpa, Camden, Direk and Pedare.

3. No.

COUNTRY FIRE SERVICES ACT

Mr. GUNN (on notice): When is it anticipated that the regulations under the Country Fire Services Act will be gazetted?

The Hon. J. D. CORCORAN: As soon as practicable after proclamation of the Country Fires Act.

ABORIGINAL LANDS TRUST

Mr. GUNN (on notice):

1. Does the Government intend to transfer any further lands to the Aboriginal Lands Trust and, if so, what land and when?

2. Will the views of the local Aborigines be taken into consideration before any such land is transferred?

The Hon. R. G. PAYNE: The replies are as follows:

1. It is anticipated that one other small area of land near Gerard will be transferred to the Aboriginal Lands Trust shortly. There are no proposals at present to transfer any other areas in the southern part of the State. A special task force under the Chairmanship of Mr. C. H. Cocks, S.M., has been formed to consider how title to the North-West reserve and other areas such as Mimili, Ernabella and Fregon might be effected.

2. The views of the Aboriginal people will be taken into consideration before any such transfer of title is made.

EYRE PENINSULA HOUSING

Mr. GUNN (on notice): What is the Housing Trust programme on Eyre Peninsula for the next financial year for:

(*a*) rental accommodation; and

(*b*) homes for purchase?

The Hon. HUGH HUDSON: An announcement will be made shortly.

RUNDLE STREET EAST

Mr. WOTTON (on notice): Has the East End Area Redevelopment Committee released a report regarding possible redevelopment of Rundle Street East in the vicinity of the East End Market and, if so:

(*a*) will this committee continue to function following the release of the report;

(*b*) will it be necessary to change either the terms of reference or the personnel engaged on that committee; and

(*c*) is the report to be made available to the general public and, if not, why not?

The Hon. J. D. CORCORAN: The replies are as follows:

The committee has reported to the Minister of Education:

(*a*) No.

(*b*) No.

(*c*) No, because the Government is awaiting the findings of the Anderson Enquiry into Post Secondary Education and of the East End Market Relocation Committee before considering any proposals to redevolop the area.

ANIMAL WELFARE REPORT

Dr. EASTICK (on notice):

1. Has the Animal Welfare Committee concluded its report and, if so, when and where will the report be released for public scrutiny?

2. Has the Government considered the report and, if so, has it implemented any of the recommendations and, if not, when does it intend to do so or, alternatively, has it decided against any of the recommendations and, if so, which ones and for what reason?

3. Has any review committee been formed and, if so, who are the members, and when will it report?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. Yes. The Government is still considering the report.

2. See 1.

3. No.

RAIL STANDARDISATION

Mr. VENNING (on notice):

1. What was the projected total cost of standardisation in South Australia by connecting the standard guage railway from:

(*a*) Adelaide to Crystal Brook via Merriton;

(*b*) Adelaide to Crystal Brook, on a new route from Red Hill; and

(*c*) Adelaide to Port Pirie on the existing route?

2. How have all such projected costs been established?

The Hon. G. T. VIRGO: There has been insufficient time to obtain an answer to this question.

LAND COMMISSION

Dr. EASTICK (on notice):

1. Has the Land Commission purchased any land in the hundred of Munno Para since July 1, 1976, and, if so, what are the details?

2. What area of land does the commission now own in the hundred of Munno Para, and has it sold any land in the period since July 1, 1976, and, if so, what are the details?

3. Does the Land Commission expect to acquire more land in the hundred of Munno Para in the future, and what is the schedule contemplated?

The Hon. HUGH HUDSON: The replies are as follows:

1. Since July 1, 1976, the South Australian Land Commission has purchased or acquired the following parcels of land in the Hundred of Munno Para:

Section	Area	Previous owner
Pt. sec. 1712	1·62 ha	Lazzarino
Pt. sec. 3139	0·59 ha	Minister of Education
Pt. sec. 4077	8·19 ha	Tretola
Pt. secs. 3212/3	6·42 ha	Adam

2. As at March 31, 1977, the commission owned 1 360 ha within the hundred of Munno Para. Since July 1, 1976, ·71 ha of part section 3137 was sold to the Minister of Education.

3. Yes. When all notices are issued the honourable member will be informed.

CHRISTIE DOWNS RAILWAY

Mr. MILLHOUSE (on notice):

1. When was the Christie Downs railway line opened for traffic?

2. Is the line paying and, if so, what has been the surplus of revenue over expenditure since its opening and, if not, what is the deficit?

The Hon. G. T. VIRGO: The replies are as follows:

1. January 25, 1976.

2. There has been insufficient time to obtain a reply to this question.

LEGAL SERVICES DEPARTMENT

Mr. MILLHOUSE (on notice):

1. Have applications been called for the position of Director of Administrative Services in the Legal Services Department and, if so:

(*a*) when; and

(*b*) has an appointment been made and, if so, of whom?

2. If an appointment has not been made, when is it expected that such an appointment will be made?

The Hon. PETER DUNCAN: The replies are as follows

1. No.

2. There is no position of "Director of Administrative Services" in the Legal Services Department.

STAMP DUTIES

Mr. MILLHOUSE (on notice):

1. Does the Government propose that transfers of property between spouses, when such transfers are part of a settlement at the time of dissolution of their marriage, be exempt from stamp duty and, if so, what is proposed, and when will action be taken?

2. If such transfers are not to be exempt, why not?

The Hon. D. A. DUNSTAN: The replies are as follows:

1. This matter involves questions concerning the validity of Section 90 of the Family Law Act, 1975, and its effect on the provisions of the Stamp Duties Act. Objections have been lodged against the assessment of stamp duty in circumstances similar to those raised in the question, and these objections have been referred to the Crown Solicitor for his advice. The Government's decision in relation to these objections will be made when that advice is received.

2. See above.

SAND

Mr. MILLHOUSE (on notice):

1. Did the Government have a contract to cart sand from land north of Estcourt House at West Beach and, if so:

(*a*) with whom;

(*b*) when was it made;

(*c*) what were its terms; and

(*d*) where was the sand to be taken, and why?

2. Was the contract cancelled and, if so:

(*a*) when;

(*b*) why;

(*c*) at what cost to the Government; and

(*d*) what fresh arrangements have been made to get other sand for the purpose for which this sand was to be used?

The Hon. D. W. SIMMONS: The replies are as follows:

1. Yes.

(*a*) F. T. and B. I. Thomson and Son Proprietary Limited.

(*b*) Ministerial approval to accept the tender of F. T. and B. I. Thomson and Son Proprietary Limited was given on January 26, 1977. Thomson's were advised that their tender was successful on February 1, 1977.

(*c*) A lump sum contract to start on February 1, 1977, and to be completed within 10 weeks. Liquidation damages for default were set at $50 a week. Standard general conditions of contract were included as part of the contract documents.

(*d*) Approximately 50 000 cubic metres of sand were to be carted to and spread on the beach between Wheatland Street and Kingston Park, Brighton, as part of the programme of the Coast Protection Board to replenish southern metropolitan beaches so as to reduce the effects of erosion.

2. Yes.

(*a*) February 24, 1977.

(*b*) Opposition to the removal of the sand by local residents.

(*c*) The cost to the Government for the cancellation of this contract was $13 000, with a further $14 000 paid to cover stand-down charges incurred by the contractor prior to the cancellation of the contract.

(*d*) Investigations to obtain another economic supply of beach sand for replenishment purposes for the metropolitan beaches have so far proved disappointing. It was for this reason that the sand at West Lakes was considered so valuable.

Other sand sources have been investigated, including winning sand from the vicinity of the Torrens outlet, and the Patawalonga outlet. Investigations are also proceeding into the possibility of reclaiming sand in the vicinity of the Port River; however, present indications are that the unit cost of sand recovered from the Port River area will be high.

MINISTER'S PORTFOLIO

Mr. MILLHOUSE (on notice): Does the Minister of Mines and Energy and Minister for Planning still bear, in addition, the title of "Special Minister of State for Monarto" and, if so, why; and, if not, when was this title relinquished?

The Hon. HUGH HUDSON: No, it was relinquished on October 17, 1975, when the title Minister for Planning was adopted.

MONARTO

Mr. MILLHOUSE (on notice):

1. What is the total amount of money which has now been spent on the Monarto project, and how is this made up?

2. What assets does the Government own as a result, and what is their estimated value?

3. Is it proposed to try to recoup the difference between money spent and money recouped and if so, how and when?

4. What is now the total estimated loss on the project?

The Hon. HUGH HUDSON: The replies are as follows:

1. See Question on Notice of April 5, 1977.

2. Assets total $11 700 000 made up as follows:

Land and improvements comprising about 19 000 ha, together with 90 rentable dwellings and other agricultural and public buildings. $8 100 000 (acquisition cost).

	$
Furniture, equipment and vehicles ..	300 000
Recreation complex	100 000
Tree Nursery	400 000
Cash and deposits	2 800 000

3. Money spent on the project will be recouped mainly by the sale of serviced land for residential, industrial and commercial use. A programme of development will be determined before June 30, 1978.

4. It is expected that all expenditures on the project will be recouped.

PLANNING CONTROLS

Dr. TONKIN: Before I ask my question of the Minister for Planning, may I say that it is pleasant to see the Deputy Premier back in the Chamber with us after his absence.

Can the Minister for Planning say whether the Government will widen the scope of the recently announced review of planning controls in South Australia to cover all aspects of planning in this State, and will it remove the State Director of Planning from the invidious position in which he has now been placed by appointing an independent committee of inquiry? It is generally agreed that the recently announced review of planning controls is long overdue and that the Government's performance in the planning field has been negligent in the extreme and its attitude totally unsatisfactory. Its failure to revise the 1962 development plan as it promised to do in 1972 and 1977 has been put forward as just one instance of its failure generally. The general unsatisfactory state of the legislation has been criticised by the Chief Justice, Supreme Court judges and many other people concerned with planning and development, and these people believe that only a full revision of the legislation will now solve the problems that have been allowed to develop.

Although a most competent public servant, the Director of Planning has now been placed by the Government in the invidious situation where he is to sit in judgment on matters that have been largely the result of decisions which he or his officers have made or have been involved with during the course of their duties. There is general concern in the community that under these conditions the proposed review is designed only to be a face-saver for the Government and that it will be of little real value. Will the Government then open up the inquiry to the public, widen the scope of the inquiry and appoint an independent committee to do the task?

The Hon. HUGH HUDSON: The inquiry has the widest possible scope. It is open to members of the public and we have already called for submissions from interested groups. It is not proposed to establish a full committee of inquiry, because Mr. Hart is fully competent to make a series of recommendations about the matters on which he is an expert. He is quite able to criticise in a sensible way the policies with which he has been associated and, in fact, he has already done so on a number of occasions. I have complete faith in Mr. Hart's ability to undertake this task. It will be necessary for the report on these matters to be completed in stages. There are matters of a legal nature concerning the legislation, for example, of which Mr. Hart has an intimate knowledge.

There are matters that involve the association of Government and local government and, again, Mr. Hart has been intimately involved with these matters. There are matters with respect to the impact of control policies affecting developers and, again, Mr. Hart is fully competent to take into account the various conflicting points of view. The ultimate decisions in these matters, as to what is to be done by way of amendment to the Act, or administratively, have to be taken by the Government. There is no way that any Government can escape its basic responsibility by having a so-called independent committee of inquiry. It will be necessary for the Government to make decisions as and when required as Mr. Hart presents his report in stages.

I believe, and the Government supports this view, that this can be undertaken in a satisfactory manner and that we can proceed with the various changes, both administrative and legislative, without having to wait the long period that would be involved if a full-scale inquiry were undertaken. The complications that arise in the Planning and Development Act in relation to one or two matters are so difficult that I would expect that a full-scale inquiry might well take more than two years with further considerations by the Government and the preparation of legislation occupying another 12 months. It is not possible to wait that length of time, especially as certain matters should be able to be attended to relatively soon. I hope that everyone will see the wisdom of this approach and the need to secure some fairly quick resolution of certain of the difficulties that exist. It is with that in mind that the approach that the Government has adopted on this matter has been taken in the way that it has.

PRICE CONTROL

Mr. OLSON: Will the Minister of Prices and Consumer Affairs investigate the possibility of placing lawn-mowing and rubbish removal under price control? I have received numerous complaints from constituents about the high charges imposed for the cutting of lawns and removal of rubbish from their premises. For example, although free quotes are advertised, it is not the policy to give amounts over the phone, and it is stated that this interferes with the possibility of obtaining the work. I have recently had a complaint that a charge of $40 was imposed upon a widow for cutting two small lawns measuring about 6 m by 4·5 m, the job taking less than 30 minutes. In the circumstances, I consider that this case borders on exploitation.

The Hon. PETER DUNCAN: If the facts as related by the honourable member are correct, I should think that the case more than borders on exploitation. I will have the matter investigated, and I will consider whether or not it is desirable to place these services under price control. For the honourable member's benefit, I point out that in certain instances, such as the case to which he has referred, the services of the Commissioner for Consumer Affairs are available to investigate complaints and to try to negotiate a reasonable settlement. In this instance, if the matter is referred to the commissioner and an investigation indicates that the charge has been excessive, and if the person providing the service refuses to see reason, it would be appropriate for further action to be taken. I therefore invite the honourable member to refer the matter to the commissioner.

BUSH FIRE ASSISTANCE

Mr. GOLDSWORTHY: Can the Minister of Works say why the Government has decided not to give financial assistance to farmers in the Houghton, Inglewood and Millbrook area as a result of a bush fire that started at Banksia Park earlier in the year, when it has already announced its intention to give financial assistance to householders at Salisbury whose properties were damaged by flooding, and to make public moneys available for the reconstruction of the Hahndorf oval after damage during the Schutzenfest in January? I understand that the livelihood of between 15 and 20 families of full-time farmers has been directly affected by this fire, over which they had no control. The Government has announced that it would reimburse householders at Salisbury who were not insured. However, it has now stated that the farmers should have been insured, and is using the insurance factor as an excuse to refuse aid. A recent statement by the Minister of Lands that other assistance is available by way of loans is of little value, as many cannot afford interest payments, let alone principal repayments. I therefore ask why the Government is discriminating against these people, in view of the decisions I have already cited.

The Hon. J. D. CORCORAN: I should make clear that the three matters raised by the honourable member are different from what happened at Salisbury East where the Government decided to compensate people who had suffered property damage, other than damage to motor vehicles that were not insured, because it believed that in some way it was responsible, as bad planning laws had led to the building of houses where houses should not reasonably have been built. The Government also believed that the action it could have taken by draining the area had been delayed; it believed there was some responsibility it had not met that could have prevented this damage occurring. That is the main reason for the Government's making an exception in this case. It was stated clearly at the time that this should not be treated as a precedent. Regarding the Hahndorf oval, it is my understanding that the words the Premier supposedly uttered according to a newspaper report did not conform with what he actually told members of the oval committee. I do not know how—

Mr. Evans: He said it at the opening ceremony.

The Hon. J. D. CORCORAN: I think that the way it was reported in the press it was unequivocal that he was going to give assistance, whereas I think that what he did say was that he was prepared to look at some assistance being provided.

Members interjecting:

The SPEAKER: Order!

The Hon. J. D. CORCORAN: Anyway, I will let the Premier answer that question himself, because I am not able to say exactly what was said. I have been given—

Dr. Tonkin: "We'll see what we can do."

The Hon. J. D. CORCORAN: "We'll see what we can do"—it was not unequivocal. As far as I am aware nothing has yet been paid to that committee, although I do not really know whether something has or has not been paid. The Premier can answer that on his return. Members would be aware that the only provision the Government has for recognised primary producers to assist them as a result of loss caused by some natural calamity is through the Primary Producers Emergency Assistance Act. Under that Act, people can apply to the Government for carry-on finance.

True, it is in the form of a loan, but I think the Minister has the discretion under the Act of waiving any interest on the loan. If the circumstances were such that, in this case, he believed that that was necessary, he could do it. However, to the best of my knowledge, not one of these people has applied to the Government for assistance under that provision. It was pointed out in the letter that went to one of these people from, I think, the Minister assisting the Premier that that amenity was available to those people, and that, if they cared to take advantage of it, they could do so. I think that the honourable member would appreciate that, if the Government wavered from that course, it would create a precedent that could, in some circumstances, be costly to the State's taxpayers. I have sympathy for people who find themselves in difficulty as a result of this fire. It was not of their doing, but they were unfortunate enough to be in an area that is prone to bush fires. I would have thought that, because of that (and I appreciate the difficulties most dairy farmers are going through), they would be fully insured, and that that would be almost a prerequisite of their operating in this way. I am disappointed to know that this has not been the case with most of these people. If they wish to apply, and if they can qualify under the terms of the Act for this assistance, the Government will be only too pleased to assist them.

ENFIELD HARRIERS TRACK

Mr. WELLS: Will the Minister for the Environment ask the Minister of Tourism, Recreation and Sport to consult the Enfield council with a view to providing funds for the council to upgrade the Enfield Harriers track at St. Albans Reserve? As I stated during an adjournment debate, the track is the property of the Enfield council. As the track is in a shocking condition, members are leaving the club, which is the oldest club in the State and which, I am told, has more members than any other athletic club in the State. Although the council has done whatever it could to assist in the matter by providing certain money, it will not go far enough to assist in upgrading the track. Adequate funds are needed to upgrade the track so that these athletes may adequately train for the sport they have undertaken.

The Hon. D. W. SIMMONS: I shall be pleased to raise the matter with my colleague, who, I know, is particularly concerned about promoting athletics, as is evidenced by the money made available by his department to the Olympic Sports Field, Kensington, and by assistance he has given in the coaching area.

WILDLIFE

Mr. KENEALLY: Has the Minister for the Environment received any reports about the slaughter of wildlife in South Australia during the Easter weekend? Unfortunately, Easter weekends in Australia are becoming synonymous with slaughter both of humans and of animals. While I appreciate that the Minister is unable to influence the loss of human life, he may be able to do something about the slaughter of wildlife in this State.

The Hon. D. W. SIMMONS: Unfortunately, it is true that every holiday weekend seems to bring about a spate of indiscriminate shooting in the country. It is distressing that the message has still not got through to people that out native wildlife is not there for trigger-happy people to while away their time shooting. No doubt many of these incidents have taken place, but I have today received a report from the ranger at Streaky Bay about the slaughter of wildlife. He has just returned from a routine patrol of the Gawler Ranges during which he found considerable evidence of the shooting of native fauna. This is not a national conservation park, but that does not make the offence any less reprehensible. The ranger brought back the remains of six Western Grey kangaroos, two wedgetail eagles, and four hairy-nosed wombats, and I should add that, although the latter may be plentiful in some places, where their bodies were found was not such a place. The shooting of them, therefore, was much to be deplored. The ranger was able to spend only two days in the ranges, so we do not know the full extent of the slaughter in that area, but he has suggested to the office that patrols in the area be stepped up. Unfortunately, there is a severe manpower shortage in the whole department and it is difficult, with such a tremendous area to cover, to give adequate protection. When the ranger returned to Streaky Bay, he was greeted with news of the slaughter of seabirds about 18 kilometres south of Streaky Bay, and he has gone to investigate that incident. To illustrate that we are managing to catch up with some of the people responsible, I understand that prosecutions alleging breaches of hunting regulations and the slaughter of certain species are to come up shortly in the Ceduna court.

FISHING LICENCES

Mr. RODDA: Will the Minister of Works ascertain from the Minister of Fisheries whether the Government has any policy of review of the allocation of licences for fishing in the respective fisheries? It has been brought to my notice recently that several young people who have had experience in the industry have applied for fishing licences, have been before the authority, and have had their applications rejected. I have also learned of one instance where a young gentleman had been servicing a country town with fresh fish. He was unable to get supplies (he was in scale fishing), and he was refused a licence. As I understand we are on the eve of the ratification of the 200-mile limit of national waters, it would appear that the fishing industry will step up. It has been a Cinderella industry in relation to development, but it has enormous potential and, with proper promotion, the consumption of fish in this country could be increased. We must encourage young people, who are being refused licences, to go into the industry.

The Hon. J. D. CORCORAN: The honourable member will appreciate that, for some years now, there has been strict control on the effort in this industry, and for very good reasons indeed, especially in the crayfish and abalone industries. I think those controls have paid dividends, as people involved in the industry would substantiate. I shall be happy to take up with my colleague the problems the honourable member has outlined, particularly, I take it, regarding B-class fishing, to see whether anything can be done to put right, if that is the correct term, the matters the honourable member has raised.

MOTOR REGISTRATION

Mrs. BYRNE: Will the Minister of Transport obtain for me a report on whether the Motor Registration Division of the Transport Department has been able to obtain premises to enable it to establish an office in the Tea Tree Gully District? The Minister will be aware that it has been the department's intention for some time to establish such an office, but this has been held up pending the obtaining of suitable premises. Such an office is desirable for the convenience of the public, as the population of the district is increasing continuously.

The Hon. G. T. VIRGO: As the honourable member has indicated, negotiations have been proceeding. Rather than give her the position as I know it (my information is now two or three weeks old), I shall get an up-to-date report and bring it down for her.

JUVENILE COURTS

Dr. EASTICK: Can the Minister of Community Welfare say whether the Government has considered recalling the Director of the Community Welfare Department (Mr. Cox) from his oversea study tour so that he may appear before the Royal Commission which is sitting at present? It has been suggested that other officers (I do not want to reflect in any way on these officers) have been left to carry the can during the investigation now being held, and that Mr. Cox, as the person responsible for the department, should at least be available to appear before the commission to explain his department's activities.

The Hon. R. G. PAYNE: I have not considered in depth that requirement. Obviously I have thought about it, but I believe that the other officers in the department are competent and I do not believe I need to change that view. I am sorry the honourable member believes that other officers are being called on to carry the can. Although I certainly will not comment on matters before the Royal Commission, I point out that I have often exhorted members opposite to consider the difficult task of people working in the department and the effective way in which they discharge their duties. I hope that the honourable member, on reflection, will realise that officers who are called before the commission will accept that as part of the requirement of being competent officers within the service. To the best of my knowledge, the commissioner has not asked for Mr. Cox to be recalled to appear before the commission.

PORT ADELAIDE CELLS

Mr. WHITTEN: Has the attention of the Minister of Works been drawn to the report that appeared in the *Sunday Mail* on April 2 concerning the Port Adelaide police station and the lack of facilities provided in the

cells? According to the report, the police doctor at Port Adelaide has complained bitterly about the lack of facilities at the station and in the cells, referring particularly to the lack of toilet facilities. He is reported as saying that local members of Parliament had investigated the matter and had done nothing about it. The only toilet at the station is in open view, and there is no discrimination regarding sex. With the member for Semaphore, I discussed this matter with the superintendent who told me that they were afraid to put buckets in the cells because the occupants might use the buckets or their contents as a weapon. Will the Minister obtain a report on the availability of a suitable site for the relocation of the police station in Port Adelaide?

The Hon. J. D. CORCORAN: It sounds as though I have had the bucket tipped on me. I am not aware of the problems outlined by the honourable member. In the first instance, it is a matter for the Chief Secretary, who has the responsibility to recommend such matters to me as representing the building authority of the Government. He places his priorities for the works to be done and I then arrange for the work to be done.

Mr. Millhouse: Even if slowly.

The Hon. J. D. CORCORAN: The honourable member knows better than that. I shall be happy to discuss with my colleague the problems outlined by the honourable member to see whether anything can be done permanently, but, first, to see whether something can be done in the short term to solve the problem.

CONSUMER AFFAIRS

Mr. BLACKER: Will the Minister of Prices and Consumer Affairs say whether the Government has considered establishing a regional office of the Prices and Consumer Affairs Branch at Port Lincoln and, if it has, whether the Government will have an assessment made of the need for an office on lower Eyre Peninsula? The Minister will be aware of the numerous problems that I have referred to his office and the number of inquiries, which seem to be increasing month by month. In view of the increasing demand, the establishment of a regional office would seem to be justified, and I seek the Minister's support and consideration in this matter.

The Hon. PETER DUNCAN: The branch and the Government are not proposing to establish an office at Port Lincoln. We may arrange to have one of the other Government officers in Port Lincoln act as agent for the branch, but the establishment in Port Augusta of a major regional office of the Prices and Consumer Affairs Branch will enable that branch in future to give much better coverage to the areas to which the honourable member has referred. Because of the depth of manpower resources we will have at Port Augusta, it will be possible to have officers of the branch visit cities such as Port Lincoln regularly to deal with complaints. It is a problem to establish country offices with sufficient expertise to be able to provide the necessary facilities. For example, we cannot in every town and city have an officer of the branch who is a specialist in clothing matters, another officer who is a specialist in secondhand motor vehicles and car repairs, and another officer who is a specialist in electrical goods. That is not an economical proposition. The alternative is to establish major regional centres that are staffed with such experts and to have agents, possibly clerks of court, etc., in smaller country centres. Those agents can accept complaints and make arrangements for officers of the branch to visit from the regional centre to investigate the complaints. That is the policy that the Government has been endeavouring to introduce by the establishment of an office at Port Augusta. Similar offices will be opened soon at Mount Gambier and, subsequently, at Murray Bridge, Berri and Port Pirie. The intention is to ensure that we have a reasonable coverage of the State and that by operating through agents in other country centres we can give country people a service as near as possible to that available in the metropolitan area.

FIREARMS

Mr. BECKER: Can the Minister representing the Chief Secretary say when the Government will introduce legislation to control the use of firearms in South Australia? I refer to a statement in this morning's *Advertiser* by the Secretary of the Police Officers Association, Mr. Tremethick that legislation had been prepared to control firearms in South Australia and that it was reasonably satisfactory. Because of the many armed hold-ups, and my pleas over the years on behalf of bank officers and people handling public money, will the Government expedite action in this matter in order to enforce some control of the use of firearms? I have been told that people who use firearms for hunting do not necessarily require repeating weapons and, in considering controls, it may be necessary to legalise single-shot weapons only.

The Hon. J. D. CORCORAN: Discussions on this legislation were finalised only last week, and the matter is now with the Parliamentary Counsel to draft a Bill. I hope it may be possible to introduce the legislation to the House and process it during this session, although I think the honourable member would appreciate the difficulty in doing so. However, I assure him that, if it is not dealt with this session, it will gain priority next session, not that I believe these laws are the only matters that we need to consider. Other things need to be done if we are to overcome some of the difficulties that are faced by members of the Police Force. Recently they seem to be involved more frequently, in the course of their normal duty, in these difficulties. I make clear that this Government is most concerned, and will give the police officers in this State every possible backing and support so that they can perform their duties, and the assaults to which they have been subjected by the public may be lessened. I also make clear that gun laws in this State are not the only things that should be considered, but we will make every effort to give effect to them as quickly as possible.

Mr. MILLHOUSE: Before asking the Minister of Works a question I should like to say that I, too, am pleased to see him back here, and I assure him that his shadow has fallen quite heavily over the place even in his absence.

The Hon. G. T. Virgo: It sounds as though you had a happy and cosy Easter.

Mr. MILLHOUSE: I did, and I hope the Minister had the same.

The SPEAKER: Order! The honourable member for Mitcham must ask his question.

Mr. MILLHOUSE: Precisely what further measures, if any, are being considered to protect members of the Police Force against the kind of harm they have suffered in recent incidents? I was pleased to hear the Minister say that a Bill to amend the Firearms Act was likely to be introduced during the present session. I accept that that is one way in which we may (I cannot say with confidence "we shall") be able to improve the situation.

The SPEAKER: Order! I point out that the honourable member has not asked leave to explain his question. He is also verging on the point of debate.

Mr. MILLHOUSE: I apologise to you, Sir, and to the House, and I now seek leave to explain the question. I will not begin the question again, nor will I debate it. There are, however, several matters internal to the Police Force which can be undertaken in the meantime, apart from the amendment of the Firearms Act, that perhaps will improve the situation. Those matters are now covered by police regulations concerning the carrying of arms. It is well known that members of the Police Force frequently carry arms, certainly on the afternoon and night shifts, and that if they do not carry the arms on their person that they are carried in police vehicles. I know from my own observation out of my windows at Barr Chambers (and I believe that it is general knowledge) that those arms must now be concealed in the uniform. An incident occurred two or three weeks ago, when a young police officer was disarmed in the course of a struggle after being knocked on the head, as I understand it, because of the awkwardness of having to carry a weapon in this way. We were all shocked by what happened over the weekend. Even if the police officers had been armed, that probably would not have prevented the attack that was made. The officers did not have a chance to do anything. I know that there is widespread perturbation, especially in the Police Force, about the problem and, quite apart from the amendment of the Firearms Act, I hope that something can be done internally in the Police Force even if at this stage it is only an inquiry to ascertain whether it is in the best interests of the police always to carry weapons, that those weapons should not be concealed, or whether that, as has been suggested by the Police Federation in Britain, is the wrong policy. I therefore ask the question to ascertain whether, when the Minister replied to the member for Hanson, he had anything specific in mind or whether he was simply talking generalities.

The Hon. J. D. CORCORAN: Like the honourable member, I have already expressed the Government's concern about what happened at the weekend. As I have said, it is happening more frequently now than in the past, and that concerns the Government and the Police Force. Mr. Tremethick, Secretary of the Police Association, has stated publicly that he, too, is concerned about certain aspects of the police regulations that control the operation of policemen in the course of their duty. The carrying of sidearms is one of the matters that I had in mind, but there are other matters that the Chief Secretary, who is responsible to the Government for liaison with the Police Force, is also concerned about. For example, if we consider not only the carriage of firearms but also the whole gambit of the operation of the force, we could face, if these sort of events continue, a serious depletion of morale in the force, which we could not afford to have. The honourable member knows as well as does any other member that most South Australians are proud of our Police Force, a force that has been recognised many times as being one of the best in Australia. The training methods of our Police Force have been used not only in other States of Australia but also in Papua New Guinea. I know that the entire Police Force is proud of the standard it has achieved. The Commissioner of Police, Mr. Salisbury, was privy to and took part in the discussions that were concluded last week about amendments to our firearms legislation. The Chief Secretary is now considering the whole question. As the honourable member has said, possibly it would not have mattered in what way sidearms were carried during the incident that occurred last Sunday. I take this opportunity, on behalf of every member of the House, to say that I hope that the constable who is still seriously ill makes a speedy and complete recovery, and the same applies to his colleague. I also hope that this is the last we will see of that kind of violent behaviour by members of the public in this State. I will see whether the Chief Secretary can give me a full report for the honourable member and for the House in relation to things we are considering to see whether or not we can facilitate actions policemen may have to take in a hurry in certain circumstances.

RAILWAY COTTAGES

Mr. WARDLE: Can the Minister of Transport say what agreement, if any, has been reached between the Housing Trust and the Australian National Railways Commission with regard to what we have come to know over the years as railway cottages? Has the Minister any specific information on whether, if those cottages should be transferred from the National Railways to the trust, it would be possible for occupier employees, at the end of their working life, to rent the dwellings for their retirement?

The Hon. G. T. VIRGO: The terms of the railways transfer agreement, which was ratified by legislation in this Parliament, require that the cottages (I am now giving a legal opinion of the transfer that we sought) occupied by railway employees on the commencement date of July 1, 1975, be transferred to the Australian National Railways Commission. That is the intention of the agreement and that, of course, will be effected.

ROAD SAFETY

Mr. LANGLEY: Can the Minister of Transport say whether publicity and police action to further safety on South Australian roads will continue? Although road toll figures in every other State seem high, only five people were killed on South Australian roads during the Easter period. However, I am sure that many of these accidents should not have happened. South Australia has been regarded as the most progressive State in educating motor vehicle drivers, and also in educating young children as future drivers.

The Hon. G. T. VIRGO: I think that everyone would be saddened by the fact that 67 people who were among our community on Maundy Thursday are no longer with us, and that number may even have increased since Easter Monday. One hesitates to use a number in this matter, because of the unknown factor of how many deaths may have occurred since the figures were last obtained. I think the situation, regrettably, that we have reached in Australia is that we seem to be accepting that people will be killed on the roads. Whilst our efforts are directed to reducing the number, unfortunately the records show that we are not being very successful. If one looks around at what is happening in the various States, one finds that Victoria, for instance, which has the unenviable Easter record of having had 27 deaths out of the 67, a little while ago was telling us that the 100 km/h speed limit there was the reason for its having a lower State toll than any other State had. No-one really has an answer, and that is regrettable. I think that what was said last evening (and I compliment Mike Willesee for what he said on

Channel 7 last evening) was that those people who got involved in accidents really are saying, "It's only because the other bloke isn't a good driver like I am that the accident happened," or, in other words, "That can't happen to me," but the plain fact is that it can happen to anyone. We will be seriously considering what avenues we can pursue, not only on a State level but also on a national level. If there is any worthwhile job to which the Australian Transport Advisory Council should now apply itself (it has failed in so many other areas), I think it should now apply itself to road safety, and as a member/Minister of that council I will urge it to do that.

ANDAMOOKA WATER SUPPLY

Mr. GUNN: Can the Minister of Works say what assistance the Government intends to give to the Andamooka Progress Association in order to assist it to provide an adequate water supply in that town? The Minister may recall (or it might not have been brought to his attention) that I have written two letters to him in relation to the condition of the water truck used by the progress association to cart water for that town. The President of the association told me today that he expects that the truck has one month's life left in it. A few weeks ago, with the Hon. Arthur Whyte, M.L.C., I inspected the vehicle, and I agree with what the President has said. It is beyond repair, and the money spent on it would be wasted.

The Hon. J. D. Corcoran: Who owns it?

Mr. GUNN: The Andamooka Progress Association. Because there is a shortage of water in that part of the State, I wonder whether the Minister can say whether the Government will assist that organisation. The Minister may recall that in one of my letters to him I forwarded some suggestions made by the progress association which is willing to co-operate with the Government. I shall be pleased if the Minister will examine this matter urgently, if he has not already done so.

The Hon. J. D. CORCORAN: I cannot recall it, but I shall be pleased to consider this matter and do something about it as quickly as I can.

ROAD FUNDING

Mr. RUSSACK: Will the Minister of Transport explain, without entering into his usual tirade of abuse of the Commonwealth Government, how a reduction in the State allocation to rural and urban local roads for the year 1977-78 can be substantiated, when such action will prevent local government from undertaking some essential roadworks? In reply to a question I asked last week, the Minister said that it was expected that the Commonwealth Government's allocations for urban and rural local roads would be increased, but that the State contribution for such roads would be decreased. The genuine purpose of the increase in Commonwealth funding is to assist local government directly and to give it a greater spending power and, in an autonomous way, to spend the money as it considers fit in council areas. The attitude which the Government is taking and which the Minister has adopted towards local government will deprive councils of much-needed funding. In fact, the accusations the Minister is levelling against the Federal Government in relation to funding to this State is being used by him in his attitude towards local government.

The Hon. G. T. VIRGO: I am sorry that I cannot refer quickly to actual statistical figures, but I point out to the honourable member that I think he is twisting things around in order to ask a politically loaded question.

Mr. Russack: I have the figures here.

The Hon. G. T. VIRGO: I know them only too well, and I also know that the Victorian Liberal Minister and Premier, and the Western Australian Liberal Minister and Premier, have made exactly the same noises as I have made. So, whatever criticisms the honourable member is levelling at me he is also levelling at his Liberal counterparts in Victoria and Western Australia, as well as at the Premiers of both those States.

Mr. Russack: This is the pace-setting State!

The Hon. G. T. VIRGO: It is the pace-making State, and I am grateful that the member for Gouger is now acknowledging and recognising that. It is most gracious of him to do so. It has taken him a long time to come to that viewpoint. In addition, the points I have made have been made also by the Country Party Minister in Queensland, as I informed the member for Flinders last week in reply to a question. No matter how the honourable member tries to defend the Fraser Government—

Mr. Becker: Here it comes.

The Hon. G. T. VIRGO: It does come, because the sooner members on the other side realise that the Fraser Government is cheating South Australia of funds, the better.

Mr. Venning: You're talking a lot of rubbish.

The Hon. G. T. VIRGO: The member for Rocky River says that, because he supports South Australia's being cheated. Local government is getting as good a go as it can with the depleted funds that will be made available to it. What the honourable member has been misled on is much the same as the point on which the Leader was misled. By ringing Canberra, he is getting in plain language, a bum steer. The facts are that someone in Canberra has whispered in Peter Nixon's ear that, if money is provided for local urban roads and local rural roads, those sums automatically go to local government. They just do not understand. I think the honourable member understands well enough, and on that basis he should back off. It is very much like the information the Leader gave to this House last week when he said, after consulting Canberra, that Canberra had told him that the States were not required to submit detailed programmes, but had only to get approval for the total sum, and the Minister made the allocation. That was utter rot, and completely untrue.

Dr. Tonkin: You have to get approval before you put yours in.

The SPEAKER: Order!

The Hon. G. T. VIRGO: What is happening is that people are ringing Canberra and getting on to junior clerks, I think. They are not getting the true information. The fact is that Canberra must approve every individual job, not like the guff given by the Leader last week. The same applies to the question the honourable member is raising now. It is a loaded question, politically motivated by a Federal Minister for Transport who was so embarrassed that he agreed, under duress, to call a further meeting of the Australian Transport Advisory Council one week after the scheduled meeting in Hobart, because the Hobart meeting had been turned into a fiasco by his actions. Under duress, he agreed to a further meeting. He also went back to Cabinet and told his Cabinet that every one of the Ministers, whether Labor, Liberal, or Country Party, was at the point of revolt. He said, "Please give me some more money to satisfy them and to satisfy the

Liberal States." He got exactly nothing from Fraser. I want to say to the member for Gouger what I said last week: it behoves the Opposition, as much as every other member of this Parliament, to act in a responsible way and to demand of the Federal Government a fair share of the funds that are allocated, so that South Australia is not getting progressively less and less and less, as will happen in 1977-78.

HILLS LAND

Mr. WOTTON: Will the Minister for the Environment say whether the Government has a policy regarding the purchase by the Government of privately owned land in the Hills face zone for parks, reserves, and so on, should such land come on the market; if so, what is that policy? Further, is the Minister satisfied that the Government is able to provide adequate financial assistance for the maintenance of land already held by the Government for recreation and conservation purposes? A general concern is expressed that such land under the control of the Crown is not maintained adequately; in fact, it is obvious that the Government has double standards in that it requires private owners of land to take action for the control of noxious weeds, fire control, and so on, but is unable to carry out the same duties, supposedly because of the lack of finance available for the maintenance of such properties.

The Hon. D. W. SIMMONS: The National Parks and Wildlife Division, which is the part that comes under my control, has no policy of acquiring land in the Hills face zone for national parks. There are plenty of areas in the region that we would very much like to have and, if money were available, I guess there would be some that we would be able to buy. Unfortunately, the funds we are likely to have available for land acquisition have been largely committed in other parts of the State for the next year or two, so that the chance of acquiring more privately owned land in the Hills face zone for national parks in that time would be very small. I should like to comment on the honourable member's allegation about double standards. He said that the National Parks and Wildlife Division was not meeting its obligations regarding noxious weeds and fire control. The matter of weeds is an awkward question, because we have acquired a good deal of land up there fairly recently and, frankly, we do not have the resources to deal adequately with the weeds any better than most private landowners are dealing with them at present. I think the provision made by the National Parks and Wildlife Division for fighting and preventing fires in land under its control more than matches up with the efforts made by those in the non-public sector in the area. In the past year, we have had a much better run in the Adelaide Hills, for two reasons. One is the much better equipment and training we now have to fight fires; the other is that, fortunately, the lunatics who deliberately light fires were not so active in this past year as in the previous year. The National Parks and Wildlife Division is definitely pulling its weight in the Adelaide Hills in relation to fire control.

At 3.8 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

SUPPLY BILL (No. 1) 1977

Returned from the Legislative Council without amendment.

LAND COMMISSION ACT AMENDMENT BILL (No. 2)

The Hon. HUGH HUDSON (Minister of Mines and Energy) obtained leave and introduced a Bill for an Act to amend the Land Commission Act, 1973-1977. Read a first time.

The Hon. HUGH HUDSON: I move:

That this Bill be now read a second time.

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

Leave granted.

EXPLANATION OF BILL

Subsections (7) and (8) of section 12 of the principal Act, the Land Commission Act, 1973, in effect provide that where the commission proposes to acquire land and the proprietor of that land has in train, in respect of that land, a commercial housing development or a commercial building development, that proprietor will be afforded two years in which to substantially commence that development and if such "substantial commencement" occurs the commission may not proceed with its acquisition. However, if during the period of two years mentioned substantial commencement has not occurred the commission may, within the year next following the expiration of the two-year period, acquire the land on the basis of the land prices prevailing at the time the commission first gave notice of its intention to acquire the land.

The effect of the amendment proposed by this Bill is to extend the period of one year mentioned above to three years. At the moment the Land Commission is engaged in some litigation with a land developer, the principal question in issue being that the development contemplated by the developer constitutes a "planning unit" as defined in the principal Act. To preserve his rights amongst other things the developer secured an injunction enjoining the commission from acquiring his land pending the outcome of the litigation. That injunction remains in force and at the moment it now appears likely that in the ordinary course of proceedings that injunction will not be discharged before the expiration of the one-year period mentioned above. In effect, this will deprive the commission of its right to acquire the land in question at the price prevailing when it gave the original notice of its intention to acquire the land. It is emphasised that this measure does not act so as to affect the respective legal positions of the developer and the commission in relation to the matters in dispute. It is intended to act so as to ensure that the developer cannot obtain a financial advantage, against the commission and indirectly against the community, by protracting the legal proceedings.

Mr. EVANS secured the adjournment of the debate.

PIPELINES AUTHORITY ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from April 6. Page 3221.)

Mr. DEAN BROWN: This far-reaching Bill will have significant implications on the future energy resources within South Australia. It will affect the price and supply of gas through the South Australian Gas Company, the

cost and method of producing electricity within South Australia, and the long-term future of liquids for a possible petro-chemical industry or for export from this State. The Opposition has asked for this Bill to be referred to a Select Committee. The reasons for this request are obvious. First, the Minister made a Ministerial statement earlier today concerning the interest of the State Government through the Pipelines Authority, the Gas Company and Bridge Oil to acquire the Bridge Oil share and the Commonwealth Government's share in the Cooper Basin. I believe this Parliament should be fully aware of the implications of that intention to purchase in relation to the development of the resource of the Cooper Basin.

Secondly, last week the Minister, through the financial Bills was given $5 000 000 for exploration in the Cooper Basin. The Minister has also announced the Government's intention (although there is no guarantee that this will come to fruition) to spend $40 000 000 over the next eight years on exploration of the Cooper Basin. The purpose of this Bill is, first, to allow that exploration to take place and to establish the body to which the funds could be given and, secondly, to allow the State Government to become involved in the purchase of the Commonwealth share in the Cooper Basin. Obviously, it will do that through the Pipelines Authority if this Bill is passed. The Bill is broad, giving unlimited powers to the Pipelines Authority to acquire an interest in any hydrocarbon resource whether gaseous, liquid or solid. That implies that the Pipelines Authority will have the right to acquire an interest and become involved in the exploration not only of oil and gas but also of coal. I do not know whether the Minister is aware of the implications of the legislation, but there would be power for the Pipelines Authority to take a major interest in any coal resource within this State. Perhaps, in reply, the Minister will indicate whether he intended the Bill to cover coal.

The Bill virtually implies no restriction on the powers of the Pipelines Authority in this area of exploration and ownership. The Opposition has carefully examined all the powers to be given to the Pipelines Authority so that it could make some responsible amendments to the Bill to give the guaranteed safeguards that this Parliament has the right to expect from any responsible Government. As presented, the Bill gives to the Pipelines Authority similar power to the controversial petroleum mineral authority set up by Mr. Connor when he was the Minister responsible for natural resources. He was the gentleman who caused much controversy in this country by trying to nationalise part of our natural resources, and he found that his own petroleum mineral authority legislation was thrown out by the High Court.

So far everything that has been said about this Bill and the intention of the Government to move into the area of exploration and ownership relates to the Cooper Basin. I believe it is therefore only logical that some amendment should be made to the Bill to restrict its operation to the Cooper Basin. I do not believe that this Parliament would be responsible if it wrote a blank cheque to allow the Pipelines Authority to move into other areas. We should judge and assess such moves at the appropriate time. We are currently looking at a proposal put forward by the Minister, to look at the Cooper Basin, and therefore I hope this Parliament will amend the Bill to ensure that it is restricted to that part of the Cooper Basin located in South Australia.

One major problem with the Bill is that it will allow the Pipelines Authority, through a holding company, to hold the joint interests of the Pipelines Authority, the Gas Company and Bridge Oil. The Minister's press release earlier today states:

The Minister of Mines and Energy (Mr. Hugh Hudson) announced today on behalf of the Pipelines Authority of South Australia, the South Australian Gas Company and Bridge Oil that negotiations were proceeding to establish a consortium to hold the Commonwealth Government's and Bridge Oil's interest in the Cooper Basin.

Therefore, I presume the Pipelines Authority will hold its interest through this consortium, whatever that consortium may be. It is fair to say that the interests of the consortium and the Pipelines Authority will be closely linked, and one can assume that the consortium will have the right to pass on to the Pipelines Authority all information that the consortium may have. I raise that point because I believe a major area of conflict of interest will arise. The press release also states:

The Pipelines Authority of South Australia's interest in the new group would be 50 per cent or less if the group is expanded to include other Cooper Basin interests.

The significant point is that the Pipelines Authority intends to have what could be described as a controlling interest, or a half share at least, in this consortium.

I raise that matter because, if we pass this Bill in its present form, we are allowing the Pipelines Authority to have a major conflict of interest. At present the price of gas is negotiated between the producers and the Pipelines Authority. If the negotiations, on a voluntary basis, break down, it is taken to an independent arbitrator (and the grounds on which an independent arbitrator is selected were dealt with 18 months ago in this House). If there cannot be agreement on the arbitrator, the selection of the arbitrator goes to the Chief Justice. The important point is that the Pipelines Authority would have information, as having an interest as a producer, and it would also have information as the only buyer of the natural gas. That means that it would be known, even before negotiations started, that the Pipelines Authority would know what case would be put on behalf of the producers. So, there is this incredible situation of the producers having to sit down and negotiate with the Pipelines Authority with the Pipelines Authority knowing both arguments before the case has started. The producers will not have any idea of what the Pipelines Authority will use in its argument. This will be even more important if initial conciliation breaks down and the matter then goes to an arbitrator. This is what is occurring at present; there has been a breakdown in negotiations to set a price and the matter is before an independent arbitrator. In that circumstance one can see that the Pipelines Authority, knowing what the producers will put to the arbitrator, can amend its case accordingly and put that case to the arbitrator from the beginning.

That is not in the best interests of the development of that basin and we cannot be sure of an independent judgment, therefore, in the setting of a price, particularly if this conflict of interests is allowed to proceed. One would expect that the producers would take some action before finally agreeing to the purchase of the Commonwealth's share by the new consortium, to ensure that the Pipelines Authority is not in the position of being able to obtain information in the case of a pricing disagreement. Another difficulty that arises is that, under some of the agreements that exist, there is a reference to the ability of any one producer to adopt the sole risk for any exploration if other producers are unable, through lack of financial resources or willingness, to participate in the drilling of a particular well. If there is a wildcat strike and large quantities of hydrocarbons are found, the other producers can participate only by paying a very heavy penalty (up to 700 per

cent of the drilling costs involved in that strike). If that is the case, one needs to look at the position now with the new consortium. I raise this matter because the Pipelines Authority has, if you like, an unlimited quantity of finance available for exploration, yet we know that the private producers, of which there are nine, or eight if Bridge gives up its share, have a restriction on the amount of finance available. That has been the major limiting factor on exploration in the Cooper Basin and one of the reasons why this Bill has had to be introduced.

If the State Government, through the Commonwealth's share, is able to join with the new consortium to apply large sums of money for exploration we may find that they desire to take on, on a sole risk basis, much exploration. The Minister has already indicated that the Government intends to spend $40 000 000 in that area. If that is the situation and the private companies cannot match the amount it would put the Pipelines Authority, through the new consortium, in the privileged position of taking many sole risk exploration wells. I do not believe that this Parliament, by giving consent to this Bill, would wish the Pipelines Authority or this new consortium to become the sole explorer and to take on exploration in its own right. Public funds should not be used for high risk purposes, particularly if there is a grave risk about the repayment of those exploration costs to the community. Surely taking that risk is the role of the private sector, not the role of the Government with taxpayers' funds.

Another important matter relating to the new role of the Pipelines Authority through this consortium is to ensure that it does not damage the future development of natural resources throughout South Australia. We have recently seen the effect a Minister like Mr. Connor can have on the development of natural resources in a country. Things became so catastrophic that every major drilling rig in Australia except one left and went overseas. Mr. Connor removed all financial incentive and desire of private developers to continue exploring for mineral resources, particularly for energy resources. That has damaged Australia, not only for the three years in which the Whitlam Government was in office but on a long-term basis. One of the major reasons why the Government is now having to move into the area of exploration is the lack of exploration done during the period when Mr. Connor was in office. During the two-year period 1974-75, not one exploration well was drilled in the Cooper Basin. There were some developmental wells but not one exploration well.

The Hon. Hugh Hudson: How many exploration wells have been drilled since?

Mr. DEAN BROWN: At least two have been drilled since. The major reason for that was that Mr. Connor destroyed incentive. If no wells have been drilled since, it is simply a reflection of the point I made earlier, that the continuing damage that somebody like Mr. Connor can do is incredible. There is certainly at least one exploratory drilling rig in the area at present. I know that members opposite do not like this, but they cannot refute the fact. In answer to a question that I asked in this House the Minister gave information about the number of exploration wells drilled in the Cooper Basin.

The other point that comes out of the Minister's second reading speech is that exploration is needed to ensure the long-term supply of gas to the Electricity Trust's power stations. That is a valid point if we are to look at the long-term planning for energy requirements in South Australia. I point out that the Electricity Trust was particularly slow in coming to an agreement in relation to the long-term supply of gas.

The Hon. Hugh Hudson: Bygones are bygones.

Mr. DEAN BROWN: I realise that bygones are bygones, but it is a valid point, as it is because of that reluctance of the trust to sign a long-term agreement regarding the quantity of gas necessary that some sort of exploration is now required and additional funds have to be made available by the State Government. Another important matter is the pricing policy for gas from the Cooper Basin. At present, that gas sells to the Pipelines Authority at the Cooper Basin for 30c per 1 000 000 b.t.u. There is an additional charge for transporting the gas to Adelaide, where I think it is sold for 46c per 1 000 000 b.t.u. and I think to some consumers for 42c per 1 000 000 b.t.u. I ask the House to look at the comparison between that price of 30c at the point of distribution to the Pipelines Authority compared to the price currently paid in Canada and the United States of America. In Canada, natural gas is permitted to be sold to America only at the price of $1·90 per 1 000 000 b.t.u. In the United States of America, the standard price at present is $1·42 per 1 000 000 b.t.u. Therefore, the price currently paid by the Pipelines Authority for natural gas in South Australia is about one-fifth of the standard price paid in the United States of America. We have a cost structure similar to that in the United States of America, so it is fair to use that country as a comparison. The significant point is that one major source of energy in South Australia (and a very crucial source of long-term energy for this State) is being sold at what we can only describe as dirt cheap.

That has certain major advantages for South Australia at this time; it is about the only possible advantage the State Government can dangle in front of any manufacturing company to stay in this State. The State Government knows that it has lost every other major advantage that it ever had as an industrial State. It knows that, through its workmen's compensation legislation, through the threat of industrial democracy, through the damage it has done to industrial development and through the disadvantage placed on manufacturing industries by its other policies, those companies are now leaving the State or are facing bankruptcy. A small manufacturing plant at Elizabeth closed down last Thursday. In reply to a Question on Notice that I asked today it was revealed that Wilkins Servis, a major appliance manufacturer in this State, had asked for financial assistance through the South Australian Housing Trust and that the Government had given a total of $2 300 000 to enable the company to pay off part of a commitment that it has, which means a net cash flow of $1 150 000 has gone immediately to the company. That shows the extent to which major established manufacturing industry in this State has lost the advantages it had. The Government has therefore decided to adopt this low-pricing policy for South Australia's natural gas, automatically flowing on to a low-pricing policy for our electricity.

As the Minister has said, South Australia has one of the lowest cost electricity supplies of any State in Australia. It is one of the few advantages this State can offer. However, we should ask ourselves whether it is important to consider the short-term or the long-term. Frankly, when it comes to considering our energy resources we should consider the long-term. We are encouraging the wasteful use of energy simply to meet the immediate requirements of this State Government so that it can say that South Australia has some of the cheapest gas (not the cheapest) in Australia and the cheapest electricity. The Government is encouraging the wasteful use of our limited energy resources simply to protect its own position. That is an extremely important point to make.

I refer the House to a paper written by Professor M. A. Adelman, professor of economics at the Massachusetts Institute of Technology, wherein he points out clearly the dangers involved if Governments decide to set an artificially low price for electricity or any other energy resource and allow that energy resource to be used in a wasteful manner or used for certain purposes when it may be inefficient to use it for those purposes. Natural gas is now being used and will be used for a long time in this State for the production of electricity. Power stations A and B were built to use either oil or natural gas. I have heard the Minister make statements in this House and elsewhere that it would be quite uneconomic for those power stations to use oil because of its high price at present, yet, through an artificially low price for natural gas, the Minister is encouraging the use of natural gas to produce electricity when everything indicates that natural gas may not be the best energy resource for the production in the long run of electricity. It may be better, to overcome the world's energy problems, to use coal rather than natural gas for the generation of electric power.

The Hon. Hugh Hudson: Where do we get the capital to replace Torrens Island?

Mr. DEAN BROWN: If the Minister had had correct policies from the beginning, it would not be necessary to have that capital. If a realistic price had been set for natural gas, the Electricity Trust would never have produced a power station that used natural gas but instead would have produced a power station that used coal. The effect is that we are now using a large quantity of our natural gas so quickly that the resources of natural gas in this State are completely unassured. That is why the Government is saying, "We urgently need to get out and increase exploration to find natural gas to last beyond 2000 and, even possibly for South Australia, beyond 1987."

Other aspects of the Bill will be raised by amendment during the Committee stage, although I will mention one or two of those aspects now. About 18 months ago the House considered the Cooper Basin (Ratification) Bill. It is important to note that the Pipelines Authority of South Australia, through this new consortium, must be open to restrictions of every other previous agreement that applies to other producers in this gas field. It would be unfair for this Parliament to provide certain concessions to the new consortium but not to existing producers who have worked in this gas field for more than 20 years. Major amendments proposed in the Bill are intended to ensure that the same sort of conditions will apply to the Pipelines Authority, or the new consortium, that would apply to any other producer in the gas field.

Members will see that I have on file an extensive list of amendments to the Bill, the purpose of which will unfold as each of them is considered. It is unfortunate that the State Government has now had to move into the area of supplying finance for exploration whereas had it adopted correct policies from the beginning (I know that the present Government was not involved in the formulation of some of those policies but it was certainly involved in the recent pricing of natural gas) it would not be necessary now for Parliament to make funds available for exploration in the Cooper Basin.

I do not support the buying in through the Pipelines Authority and this new consortium of a share in the basin. It would be far better if that were left to private enterprise. I do not know why the Government has decided on this restriction. Partly it may be that the Government wants some say and a stake in the future supply of natural gas to South Australia. I hope that that is the reason. Although I do not agree with that action, it would not be right for this Parliament to stop the purchase of the Commonwealth Government's interest in the gas field. I say that I do not support it, but equally it would not be responsible for this Parliament to stop it. The Opposition will therefore support the Bill in the hope that the amendments to be moved in Committee will be accepted so that certain conditions and restrictions can be placed on the new consortium that will be set up to look after the interests of the Pipelines Authority in the Cooper Basin.

As I said at the beginning of my speech, this Bill should be referred to a Select Committee so that all the problems involved in it can be examined closely. I have considered the technicalities of what would happen to the $5 000 000 involved if the Bill was referred to a Select Committee, and it is my understanding that that would not be interfered with. Equally, referring the Bill to a Select Committee would not interfere with the purchase from the Commonwealth Government of its share in the Cooper Basin. The State Government has already indicated to the Prime Minister that it intends to stop any other private developer buying the Commonwealth's interest in the Cooper Basin. I have been told by the Prime Minister's office that in no circumstances would this State Government allow the Commonwealth's interest in the Cooper Basin to go to anyone else but this State Government. Therefore, I believe that, as far as the State Government is concerned, there is no danger that referring the Bill to a Select Committee will damage its chance of purchasing the Commonwealth Government's interest. I therefore urge the Minister to allow the Bill to go to a Select Committee, particularly as other producers who have a vital stake in this matter can have a say. We have a precedent of 18 months ago when we referred the Cooper Basin (Ratification) Bill to a Select Committee. I believe that this is a similar type of Bill. I can see no reason why the Minister should not allow this Bill to go to a Select Committee. I support the second reading of the Bill and hope that it will go to a Select Committee before going into Committee.

Dr. TONKIN (Leader of the Opposition): The member for Davenport has canvassed thoroughly the issues relating to this Bill. It is a major Bill. It seems that we have before us now a series of Bills which take up no more than one page but which have wide-ranging effects. This is an enabling Bill which will enable the Pipelines Authority to acquire the Commonwealth's share with Bridge Oil and to move into exploration at a cost of about $40 000 000, or $5 000 000 a year over eight years. I wholeheartedly echo the sentiments of the member for Davenport when he said that it should never have been necessary for the Government to enter the exploration field at all. If the development of the Cooper Basin and of our other natural resources had proceeded steadily, instead of being cut off at the time of the Whitlam Administration, we would probably not have to worry about this legislation today.

The significant thing about the Bill as it stands is that the authority may acquire an interest in any hydrocarbon deposit, and that involves coal. The member for Davenport again has gone thoroughly into the economics of the situation, particularly of the use of natural gas to generate electricity. Unquestionably, this is the most expensive and extravagant way of generating electricity for the State. When one considers particularly the energy problems that will face us in the next 20 years, one wonders whether the State can continue to use natural gas for the generation of electricity for much longer.

I echo the Opposition's demands that the Bill be referred to a Select Committee. As nine partners are involved in the Cooper Basin, it is essential that the rights of all of these partners be safeguarded at all times. The Government has moved into this enterprise with an air of take-over. The position has been made clear to the Federal Government that it will not allow the share to go elsewhere and, because of that, I think it even more important that the State Government and the authority are seen to be acting in a fair and reasonable way and that they are subject to the same conditions as are the other partners in the Cooper Basin.

Some suggestion has been made that, because of the funds now available for exploration, sole risk exploration may involve the other partners in the Cooper Basin in considerable expense and, indeed, may cut them out at the expense of the authority. I sincerely trust that this is not so. The problems of price setting are considerable, and there is a real conflict of interest when we have a producer and a purchaser, which, basically, is made up of the same consortium. Obviously there will need to be some modification in the arbitration procedures that have been set down. The whole question is of immense importance to South Australia's future. It has been said many times that South Australia is the driest State in the continent, and it has been said equally as many times that energy may, and probably will, provide the key to our water problems also.

The whole situation must be examined carefully indeed. I do not intend to go any more deeply into the subject now, but it should be examined carefully indeed. It is just as important to refer this Bill to a Select Committee as it was to refer an earlier Bill on this subject to a Select Committee. The referral of the Bill to a Select Committee could not possibly prejudice this State's position. South Australia has made clear to the Commonwealth that it will not allow that share to go elsewhere, and there is every reason to refer the Bill to a Select Committee. In that way, we would get the best possible result in the best interests of all South Australians. I think that the member for Davenport explained clearly (and I support him) that no politics is involved where the future energy requirements of South Australia are concerned. We want to see the best possible deal that we can get for South Australians generally.

Mr. COUMBE (Torrens): I would not oppose a Bill, such as this one, that would bring some real and tangible benefits to South Australia in the future. Although I indicate my support of the principle of the Bill, there are a few details with which I am not in accord and which I think could be improved. What we are considering today is the whole future of the energy resources in South Australia condensed as far as the Cooper Basin is concerned. The Cooper Basin is an integral part of the whole of our future energy resources, whatever they may be. We know that there may be some coal that can be exploited in the future and that there may be some oil. There is the possibility of solar energy (and the Minister expounded at some length on solar energy), but I shall confine my remarks to what we know about natural gas.

Natural gas is such an important part of the State's resources that it cannot be ignored, and it must not be treated lightly. At present, natural gas from the Cooper Basin comes to the metropolitan area. It branches off to your town of Port Pirie now, Mr. Speaker, and to other towns, but the bulk of sales is in the metropolitan area. The Torrens Island power station, operated by the Electricity Trust, takes the bulk of that supply. The other main user is the Gas Company, and there are other industrial users as well. We must look at natural gas in this concept. While the new power station to be built in the north of the State is, I understand, to use future supplies from Leigh Creek, any future expansion occurring in the metropolitan area is being designed, I understand, for the future use of natural gas. Therefore, in a nutshell we are looking at the bulk of the population that will be benefiting from natural gas. The Bill seeks, in effect, to expand the powers and functions of the Pipelines Authority as set out in the present Act.

The Minister's statement at the opening of the sitting today was an interesting one and one which I personally welcomed: a consortium comprising the Government, Bridge Oil and the Gas Company. Although I have not had the opportunity since then to study the full implication of the Minister's statement, as far as I understand it I welcome it and the involvement of those other two companies with the Government. Already, we have passed Supplementary Estimates voting $5 000 000 to the Minister, and he has issued a press statement in which he refers to $40 000 000. So, we are talking not of peanuts but of future use and development, together with a considerable sum of money. We are also talking about the acquisition by the State of shares currently held by the Commonwealth Government. So, we are talking about a major operation. Although this seems to be a simple Bill, it can affect our whole economy and expansion for many years to come. That is why I believe that a Select Committee should consider this matter, because of its vital importance.

I have had some experience of and involvement with the initial exploration, development and exploitation of this field, and I was interested to read what the Minister had to say in his second reading explanation and in some of the phraseology used. We see "atomisation" and "unitisation", which is, I suppose a bastardisation of the Queen's English. Although we know what those words mean, I think that simpler phraseology could have been used. The Minister referred to the financial aspects of some of the companies. For the past few years I have studied the composition of some of these companies and their financial resources, and I know their problems, including the need for further exploration and how this relates to the price they get for the product. The Minister said:

> Secondly, in this connection it must be understood that commercial companies with high rates of discount of future cash are simply not able to undertake from their own funds the kind of exploration that the Government requires. The Government has therefore announced its additional financial provisions for such exploration on the grounds that, as the normal commercial rules do not permit commercial financing if the Government requires the exploration to be done on behalf of the community, the Government in representing the community must provide the necessary finance.

This is all very well, but I point out that it was South Australian companies and finance, through the private enterprise system, that found gas in the first place. If it had not been for the courage, foresight, and risks taken by investors in this State and the guts shown by a few companies by getting out into that fairly inhospitable part of South Australia, we would not have gas flowing today, and we would not have the oil discovered there, although we cannot use it. We should recognise that it was South Australian people and companies that did the spade work, and carried out the exploration and subsequent exploitation. The member for Davenport correctly said that others were exploring on a farm-out or share basis, until the Connor policy drove them out. That pulled the plug out of the bath for exploration.

The Minister's announcement about the $5 000 000 and the $40 000 000 has my full support in regard to spending that money. We have to recover from a

position that has been brought about in recent years. Having had some experience in the initial scheme we are considering today, I have some knowledge of the hard bargaining that went on by the consumers of the product, and of the price structure now operating. Possibly the price structure operating today has inhibited the ability of producer companies to continue exploration and exploitation which they did in the first place and which was a complete risk capital then. With the meagre return they receive for the product, they have to put that money into production at the field.

This is a major Bill and, if it is as important as I believe it is and the Minister asserts it is, it should be in its correct form now and not be amended later. Let us get it right in the first place. It has been suggested that we will be considering the sum of more than $40 000 000, and I and members of my Party believe that amendments are necessary. We suggest that, as this Bill is so important and involves so many people and the future of this State, it should be referred to a Select Committee. Many less important matters than this have been referred to Select Committees, and I recall that only two weeks ago the Minister of Community Welfare and, I think, the Minister for the Environment praised the efficacy of the Select Committee system. The Minister for Community Welfare, when commenting on the Select Committee on the Mental Health Bill, said that an entirely new aspect had been opened up as a result of the work of that committee. He praised the work done by the committee, and said that the legislation had been considerably improved.

We are considering the continuing supply of gas to the Electricity Trust, South Australian Gas Company, and other users, and we must remember that we cannot convert Torrens Island back to coal. The old station originally used Newcastle coal and the conversion to Leigh Creek coal was not altogether successful; it was then converted to oil. The new station used oil, but now uses natural gas. The economic situation today prevents us from changing our basic fuel in that regard, and we have to consider that we will be using natural gas for many years. Even if it were not a question of economics, the matter of pollution raises its ugly head. Not only is natural gas used in the power station but it is also piped by the Gas Company to many industries, especially in the western suburbs of the city, and, if it were not for gas, we would have a shocking pollution problem.

Concerning reserves and the need for exploration, we know there are some known reserves and some expected reserves, which are confidently expected to be there, and further areas that hopefully contain reserves. I believe that the whole question depends on the price of natural gas to the producers, and at present there is not sufficient margin for them to consider further exploration. Some time ago I asked the Minister in charge of this Bill about the position concerning reserves at Cooper Basin. His replies are important and cogent in considering this matter. On July 27 last year, in reply to questions I had asked about proven reserves, the Minister of Mines and Energy said:

"Proven" reserves, being restricted to those reserves the existence and economic productivity of which can be expressed with a high degree of confidence, are relatively small quantities. For this reason contracts are usually written on the basis of "proven and probable" reserves; "probable" reserves are those whose presence is reasonably confirmed by existing data but whose presence and productivity have not been physically tested. The "proven probable" reserves of the Cooper Basin are $3{\cdot}5 \times 10^{12}$ (3·5 trillion) cubic feet of recoverable sales gas. Of this amount $0{\cdot}21 \times 10^{12}$ cubic feet had been produced to the Adelaide market up to March 31, 1976. The Minister continued, significantly, as follows:

Additional reserves are very difficult to estimate, and such estimates are meaningless without ascribing an estimated degree of probability to them. One such estimate prepared by officers of the Mines Department provides the following possibilities for additional reserves in the whole Cooper Basin including the Queensland portion:

Additional gas possible	Probability
$0{\cdot}5 \times 10^{12}$ cu. ft.	100%
$3{\cdot}5 \times 10^{12}$ cu. ft.	60%
$6{\cdot}5 \times 10^{12}$ cu. ft.	15%

This estimate suggests there is a slightly better than even chance that as much gas as has already been found still remains to be discovered. Other estimates have been expressed that are not as optimistic as this and suggest that no more than perhaps another 1×10^{12} cu. ft. of gas will be found.

The reply continues, and I invite members with technical minds to read that informative reply. This highlights and emphasises what I have been saying: here we have a Bill that will greatly affect the whole of the development of South Australia, not only in the next 10 years, but perhaps the next 30 years or 40 years. When this matter of natural gas was introduced in the days of the Walsh Government, many estimates were made of how long the supplies would last. Sir Thomas Playford was a constant inquirer as to how long the reserves would last. As can be seen from the answer of the Minister that I have just read out, a big question mark hangs over the whole matter that will not be resolved until further exploration occurs in the area so that we can gauge not only probable proven reserves, but proven reserves. I think that is the matter in a nutshell.

I support the measure in principle, because it will do something which I believe is good for South Australia, but I have some doubts about the method involved. The Minister is correct in his assertion that there are too many small fry in the whole show, and his reference to the legal conveyancing costs illustrates that. I am aware of the number of farm-outs that have occurred in some areas. I believe that this Bill not only needs amendment but that, in the interests of all South Australians, it should be referred to a Select Committee, and I would support it on that basis.

Mr. MILLHOUSE (Mitcham): I hope that the Minister will pardon my speaking in this debate. I do not want to speak for long, but merely to say that I support the general idea of the Bill, the proposal that the State Government should become involved. I cannot see how anyone could have any objection to some sort of involvement, as the Federal Government, as I understand it, has had that involvement and now wants to dispose of its holding. So far as I know, that has not caused any problem to anyone, and I have not heard of any doctrinaire objections being raised to it, although I suppose the fact that the Commonwealth wants to get out may indicate that it feels it should not be in it. I do not want to canvass those issues, but I want to say something on the question of a Select Committee, because I will not have any other opportunity to say anything about that matter.

I have come recently, on several occasions, to see much more clearly than I used to do the benefits of referring legislation to Select Committees. I have served on many Select Committees in the time I have been here and, as you will know, Mr. Deputy Speaker, because you have been on at least one if not a couple of these Select Committees with me, all sorts of crabs are found in legislation. It is far better for them to be found at that stage and put right when the legislation is going through Parliament rather than later. There is no Party politics necessarily in it at all. We all know that many of the Bills that pass this place are found to have mistakes and deficiencies, not necessarily

anyone's responsibility when they are discovered but they are there, and they should not be there if we can avoid them.

A Select Committee is one way, hopefully, of eliminating some of the faults which pass our scrutiny in this place in what is often a swift debate. This Bill was introduced only six days ago and, as I understand it, it has far-reaching effects. Whilst I know that the Minister thinks we do not have time to mess about with a Select Committee (the problem, as I understand it, and he will correct me if I am wrong, is that the Commonwealth may jack up the price), I think it would be worth taking that risk to get right something as important to the State as this is and to make sure that the details are in the best interests of South Australia. If we have to pay more because of inflation, or perhaps greed on the part of the Commonwealth, that is bad luck, but it is better to do that than to pass something which is dangerous, defective, or ineffective, and regret it later. For those reasons, I propose to support the second reading and also to support the motion, which I understand one of the Liberals intends to move, that the Bill be referred to a Select Committee.

The Hon. HUGH HUDSON (Minister of Mines and Energy): I thank members for their consideration of this legislation. I think a few points should be made in reply to the second reading debate that perhaps could save additional arguments later. First, I make clear to members why the Government thought that the Pipelines Authority was the appropriate vehicle to hold any governmental interest. I think the basic reason is that we already have a Pipelines Authority. It is a statutory organisation which is recognised as an authority under capable leadership and which is operating well and efficiently. As a member of the Government, for two substantial reasons I did not want to recommend establishing still another statutory corporation to be involved in the same general area.

The first reason is that for every additional statutory corporation one establishes one has to establish another board, and it is not too long before one starts to run out of able people to put on the boards of statutory authorities. Certainly, on any test, in the case of the Pipelines Authority we have a very able board indeed, consisting of Sir Norman Young, as Chairman; Mr. Webb, the Director of Mines; Mr. Barnes, the Under Treasurer; Mr. Parkin, the former Director of the Australian Mineral Foundation; Mr. Davies, the Director-General of Trade and Development; and Judge Taylor. That board is exceedingly able and, I believe, is capable of carrying out the further function that the Bill seeks to impose on it. Secondly, establishing another statutory corporation would have involved us in establishing another bureaucracy. The Pipelines Authority is a small organisation that is efficient and well run and the capacity of a number of the administrators has not been taxed fully. I believe significant economies would be achieved in providing that the Pipelines Authority should undertake this further function, rather than establishing a further separate corporation.

A further reason for doing it this way is that, if the Pipelines Authority had the interest solely on its own behalf and the Commonwealth determined that those interests were to be subject to Commonwealth income tax, if we had a fully integrated operation we could ensure that no income tax was paid. One could always ensure that the Pipelines Authority *per se* did not run at a profit, but only covered its costs, and that any profit was taken out at some other stage where it was not subject to Commonwealth income tax. Be that as it may, the first two reasons I have given are the substantive reasons why the Pipelines Authority should be the organisation involved.

Let me deal with the argument that this involves a substantial conflict of interest on the part of the Pipelines Authority because it is at once the buyer and the producer of gas. I believe quite sincerely that this is a completely phoney argument. That conflict of interest exists already because the Pipelines Authority, cognisant as it must be of Government policy, already has to be concerned at the Government's need for the further production of gas, so the Pipelines Authority has to take into account the producer's requirements and interests. At the same time it is a buyer of gas and does not want to pay more than is necessary. It is already in that conflict of interest, and so is the Government. The Government has to face up to that conflict of interest of the needs of producers to get an adequate price to ensure further production, on the one hand, and the needs of the Gas Company and the Electricity Trust, on the other hand, to get as low a price as possible. The Government must make its decision in relation to that conflict of interest, whether or not this Bill goes through.

It is my view that if this Bill passes the Pipelines Authority may have a better appreciation of the problems of producers than it currently has. Certainly the existing producers would not believe that the Pipelines Authority had a full appreciation at least in terms of the price it is willing to pay for gas. That conflict of interest is there; it is part of the nature of the beast, and it is something with which we have to live whether or not anyone likes it. It is a consideration I have to have in my mind all the time. The Cooper Basin producers are not all from private enterprise. The Commonwealth Government, the British Government and the French Government are already involved directly and indirectly in the Cooper Basin. I make that known to members and point out that the extent of foreign ownership in the Cooper Basin at present is well over 50 per cent on any true test of foreign ownership, so I think it is perfectly proper in those circumstances that there should be a South Australian Government interest. We have to be concerned with the basic issues and, if there is to be such an interest, it is also proper to avoid repetitious and wasteful bureaucracy. So this should be done through the Pipelines Authority.

In this connection, I thought the member for Davenport was running a purely producer's line. The evidence of that was when he started to discuss the price and pointed out, as the producers are fond of doing, that the price of natural gas in the United States of America is four to five times higher than it is in South Australia. He suggested that the price in the United States was in some sense the kind of price that should apply in South Australia. Certainly that has been argued by the producers and it is the kind of argument that is being considered by the arbitrator in the current dispute over the price of gas. It is not an argument that I accept so far as South Australia is concerned.

When it is argued that the price of oil be purely at world parity, whether imported into Australia or locally produced oil, it is always open to the Commonwealth Government to use its income tax powers or other powers it has to put on an import levy or a levy on locally produced oil to ensure that that does not lead to excessive profits. If the price of gas were at import parity (and the honourable member's argument takes no account at all of the cost that would be involved in liquefied locally produced gas and shipping it overseas in order to meet a foreign market) and even if we assumed that $1·42, which is the United States price, should be the local price—

Mr. Dean Brown: I did not advocate that; I just said a higher price.

The Hon. HUGH HUDSON: Right. Then let us assume 60c or 70c; who is to guarantee that that higher price, better related to the oversea price, is not going to lead to grossly excess profits within the industry? As a State Government we cannot levy an excess profits tax; we cannot do anything about a tax on profits. The only—

Mr. Dean Brown: At this stage—

The Hon. HUGH HUDSON: I suggest the member for Davenport might care to listent to this argument.

Mr. Coumbe: Not even by royalty?

The Hon. HUGH HUDSON: Under the Cooper Basin (Ratification) Act we agreed to no change in royalty until 1987. Certainly royalty is a clumsy method of doing something about it. If it were necessary to increase the price to the consumer, the only way the South Australian Government has of doing that without creating excess profits for the producer, should that situation develop, would be to put a levy on gas and electricity sales, and to some extent that applies at the present. If it were ever necessary in future to increase the price of gas because of conservation arguments, the appropriate way for the State to do it would be through the existing type of levy on gas and electricity sales rather than any other way, because we have no real power to do it any other way.

The Commonweath Government is in a different position; it can agree to import parity for Bass Strait oil without increasing the profits of the Bass Strait producers by 1c, because the Commonwealth Government can act in an appropriate way on the profits of those producers by putting on an excise.

Mr. Dean Brown: Do you think the companies are making a profit? They have not paid a dividend.

The Hon. HUGH HUDSON: They have made a profit and they have not yet paid a dividend. There is an arbitration on price taking place at present. That arbitration will determine the overall result; I do not intend to take sides in that arbitration. Certainly the submissions made on both sides tended to create a situation like that applying in a wage negotiation, with everyone creating the maximum ambit for the arbitrator to work within. Beyond saying that I do not wish to make any further comment on it.

Mr. Dean Brown: Do I understand you to say that the price shouldn't be substantially increased?

The Hon. HUGH HUDSON: Who said that? From whom did you understand that?

Mr. Dean Brown: I thought you were arguing why the price shouldn't be closer to world parity prices.

The Hon. HUGH HUDSON: The honourable member talked about world parity, which is $1·42, not 30c. The producers are currently asking for 50c, which is an increase of 67 per cent on the price, which has been stable for two years. The member for Davenport introduced the argument of commodity value or world parity. I am pointing out the figures. I assume the honourable member is really wanting to say, when he says that the price should be higher or closer to world parity, that it ought to be somewhere near 50c or 60c. I do not know. I am dealing with that argument and pointing out that the State Government is not in the same position as is the Commonwealth Government which, if it wished to impose world parity, could do so and prevent excess profits by an excise tax and adjust the excise appropriately whenever necessary. A State Government cannot do that. The only thing we can have is a franchise arrangement on gas and electricity sales and, if it were necessary, for conservation requirements, to produce a price nearer to world parity, that would be the appropriate way for the State to do it.

Mr. Goldsworthy: You could go to world parity on liquids?

The Hon. HUGH HUDSON: Certainly, regarding liquids the State does not have the same concern as it does over the price of natural gas. The price of liquids from the Cooper Basin can be at world parity without affecting industrial costs throughout our whole community but, if the price of gas it at world parity, the costs of electricity and gas to domestic and industrial users will go up substantially indeed, and that will affect our whole industrial structure. All honourable members must be concerned about that. I deal now with the question of exploration. Opposition members are very fond of saying that it is all due to Mr. Connor.

Mr. Coumbe: The other way round.

The Hon. HUGH HUDSON: They say the fact that we are not getting exploration is due to Mr. Connor. There were certainly a number of ways in which Mr. Connor did not help. I have said that before and I am not embarrassed to say that again. I would say that to Mr. Connor's face—I would never do anything like that behind his back.

Mr. Dean Brown: You wouldn't previously.

The Hon. HUGH HUDSON: That is not true. The honourable member obviously does not recall that when I was Minister, and during Dr. Hopgood's period as Minister, over Mr. Connor's dead body, we were issuing exploration licences offshore in order to get exploration carried out in this State. We did that more than any other State, so that during the last year of Mr. Connor's regime we had relatively more offshore exploration in South Australia than anywhere else. The point I want to make about that is that at present it would not matter if there were a Mr. Connor or not as far as the Cooper Basin is concerned. If we consider the cost of risk capital (and the member for Davenport admitted that it was risk capital that had to be used for exploration), the expected return on risk capital is about 23 per cent after tax—40 per cent before tax. The usual way in which oil and gas explorers judge the matter is to consider expected future returns, or cash flow, from an investment and discount it at the risk rate in order to get a present value. With a risk rate of 40 per cent, they would discount future cash at the rate of 40 per cent a year compound to work out a present value.

After working out the present value, they would then decide whether or not the exploration was justified. The problem with the Cooper Basin is that the exploration we want undertaken is to find gas that we will require producers to hold in the ground and not exploit until after 1987, quite possibly into the 1990's, and in relation to any cash flow from that, if you apply a compound rate of discount of 40 per cent a year to that, the present value is zero. There is no way of getting risk capital to explore for gas in the Cooper Basin—not if a requirement of that exploration is that any gas that is found cannot be exploited for 10 years.

Mr. Coumbe: The important thing is to prove the reserves.

The Hon. HUGH HUDSON: Yes. My argument all along has been that it is inappropriate to say, "Let us get risk capital to find this gas"; we just will not get it. There is no commercial way we are going to get it and, if we want to know what the gas reserve is, because our rate of discount for the future is very much less than 40 per cent (it is between 5 per cent and 8 per cent a year), we have to put up our own cash. This is the fundamental reason why it is necessary for Government

funding of the Cooper Basin exploration at present and, again, why it has been so difficult to get any exploration at all carried out in the Cooper Basin. The only exploration that has been carried out is under an agreement, an indenture agreed to in 1974 and supposed to run for five years.

The result has been that we were, as a result of all the negotiations that occurred in the Cooper Basin, able to get an exploration indenture for the expenditure of $15 000 000, but the producers can satisfy that exploration indenture by exploration in the Pedirka Basin. Half the $15 000 000 will be satisfied by expenditure there, mostly by Western Mining Corporation, and not by expenditure in the Cooper Basin. Even that has created serious problems. We are half-way through, and the number of extra wells we will get in the Cooper Basin is limited. We are simply not going to get the job done in that way. Even if there is an agreement that requires expenditure by the producers, one cannot effectively put on all of the expenditure requirement needed to prove up the necessary gas reserve if the only consequence of doing that is that the normal risk rate of return cannot be earned.

Furthermore, consider the consequences of $40 000 000 spent by private risk capital on exploration in the Cooper Basin. At a 40 per cent rate of return, that $40 000 000 must generate an extra $16 000 000 profit per annum, or otherwise it is not justifiable. That $16 000 000 extra has to be paid for by a higher price; that is the only way in which it can be done. We have said that we are not willing to agree to a situation where price finance exploration expenditure is capitalised and expected to earn a return of 40 per cent before tax. This only pushes the price up still more, and that is why we have come to this position of saying that the exploration must be Government-financed. Let me make clear that I am not trying to say that the producers are wrong for not putting up risk capital. They have the right to judge things commercially; that is their job. However, the commercial rate of discount of 40 per cent just puts it out of court.

The member for Davenport complained about one or two matters. First, he said that the Pipelines Authority should not be able to operate in hydrocarbons even in solid form, and he mentioned coal. This is, at this stage, a remote possibility because of the depth of the coal deposits. The exploration for oil and gas in the Cooper Basin has discovered fantastic quantities of high quality black coal—3·6 trillion tonnes, and it may be that the gasification *in situ* of that coal will, at some stage in the future, be fundamental to our continuation of gas supplies in this State. Therefore, I would not want to exclude that possibility. It is remote at this time, but let us look to the future. The Government is not seeking that the Pipelines Authority be in the coal business. Solid hydrocarbon situation problems arise in the Cooper Basin automatically.

The honourable member also said that the Pipelines Authority should be restricted to the Cooper Basin in South Australia. Whatever other arguments he may have produced, and whatever one's judgment may be on the other arguments, this one is quite wrong and I hope that I can persuade the honourable member of that. The unitisation of the whole Cooper Basin, both in Queensland and South Australia, will be very much to South Australia's advantage. That may help us with future supplies of gas, so we do not want to do anything that will make unitisation of the whole Cooper Basin more difficult. That was one of the problems created by Mr. Connor when the Commonwealth Government first purchased 50 per cent of Delhi's interest.

Mr. Dean Brown: There is unification now; the atomisation referred to in the second reading explanation is a lot of baloney.

The Hon. HUGH HUDSON: There are various things that have to go to each producer; any new development is virtually subject to consideration by nine or 10 boards, or nine or 10 groups of lawyers; you are not just stuck with the member for Mitcham's normal two hands—you have 20 hands. A really serious problem exists as a consequence of the atomisation of interests. Unitisation does help overcome some of those problems, but it does not cover all the arrangements that need to be made. If I have not convinced the honourable member so far, I point out that the Commonwealth Government has an exploration interest in the Pedirka Basin. Why should not the State buy that exploration interest in the Pedirka Basin if it is buying the Commonwealth's production and exploration interests in the Cooper Basin? It could well be that there is insufficient gas in the Cooper Basin for this State's future requirements, and exploration in the Pedirka Basin could be critical. It could be vital that the State should also have an exploration interest in the Pedirka Basin.

Mr. Dean Brown: We can judge that on the merits of the time.

The Hon. HUGH HUDSON: That is now: the issue relates to exploration in the Pedirka Basin now. I am not willing to say, nor am I in a position to say, more than that.

Mr. Dean Brown: How can this Parliament make a judgment if you're not willing to mention it?

The Hon. HUGH HUDSON: I am referring to the Pedirka Basin now, and saying that it is important to this State, if it is to buy the Commonwealth interest, to buy not only the interest in the Cooper Basin but also the exploration interest in the Pedirka Basin. The honourable member, in considering the arguments that he puts up, should try to judge the broad interests of the State and not just consider everything from the producers' viewpoint. In no circumstances could the Government possibly agree to restrict the activities of the Pipelines Authority in this area to only that portion of the Cooper Basin that lies within South Australia. Indeed, if that were adopted by this House, the Government would not be in a position to reach agreement with Bridge Oil, South Australian Gas Company, or anyone else for that matter, to form a consortium.

Mr. Dean Brown: The Commonwealth interest applies only to South Australia at this stage?

The Hon. HUGH HUDSON: Yes, but the Queensland Government refused to consider the Petroleum and Minerals Authority as a purchaser of Delhi's interests in the Cooper Basin in Queensland, and one of the reasons, amongst others—

Mr. Dean Brown: Do you blame it?

The Hon. HUGH HUDSON: Perhaps the honourable member would care to listen for a moment. Without getting into philosophical arguments about the P.M.A., one matter that has exercised the Government's mind is that a consortium established where private interests hold at least a 50 per cent interest in the consortium and may end up holding more than 50 per cent, is likely to be acceptable to the Queensland Government whereas the P.M.A. was not. A reason for the Government's trying to reach an agreement with Sagasco and Bridge Oil, and possibly other interests as well, was simply to help with the future unitisation of the whole Cooper Basin and to have one

producer, a producer in which the South Australian Government has an interest, restricted only to South Australia whilst other producers (in which the British and French Governments have interests) can roam all over the length and breadth of Australia with no worries at all. That is simply not good enough, and the honourable member should reconsider the matter.

I believe the honourable member is quite wrong regarding the question of sole risking in relation to exploration. If the Government cannot reach effective agreement on future exploration with producers (and I assure honourable members that that is extremely difficult, because I have been working hard at it for about 18 months), it may be necessary to have a sole risk right so that exploration can be carried out. Does the honourable member wish so to tie the hands of the Pipelines Authority that it is put completely into the hands of the producers in all circumstances even when it is known that it is not in the interests of the community as a whole? Surely we should have some sort of negotiating position with the producers. The authority should not be tied hand and foot on this sort of question.

Mr. Dean Brown: So you would accept sole risking provided they all agreed—

The Hon. HUGH HUDSON: I would accept an appropriate arrangement with the producers. I have discussed with them already several such arrangements and, in addition to Bridge Oil, three producers have notified me that they would be pleased to reach an appropriate agreement.

Mr. Dean Brown: On the issue of sole risking?

The Hon. HUGH HUDSON: On the issue of exploration and that in principle they support our financing of exploration. That is what their replies have stated.

Mr. Dean Brown: You don't—

The Hon. HUGH HUDSON: Well, every other producer in the Cooper Basin has sole risking rights. Why should not the new consortium have sole risking rights? What is wrong with that? Why should Delhi-Santos, Total, Reef, Basin, Pursuit, Alliance and Bridge (Uncle Tom Cobbley and all), have sole risking rights in the Cooper Basin under perfectly normal exploration agreements (those rights are a feature of all exploration agreements), while the Pipelines Authority of South Australia should not have such rights? Has the honourable member been so got at to so bind the hands and feet of the Pipelines Authority that it will not have a negotiating position with producers on any of these matters? Why not, if that is to be done, require that sole risking should be cut out of all existing agreements? The honourable member does not intend to do that, because he wishes us to be bound by existing agreements, some of which provide for sole risking. The honourable member must consider this question a little more consistently and clearly from the viewpoint of the overall community.

Mr. Millhouse: I am not clear about what sole risking is.

The Hon. HUGH HUDSON: If in a particular exploration area four companies have a percentage interest and if those companies cannot reach agreement, one of the companies would normally have a sole risking right to go ahead and spend its own money and, if it finds gas (in this case), the normal procedure would be for that gas to be charged back to the other producers at ten times the cost when it came onstream.

Mr. Dean Brown: It's 700 per cent.

The Hon. HUGH HUDSON: I am not sure about the exact penalty, but it is substantial. That is what happens when a producer sole risks on his own: there is a 700 per cent penalty. However, consider what we as a Government have said to these producers. We have said, "We will finance the exploration as a gift, if you like to take it that way, so long as the exploration expenditure is not capitalised in any way, and we will not require you to pay anything for the gas you find. Any return that we take we will take downstream, if necessary. It depends what happens. Any liquids found we will put in free of charge in the overall liquids scheme." A 700 per cent penalty is not referred to. It is a most generous offer, yet the producers have got into the ear of the member for Davenport and have said, "We can't have the Pipelines Authority sole risking." I am having difficulties reaching an effective exploration agreement based on the money that the Government has said it will provide. I can get a few producers to the barrier, but not all of them. If I am in a position where I have no negotiating power whatever, where do I go? What do I do? Must the Government come back to this House each time a negotiation proceeds on these matters? Are our hands to be bound so much that we must submit ourselves to public scrutiny all the time?

Dr. Eastick: Are you asking us where you put your $5 000 000?

The Hon. HUGH HUDSON: I have yet to reach an effective agreement with the producers in the Cooper Basin for the expenditure of that $5 000 000. Although we have been discussing with them for 18 months the additional financing of exploration, we still have not reached an agreement. Does the honourable member mean to tell me that, in those circumstances, I can agree to legislation which would make agreement still more difficult and which stripped the Government of any bargaining power it might have in these circumstances?

Mr. Dean Brown: It doesn't strip the Government of bargaining power, and you know it.

The Hon. HUGH HUDSON: It takes away the rights from the authority that the honourable member proposes that each other producer should continue to have.

Mr. Dean Brown: You want us to sign a blank cheque for you to go and do whatever you want to do in gas and oil exploration.

The Hon. HUGH HUDSON: We have the Cooper Basin indenture and agreements and existing licences under the Petroleum Act, to which the Government is already bound and which it must honour. It is simply not correct to put it in the way in which the honourable member just put it. Restating the Government's basic position, we accept that the producers are entitled to a reasonable rate of return on their capital expenditure. Obviously we cannot at this stage reach agreement on what is reasonable and what is not reasonable; otherwise, there would not be a current arbitration on price going on. There is no argument that a rate of return sufficient for them to declare a dividend is not justifiable, because it is justifiable. Furthermore, it has been clearly demonstrated by the Government to the producers that the Government will assist in all kinds of way to ensure their viability and financability. If the Government had not stepped in at certain times in the past, that financability might not have been assured, but I shall not go into further details on that matter.

Dr. Eastick: You say it gives them no advantage that the other companies do not already have?

The Hon. HUGH HUDSON: What other companies?

Dr. Eastick: The Government's risk situation will be at no advantage to the risk situations the other companies already have.

The Hon. HUGH HUDSON: I am not sure what the honourable member is getting at. Perhaps he can come back to the matter later in a way I can understand. The fundamental position is that the State's responsibility is to secure the effective exploration of the Cooper Basin and, if necessary, of the Pedirka Basin, to ensure the effective development of the resource, to recognise that, if that development is to be undertaken to a significant extent by private capital, there must be a reasonable rate of return, and to take decisions to ensure that the resources we have are not subject to a too rapid rate of exploitation. That fundamentally is one of the basic issues that must govern any Government as far as the Cooper Basin is concerned. We cannot afford too rapid a rate of exploitation, but it must be sufficient to make producers viable and financable and to return them a rate of return and, if using private capital, to declare a dividend. We also must ensure our future gas requirements, and we have to know well ahead whether those requirements will be inadequate. We need much more notice than we have at present.

I believe that the Government's position on this matter is reasonable. We have demonstrated our willingness to enter into a joint venture, or consortium, with other private interests. We are not even saying that the authority will have a 51 per cent interest. We have an interest, as a community, in the authority's having a 50 per cent interest or less, because that would help on any borrowings the consortium does. This would take it out from under the financial agreement and make it not subject to Loan Council, and members would see the advantage of that. This arrangement, although in our interest, has been undertaken to demonstrate our good faith, as we have demonstrated all along. I believe that the worries expressed by the member for Davenport are not sufficient to justify the kinds of change he is seeking to make in the legislation.

Bill read a second time.

Mr. DEAN BROWN (Davenport) moved:

That Standing Orders be so far suspended as to enable him to move forthwith that the Bill be referred to a Select Committee.

The SPEAKER: I have counted the House and, there being present an absolute majority of the whole number of members of the House, I accept the motion. Is it seconded?

Dr. EASTICK: Yes.

Mr. DEAN BROWN: I refer again to the fact that there is a well established precedent in the House for referring a Bill such as this one to a Select Committee. About 18 months ago, we looked at an indenture agreement involving the producers and the authority. That Bill was referred to a Select Committee. It was interesting that all members of the committee afterwards agreed in the House that considerable benefit had been achieved by that committee's consideration. Recently, both the Minister of Community Welfare and the Minister for the Environment have said in the House how much they appreciated Select Committees they had chaired. All members supported, through the speakers, the Select Committees held into the Mental Health Bill and the Noise Control Bill. There is no reason in the world why, on a technical ground, this Bill should not be referred to a Select Committee. The Minister did not put forward one argument in his reply on the second reading debate. There are good reasons why the Bill should be referred to a Select Committee. The Minister raised certain doubts himself. He raised the point of the committee's looking not only at the South Australian part of the Cooper Basin but also at the part in Queensland and the Northern Territory, and the valid point concerning the Pedirka Basin. Nowhere in his second reading explanation did he refer to exploration or ownership in the Pedirka Basin; yet he has now put to the House that the Government should buy an interest there.

What does he really wish to cover under the blank cheque he is seeking by means of the Bill? It is important that we know exactly what the Minister is seeking to achieve in the foreseeable future. He raised the point of gasification and the production of natural gas and possibly liquids from the rich coal deposits from part of the Cooper Basin. I realise that coal is there, but that is 20 years or 30 years in the future, or at least 10 years. Surely the Government could introduce another amendment to the Bill some time during the next 10 years. It is not up to this Parliament, not knowing what techniques are involved, let alone the costs, to give a blank cheque to the Minister for that purpose. There are important reasons for appointing a Select Committee to hear evidence from the producers involved. It is also necessary for Parliament to hear the views expressed by the South Australian Gas Company and by Bridge Oil, which apparently is going to be part of the consortium in partnership with the authority.

Today, about an hour or so before the second reading debate, the Minister again introduced vital new information. I doubt whether the Minister yet has come out with the true story and given all the facts. They are the facts that we would get through a Select Committee. I spent many hours during the weekend, with no thanks to the Minister for wrecking a long weekend, going into the technical details behind the Bill. Frankly, I think it is a disgrace that the Minister should introduce such an important Bill for South Australia on Wednesday before Easter and expect it to be debated on Tuesday following Easter.

The Hon. Hugh Hudson: I was told by the Leader of the Opposition that you were happy to do that.

Mr. DEAN BROWN: It is a complete disgrace, because the Minister knows that a Bill of this magnitude should not have been considered in such haste, and that is another reason for it to be referred to a Select Committee. Also, the Minister has referred to some of the problems in reaching agreement with the various producers on how the $5 000 000 for exploration should be spent. That is another good reason why the Bill should be referred to a Select Committee. This Parliament should ascertain why the producers are not willing to reach an agreement with the Government on the expenditure of that $5 000 000. Is the Minister scared of what might come out at Select Committee hearings? I suspect he may be. Is he scared that producers may give their point of view about what they think the role of the State Government should be, about some of the problems that may be involved, and about how the money should be spent on exploration? Is the Minister scared that the Select Committee may make a recommendation that there should be an indenture agreement on how the $40 000 000 should be spent? Has the Minister given any long-term guarantee on allocating $40 000 000 for exploration? He has indicated, and Parliament has agreed, that $5 000 000 should be made available this financial year but, obviously, if we are to consider large-scale development—

Mr. Chapman: Your remarks imply that the Minister is not going to agree to a Select Committee. Is that so?

Mr. DEAN BROWN: The Minister indicated earlier that he would not agree to refer the Bill to a Select Committee, but I hope he reconsiders that decision. Very importantly (and this is the part that counts), the Minister

has offered $5 000 000 out of a possible $40 000 000 programme on exploration. What the Minister must realise, if he has any technical knowledge (and I know that he has it in this area), is that $5 000 000 cannot be spent this year without some sort of long-term guarantee for a continuing exploration programme. We cannot bring from overseas—

The SPEAKER: Order! I point out to the honourable member that in this 10 minutes he must give reasons why this Bill ought to be referred to a Select Committee. I think he is now getting into a second reading debate.

Mr. DEAN BROWN: Thank you, Mr. Speaker, for drawing my attention to that point. I am pointing out the reason raised by the Minister at the end of his second reading explanation that agreement had not been reached, and I was saying that a Select Committee could find out why an agreement had not been reached as to how the money should be spent on exploration. I am putting forward a valid, if not the most important, reason, why the Bill should be referred to a Select Committee. I am pleased to know that the member for Mitcham will support the suspension of Standing Orders in order to allow the Bill to be referred to a Select Committee.

My grave fear is that the Minister will decline the request that a Select Committee be appointed, if for no other reason than that he is scared about what may come from the producers and other organisations that will give evidence to such a committee. The Minister is scared that, having demanded from the House a blank cheque, those people may point out that there is no need for a blank cheque, and no need for the sort of open support for which the Minister has asked for the Pipelines Authority to do whatever it wishes.

After a long Easter weekend of considering all the technicalities (and I spent 6½ hours on it yesterday), I am convinced that there is every justifiable reason to refer the Bill to a Select Committee, There will be no technical disadvantages, even to purchasing the Commonwealth's interest or to the exploration programme, if the Bill is referred to a Select Committee and that committee reports to the House in July or August of this year. What concerns me is that the Minister is trying to bury the facts, and he is scared that a Select Committee may find out what real powers will be granted to the Pipelines Authority under the Bill. I could go as far as to say that the Minister is scared that the House may find that, through this Bill, there could be a major involvement of the State in an area of development, research, and exploration, which in all other circumstances has been undertaken by private enterprise. The Minister is scared that the House may find that he is asking for about the same sort of powers as Mr. Connor had under his Petroleum Mineral Resources Act. Therefore, I ask the House to support the suspension of Standing Orders in order to allow a Select Committee to discover the real facts and circumstances behind the Bill.

The Hon. HUGH HUDSON (Minister of Mines and Energy): May I make one thing quite clear: I do not think I am really scared of anything, at least of anything that has anything to do with this subject matter. The honourable member's argument is quite phoney, but he gave the game away when he said that the Select Committee could report in July or August. We would not discuss this matter until November or December, because we would have to wait until after the financial measures are debated, so that this legislation would be delayed until then, and what would that do to our ability to reach agreement with the Commonwealth Government?

Mr. Wardle: Jack up the price!

The Hon. HUGH HUDSON: The member for Murray has given us the answer. If we want to jack up the price, let us have a Select Committee, because that is probably what will happen. Also, matters would come out from a Select Committee which would not be damaging to me or the Pipelines Authority but which would not be in the best interests of all concerned.

Mr. Millhouse: What sort of things?

The Hon. HUGH HUDSON: The honourable member cannot draw me on this: the Select Committee will probe in full detail into all the matters, and will have to concern itself with the ownership of the companies.

Mr. Chapman: What are you frightened of?

The Hon. HUGH HUDSON: I am not frightened of anything. It will uncover all details of ownership. This House has previously expressed an opinion about Australian ownership, and I know that the member for Mitcham is the member of a political Party that believes that 51 per cent should be subject to Australian ownership. That is not the position in the Cooper Basin. How far do we go in relation to our investigation? What is the limit? To what extent, in a situation in which the price of gas has been arbitrated, does the Select Committee receive the arguments that are now before the arbitrator, or does it exclude all this information?

Mr. Millhouse: All you are saying now leads to confirming—

The Hon. HUGH HUDSON: I am willing to answer any question that Opposition members raise.

Dr. Tonkin: We had the Connor era. Are you trying to promote a Hudson era?

The Hon. HUGH HUDSON: The Leader can say that if he wishes: if it makes him feel better, good luck to him. I am glad that he feels momentarily better for saying that, but there was no situation in which Mr. Connor, while he was Federal Minister, proposed a joint arrangement with private enterprise and got negotiations under way. Perhaps the Leader may think on that, and reconsider his statement.

Dr. Tonkin: No.

The Hon. HUGH HUDSON: Whether he reconsiders it or not, if we have a Select Committee there is no way that it can be completed within a two-week period, which is about the time span we have at present.

Mr. Goldsworthy: For an issue as important as this one you've got to compress it.

The Hon. HUGH HUDSON: The member for Davenport said it would take to July or August.

Mr. Dean Brown: So what?

The Hon. HUGH HUDSON: As has been pointed out, we then get a delay in the final agreement with the Commonwealth and run the risk that we have to pay more than the Commonwealth would be willing to agree to at present.

Mr. Goldsworthy: You're always rushing legislation.

Dr. Tonkin: That's not—

The Hon. HUGH HUDSON: The Leader knows it all. He is the great God-given expert brought from on high to this House to give us his great wisdom.

Members interjecting:

The Hon. HUGH HUDSON: I would give him credit on medical matters. I would not be as unkind as are honourable members.

Members interjecting:

The SPEAKER: Order!

The Hon. HUGH HUDSON: There has been talk about this matter for months and months.

Dr. Tonkin: Why didn't you—

The SPEAKER: Order! There are far too many unnecessary interjections. The honourable Minister has an opportunity to rebut the arguments put by the honourable member for Davenport, and he must confine himself to that.

Mr. Gunn: He's making a very poor attempt.

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

The Hon. HUGH HUDSON: And offensive, as well. To go into all the matters that conceivably could be covered by a Select Committee would take a very long time indeed, and time is a commodity on this subject that we cannot afford. It is vital that we reach a conclusion as a Parliament on this legislation within the next three weeks.

Mr. Goldsworthy: You're always—

The Hon. HUGH HUDSON: The member for Kavel grizzles anyway. He is one of the most consistent grizzlers all the time.

Mr. Millhouse: You used the word "vital". Why is it vital that we deal with it in the next three weeks?

The Hon. HUGH HUDSON: Because I do not believe that we can afford to postpone any longer the necessity to finalise exploration matters with the existing producers and the necessity to finalise the decision about what is to happen regarding the Commonwealth's interests in the Cooper Basin. This has already gone on, in relation to arrangements with the Commonwealth, for 10 months. For 10 months we have been discussing the matter with the Commonwealth, and it has now reached the stage where this Parliament needs to say to the South Australian Government, "We approve of what you propose to do."

Mr. Millhouse: Then why the devil didn't you bring the Bill in earlier?

The Hon. HUGH HUDSON: For one reason or another, and the normal problems associated with legislation. I can assure members that I got the Bill in as early as possible.

Mr. Goldsworthy: About a week before we get up.

Mr. Venning: Now you want to rush it through.

The Hon. HUGH HUDSON: I would not expect the members for Kavel or Rocky River to be sympathetic or to appreciate anything, so I shall just ignore what they are saying. As far as this Government is concerned, this is a vital piece of legislation. It is very much in the State's interest to ensure its passage at this time, and I ask members to reject the motion for a Select Committee and to proceed today with the debate on the Bill.

The House divided on the motion:

Ayes (21)—Messrs. Allison, Becker, Blacker, Boundy, Dean Brown (teller), Chapman, Coumbe, Eastick, Evans, Goldsworthy, Gunn, Mathwin, Millhouse, Nankivell, Rodda, Russack, Tonkin, Vandepeer, Venning, Wardle, and Wotton.

Noes (21)—Messrs. Abbott, Broomhill, and Max Brown, Mrs. Byrne, Messrs. Corcoran, Duncan, Groth, Harrison, Hopgood, Hudson (teller), Keneally, Langley, McRae, Olson, Payne, Simmons, Slater, Virgo, Wells, Whitten, and Wright.

Pairs—Ayes—Messrs. Allen and Arnold. Noes—Messrs. Dunstan and Jennings.

The SPEAKER: There are 21 Ayes and 21 Noes. There being an equality of votes, I give my casting vote in favour of the Noes.

Motion thus negatived.

In Committee.

Clauses 1 to 3 passed.

Progress reported; Committee to sit again.

Later:

New clause 3a—"Amendment of principal Act, s.11—Application of Mining (Petroleum) Act, 1940, as amended."

Mr. DEAN BROWN: I move to insert the following new clause:

3a. Section 11 of the principal Act is amended by inserting in subsection (2) after the passage "The Governor" the passage "in relation to, and only in relation to, the exercise and performance by the authority of the powers and functions referred to in paragraphs (*a*) and (*c*) of subsection (1) of section 10 of this Act".

The purpose of my amendment is to ensure that the authority is in the same position as any other producer, under section 11 of the Act, with regard to its exploration or ownership of actual resources. The amendment, which is reasonable, will mean that the authority will not be exempt from the provisions of the Petroleum Act as regards its exploration activities—a situation which could exist as the Act stands at present.

The Hon. HUGH HUDSON (Minister of Mines and Energy): I am unable to agree to the amendment in the form in which it has been moved, because the exemption power in section 11 of the principal Act is restricted by the amendment. However, I am willing to agree that the exemption provision in section 11 should not apply to the new powers granted to the authority by the Bill. Would the honourable member be willing to move an amendment in a different form, as follows:

3a. Section 11 of the principal Act is repealed and the following section is enacted and inserted in its place:

11. (1) The Petroleum Act, 1940-1971, and the regulations thereunder shall extend and apply to the Authority except to the extent that the Authority is by proclamation exempted from the operation thereof.

(2) Except in relation to the exercise by the Authority of any power or function under section 10aa of the Act, the Governor may by proclamation exempt the Authority from any provision of the Petroleum Act, 1940-1971 or the regulations thereunder and the Governor may by subsequent proclamation amend, vary or revoke any such proclamation.

(3) Any proclamation made under section 11 of this Act as in force before the commencement of the Pipelines Authority Act Amendment Act, 1977, shall on and from that commencement continue in force as if it were a proclamation under this section and this section shall apply and have effect accordingly.

I am suggesting that the right of the Governor, by proclamation, to exempt the authority from any provision of the Petroleum Act applies only in relation to activities of the authority as a pipeline builder, constructor, operator *simpliciter*, but does not apply to any of the powers that are provided for the authority under new section 10aa. If the honourable member would care to move his amendment in that amended form, as I have had it typed out—

The CHAIRMAN: Order! The Chair does not even have a copy of the amendment yet.

The Hon. HUGH HUDSON: No, Sir, but I am indicating that I cannot accept the honourable member's amendment, as he has moved it. However, there is an amended form in which I could agree to an amendment and, if the honourable member would care to examine that amended amendment, I should be happy to accept it.

Mr. DEAN BROWN: If the Minister is willing to ask that progress be reported, I shall certainly be willing to examine his amendment. However, the Minister asked to have four hours to examine my amendment, yet he has not even had the courtesy of sending across the Chamber a copy of the amendment that he now wants me to move. I am not going to move the amendment that the Minister has suggested. I gave him at least an hour's notice before we went into Committee. Even then, he said that he wanted to adjourn consideration of the matter so that he could go out and carefully consider my amendment. Now, the Minister has sent across the Chamber a scrap of paper and asked me to accept his suggested amendment. Of course, I will not accept it. Instead, I move:

That progress be reported.

Motion negatived.

The Hon. HUGH HUDSON: My suggested amendment is so straightforward that I thought the member for Davenport would be able to understand it. I received the typewritten copy of the amendment only a short time ago. However, if the honourable member is not willing to consider it, that is all right by me; I was merely trying to be helpful. I asked the Parliamentary Counsel before dinner to work out this amendment so that it was drawn in the appropriate form, that it meant what the honourable member wanted it to mean, and so that it ensured that the Bill was in the appropriate form. However, if the honourable member does not want it that way, that is fine.

Mr. DEAN BROWN: Although I insist on moving my original amendment, I will do the Minister the courtesy of examining his proposed amendment and, if it is acceptable, it can be moved by one of my colleagues in another place. However, I am certainly not willing now to accept the amendment, which the Minister has had for some time. He could at least two hours ago have said that he wanted to amend my first amendment and, if the Minister has no intention other than to play politics this evening, I will not facilitate him.

New clause negatived.

The Hon. HUGH HUDSON: I now move the following amendment, a copy of which I distribute to members:

After clause 4, page 1, insert new clause as follows:

4a. Section 11 of the principal Act is repealed and the following section is enacted and inserted in its place:

11. (1) The Petroleum Act, 1940-1971, and the regulations thereunder shall extend and apply to the Authority except to the extent that the Authority is by proclamation exempted from the operation thereof.

(2) Except in relation to the exercise by the Authority of any power or function under section 10aa of the Act, the Governor may by proclamation exempt the Authority from any provision of the Petroleum Act, 1940-1971 or the regulations thereunder and the Governor may by subsequent proclamation amend, vary or revoke any such proclamation.

(3) Any proclamation made under section 11 of this Act as in force before the commencement of the Pipelines Authority Act Amendment Act, 1977, shall on and from that commencement continue in force as if it were a proclamation under this section and this section shall apply and have effect accordingly.

In his original amendment, the honourable member made the point that, in so far as the Pipelines Authority was involved in gas production or exploration or oil production or exploration, it should not be exempted from the provisions of the Petroleum Act. However, section 11 of the Act gives the Governor power to exempt the authority with respect to its pipelining activities. The honourable member's original amendment restricted the right of the Governor to grant exemptions even in relation to the pipeline authority's pipelining activities. This amendment is designed simply to leave as it is the existing state with respect to pipelining. Its effect is to enable the Governor to grant an exemption from the Act only in relation to all the activities of the pipelines authority except the new powers granted under new section 10aa.

Mr. Coumbe: Does it specifically say that?

The Hon. HUGH HUDSON: Yes, in new section 11 (2). The Government is pleased with this proposition, which meets the original objective. It is therefore appropriate for me to move the amendment.

New clause inserted.

Clause 4—"Additional power and functions of authority."

Mr. DEAN BROWN: I move:

Page 2, line 7—Leave out all words in this line and insert—"not being coal or shale or any substance derived from coal or shale by the application of heat or by a chemical process and situated within the prescribed area".

The purpose of this amendment, which was clearly outlined during the second reading debate, is to exclude coal from the new provisions given to the authority. At some future date, if the Minister has a valid reason for asking for coal to be included, he should put it to Parliament, which should examine the matter on its merits. We should not be asked to give certain powers to a statutory authority based on what the Minister, in his second reading explanation, agreed was a possibility that might occur in, hopefully, the next 20 or 25 years, or even later. This Parliament would be irresponsible if it signed a blank cheque relating to the position so far into the future. I think the Minister is displaying his almost megalomaniac nature towards power: he has introduced a Bill and wants as much power as he can get. He would hate to see the Opposition restrict that power in any way whatsoever.

The Hon. HUGH HUDSON: The amendment is not acceptable. I argue that the Pipelines Authority, as a producer, should, without any reference back to this Parliament, be exactly on all fours with other producers, so that it can get a production licence in respect of the production of coal, in order to make coal for gas in the Cooper Basin to keep the gas pipelines going.

Mr. Dean Brown: But they haven't got it yet, have they?

The Hon. HUGH HUDSON: I want the authority to be able to get it without reference back to this Parliament. If all the other producers can get that power without coming back to Parliament but merely by applying for a licence in the appropriate way, the Pipelines Authority should be able to do likewise. I do not see why the Pipelines Authority should not be in exactly the same position as are the other producers.

Mr. DEAN BROWN: If producers can ask the Government for a licence for coal, the least we should expect is for the Pipelines Authority to have to ask Parliament for the same approval.

The Hon. Hugh Hudson: Why don't producers have to come back to Parliament?

Mr. DEAN BROWN: They are not answerable to Parliament, as is the Pipelines Authority.

Amendment negatived.

Mr. DEAN BROWN: I move:

Page 2, line 9—After "Authority" insert "subject to this section".

This is the first of a series of amendments to ensure that the Pipelines Authority would be subject, once it had

acquired an interest, to the joint venture agreement outlined in these amendments. This is to make clear in law that the authority, although it is a statutory authority with special powers and certain exemptions, is still subject to the terms of the various agreements that have been outlined and adopted previously.

The Hon. HUGH HUDSON: This is a limiting amendment that would prevent the Pipelines Authority from doing things that other producers can do: for example, under the unit agreement, if a licensee faults, then each of the other licensees take up the sublicence as a consequence. As that would be prevented by the passing of this amendment, I cannot support it. If the honourable member wants to do something he should add after "acquire" the words "other than by compulsory acquisition". As this series of amendments restricts the Pipelines Authority to a greater extent, I cannot support it.

Mr. DEAN BROWN: This amendment is to ensure that the Pipelines Authority will be subject to the various joint agreements.

The Hon. HUGH HUDSON: This amendment is part of the same general pattern offered by subsequent amendments: as I cannot agree to those, I cannot agree to this one.

Amendment negatived.

Mr. DEAN BROWN: I move:

Page 2, line 10—After "(*a*)" insert "by agreement,".

I believe from my advice from the Parliamentary Counsel that there would have to be agreement, and the words "by agreement" are inserted to ensure there will be no misunderstanding. The Minister says, on his advice, that it would restrict the Pipelines Authority in relation to other producers, but I understand it would place them on the same basis. We are not changing the meaning but clarifying it.

The Hon. HUGH HUDSON: My advice is that other producers can acquire certain things by default and not by agreement, and this amendment does not allow for that situation or allow the Pipelines Authority as a producer to be a full member of the agreement.

Amendment negatived.

Mr. DEAN BROWN moved:

Page 2, line 16—After "(*b*)" insert "by agreement,".

Amendment negatived.

Mr. DEAN BROWN: I move:

Page 2, line 27—Leave out "subsection" and insert "subsection but nothing in this subsection shall confer on the Authority the power to undertake any sole risk operations within the meaning of any agreement referred to in subsection (4) of this section".

This amendment is intended to ensure that the privileged position of the authority in having access to public funds will not result in its taking exclusive advantage of information acquired by reason of substantial expenditure on exploration by other companies during the past 23 years. I intend to exclude the right of the authority to exercise the right of sole risk. The Minister used the argument, in closing the second reading debate, that the Pipelines Authority should be in exactly the same position as that of any other producer company. The Pipelines Authority is in a privileged position already, because it has come into an established field and because it has unlimited public resources or funds for exploration. The important point—and the Minister failed to cite this in trying to justify why the authority should not be excluded from sole risk—is that it has substantial or almost unlimited public funds which private companies or other producers do not have. More importantly, it is coming into what I think is a very exclusive position, because the field has been largely proven already. By going sole risk, it can use the knowledge and expertise developed already by the producers in the past 20-odd years.

I see no reason why it should use public funds to disadvantage the other producers. It is an important point, because it may help to clarify how the Government is going to spend the proposed $40 000 000 on exploration. Some producers are still interested in finding out whether it will be in the form of a subsidy to exploration, even though they cannot then claim that as a cost (which is only correct, and I support what the Minister said) or whether the Government is going to try to undertake this exploration on a sole risk basis by interjecting so much at any one time. I shall be interested to hear the Minister, because he did not give the full facts earlier.

The Hon. HUGH HUDSON: I cannot agree with this amendment. The Commonwealth has a power of sole risk at present. That is in the original arrangements, and it was a provision agreed to by the other producers when they consented to the Commonwealth's purchasing half the Delhi interest. What possible justification is there when for all other producers it can be sole risk but for the Pipelines Authority it cannot? I have made clear to the producers, and they know full well, that any funds made available on any conditions to the Pipelines Authority to explore will be made available to the other producers to explore on the same basis, according to their pro rata share in the areas to be explored. The producers, the Pipelines Authority, and the consortium established with Sagasco and Bridge will be all on a par in this matter, and it is wrong for the honourable member to try to put the producers into a more advantageous position than that of the Pipelines Authority. I oppose the amendment.

Amendment negatived.

Mr. DEAN BROWN: I move:

Page 2, line 37, insert the following new subsections:

(4) In the exercise and performance of any of the powers and functions of the authority referred to in subsection (2) of this section the authority and any body corporate referred to in paragraph (*b*) of subsection (2) of this section shall in all respects be governed by and shall act subject to and in accordance with the terms and provisions of any agreement pursuant to which any licence, permit or authority of a kind referred to in paragraph (*a*) of subsection (2) of this section is held from time to time by or for the benefit of all parties having any interest or share in any such licence, permit or authority and in particular but without limiting the generality of the foregoing the acquisition of any interest or share in any such licence, permit or authority by the Authority or any such body corporate shall in all respects be subject to the due compliance with the provisions of such agreement relating to the assignment, subcontracting, farmout, sale or other dealing with any such interest in any such licence, permit or authority.

(5) In this section—

"prescribed area" means all that land situated within the State commencing at the point of intersection of—

Latitude 29° 00′ South, and Longitude 141° 00′ East; thence West to the point of intersection of

Latitude 29° 00′ South, and Longitude 140° 15′ East; thence North to the point of intersection of

Latitude 28° 25′ South, and Longitude 140° 15′ East; thence West to the point of intersection of

Latitude 28° 25′ South, and Longitude 139° 55′ East; thence North to the point of intersection of

Latitude 28° 24′ South, and Longitude 139° 55′ East; thence West to the point of intersection of
Latitude 28° 24′ South, and Longitude 139° 53′ East; thence North to the point of intersection of
Latitude 28° 23′ South, and Longitude 139° 53′ East; thence West to the point of intersection of
Latitude 28° 23′ South, and Longitude 139° 52′ East; thence North to the point of intersection of
Latitude 28° 19′ South, and Longitude 139° 52′ East; thence East to the point of intersection of
Latitude 28° 19′ South, and Longitude 139° 56′ East; thence North to the point of intersection of
Latitude 28° 18′ South, and Longitude 139° 56′ East; thence East to the point of intersection of
Latitude 28° 18′ South, and Longitude 140° 00′ East; thence North to the point of intersection of
Latitude 28° 06′ South, and Longitude 140° 00′ East; thence West to the point of intersection of
Latitude 28° 06′ South, and Longitude 139° 55′ East; thence North to the point of intersection of
Latitude 28° 02′ South, and Longitude 139° 55′ East; thence East to the point of intersection of
Latitude 28° 02′ South, and Longitude 139° 56′ East; thence North to the point of intersection of
Latitude 28° 00′ South, and Longitude 139° 56′ East; thence East to the point of intersection of
Latitude 28° 00′ South, and Longitude 139° 57′ East; thence North to the point of intersection of
Latitude 27° 59′ South, and Longitude 139° 57′ East; thence East to the point of intersection of
Latitude 27° 59′ South, and Longitude 139° 58′ East; thence North to the point of intersection of
Latitude 27° 57′ South, and Longitude 139° 58′ East; thence East to the point of intersection of
Latitude 27° 57′ South, and Longitude 139° 59′ East; thence North to the point of intersection of
Latitude 27° 56′ South, and Longitude 139° 59′ East; thence East to the point of intersection of
Latitude 27° 56′ South, and Longitude 140° 00′ East; thence North to the point of intersection of
Latitude 27° 45′ South, and Longitude 140° 00′ East; thence West to the point of intersection of
Latitude 27° 45′ South, and Longitude 139° 53′ East; thence North to the point of intersection of
Latitude 27° 37′ South, and Longitude 139° 53′ East, thence West to the point of intersection of
Latitude 27° 37′ South, and Longitude 139° 38′ East; thence North to the point of intersection of
Latitude 27° 24′ South, and Longitude 139° 38′ East; thence East to the point of intersection of
Latitude 27° 24′ South, and Longitude 139° 45′ East; thence North to the point of intersection of
Latitude 27° 21′ South, and Longitude 139° 45′ East; thence East to the point of intersection of
Latitude 27° 21′ South, and Longitude 139° 50′ East; thence North to the point of intersection of
Latitude 27° 18′ South, and Longitude 139° 50′ East; thence East to the point of intersection of
Latitude 27° 18′ South, and Longitude 139° 55′ East; thence North to the point of intersection of
Latitude 27° 15′ South, and Longitude 139° 55′ East; thence East to the point of intersection of
Latitude 27° 15′ South, and Longitude 140° 00′ East; thence South to the point of intersection of
Latitude 27° 27′ South, and Longitude 140° 00′ East; thence East to the point of intersection of
Latitude 27° 27′ South, and Longitude 140° 15′ East; thence South to the point of intersection of
Latitude 27° 38′ South, and Longitude 140° 15′ East; thence East to the point of intersection of
Latitude 27° 38′ South, and Longitude 140° 16′ East; thence North to the point of intersection of
Latitude 27° 37′ South, and Longitude 140° 16′ East; thence East to the point of intersection of
Latitude 27° 37′ South, and Longitude 140° 18′ East; thence North to the point of intersection of
Latitude 27° 35′ South, and Longitude 140° 18′ East; thence East to the point of intersection of
Latitude 27° 35′ South, and Longitude 140° 21′ East; thence North to the point of intersection of
Latitude 27° 33′ South, and Longitude 140° 21′ East; thence East to the point of intersection of
Latitude 27° 33′ South, and Longitude 140° 23′ East; thence North to the point of intersection of
Latitude 27° 32′ South, and Longitude 140° 23′ East; thence East to the point of intersection of
Latitude 27° 32′ South, and Longitude 140° 25′ East; thence North to the point of intersection of
Latitude 27° 30′ South, and Longitude 140° 25′ East; thence East to the point of intersection of
Latitude 27° 30′ South, and Longitude 140° 35′ East; thence North to the point of intersection of
Latitude 27° 25′ South, and Longitude 140° 35′ East; thence East to the point of intersection of
Latitude 27° 25′ South, and Longitude 140° 50′ East; thence North to the point of intersection of
Latitude 27° 20′ South, and Longitude 140° 50′ East; thence East to the point of intersection of
Latitude 27° 20′ South, and Longitude 140° 55′ East; thence North to the point or intersection of
Latitude 27° 15′ South, and Longitude 140° 55′ East; thence East to the point of intersection of
Latitude 27° 15′ South, and Longitude 141° 00′ East; thence South to the point of commencement.

I am sorry if I reflected earlier on the Chair. The Bill I had was different from the one on file. The amendment makes sure that it is intended to reflect the purpose of the legislation as requested by the Minister, namely, the proving of the Cooper Basin natural gas reserves. The whole purpose of the amendment is to ensure that the Government is doing this. It restricts the Government to exploration in the Cooper Basin, rather than in other areas. I have no intention of giving the Government a blank cheque. The Minister certainly has not justified it here.

The Hon. HUGH HUDSON: How could the honourable member possibly justify a situation where the Commonwealth Government, as a producer, already has the right to explore the Pedirka Basin? It has 25 per cent of Delhi's old exploration interest in the Pedirka Basin. The British and French Governments, through their indirect interests, have the ability to finance exploration in the Pedirka Basin (P.E.L.'s 5 and 6), but the South Australian Government, through the Pipelines Authority, cannot. The honourable member should rethink his position on this question. It is quite inappropriate, and I oppose the amendment.

Amendment negatived; clause passed.

Clause 5 passed.

New clause 6—"Enactment of sections 18a and 18b of principal Act."

Mr. DEAN BROWN: I move:

After clause 5, page 2 insert new clause as follows:

6. The following sections are enacted and inserted in the principal Act after section 18 thereof:

18a. Nothing in this Act shall affect or prejudice in any way, and every provision of this Act shall be read subject to:

(*a*) the Cooper Basin (Ratification) Act, 1975;

(*b*) the indenture a copy of which is set out in the Schedule to the Cooper Basin (Ratification) Act, 1975, and the appendices forming part of that indenture and subject to section 5 of that Act any amendments to that indenture;

(*c*) the unit agreement as that expression is defined in the indenture referred to in paragraph (*b*) of this section;

(*d*) any agreement or deed entered into on or before the 21st December, 1976:

(i) relating to the exploration for or exploitation of a petroleum resource as that expression is defined in subsection (1) of section 10aa of this Act;

or

(ii) relating to the sale of petroleum or any derivative thereof;

(*e*) any agreement or deed entered into or before the 21st December, 1976 and made in relation or incidental or ancillary to the Unit Agreement referred to in paragraph (*c*) of this section or to any agreement or deed referred to in paragraph (*d*) of this section;

(*f*) any Petroleum Exploration Licence or Petroleum Production Licence as those expressions are respectively defined in the Indenture referred to in paragraph (*b*) of this section;

(*g*) any licence, permit or authority referred to in paragraph (*a*) of subsection (2) of section 10aa of this Act;

(*h*) any right, power, privilege or benefit of the parties or any of them of the third to tenth parts inclusive to the Indenture referred to in paragraph (*b*) of this section under:

(i) the Cooper Basin (Ratification) Act, 1975;

(ii) the Petroleum Act, 1940-1971;

(iii) the Indenture referred to in paragraph (*b*) of this section;

(iv) the Unit Agreement referred to in paragraph (*c*) of this section;

(v) any agreement or deed referred to in paragraphs (*d*) or (*e*) of this section;

(vi) any Petroleum Exploration Licence or Petroleum Production Licence referred to in paragraph (*f*) of this section;

or

(vii) any licence, permit or authority referred to in paragraph (*g*) of this section.

18b. The Minister of the Crown for the time being administering the Petroleum Act, 1940-1971, shall not in the excercise of any power, authority or discretion under that Act grant to the Authority or any body corporate in which the Authority has any interest or share any rights or concessions or reduction of any obligations (including but not limited to royalties, expenditure, obligations and fees) which would place the Authority or any such body corporate in a better competitive position than the parties or any of them of the third to tenth parts inclusive to the Indenture referred to in paragraph (*b*) of section 18 of this Act unless similar rights, concessions or reduction are granted to such parties.

The purpose of this new clause is to ensure that the Pipelines Authority is subject to all the agreements previously covering the parties involved or the producers involved in the Cooper Basin. I would be amazed if the Government were trying to rat on those agreements by not being prepared to accept this amendment. It simply clarifies the legal position as to where the Pipelines Authority stands in relation to the agreements.

The Hon. HUGH HUDSON: I cannot agree to this new clause in the form in which it is. This legislation would have to be read in conjunction with the Cooper Basin (Ratification) Act and all the agreements that flow from that Act, including the unit agreement, the exploration indenture, and so on. What the honourable member seeks to do is not to read this in conjunction with those things, but to make it more like a regulation in comparison with other legislation. I have no doubt that there is a form that would satisfy the situation, but I cannot agree to what the honourable member proposes.

New clause negatived.

Title passed.

Bill read a third time and passed.

VERTEBRATE PESTS ACT AMENDMENT BILL

Received from the Legislative Council and read a first time.

The Hon. J. D. CORCORAN (Minister of Works): I move:

That this Bill be now read a second time.

It amends the principal Act, the Vertebrate Pests Act, 1975, by deleting the designation in that Act of the permanent head of the Department of Lands as the Chairman of the Vertebrate Pests Control Authority. This amendment will enable implementation of the recommendation of the Committee of Inquiry into the Public Service under the chairmanship of Professor D. C. Corbett that the administration of the Vertebrate Pests Act be transferred to the Minister and department of the Public Service concerned with primary industry, that is, at present, Minister of Agriculture and the Agriculture and Fisheries Department.

Clause 1 is formal. Clause 2 provides that the measure shall come into operation on a day to be fixed by proclamation. Clause 3 amends section 5 of the principal Act by deleting the definition of "Permanent Head". Clause 4 amends section 8 of the principal Act by providing that the Chairman of the authority shall be the person holding or acting in an office determined by the Governor. This will obviate the need for amendment of the Act if there is any future change of administrative titles.

Mr. NANKIVELL secured the adjournment of the debate.

INDUSTRIES DEVELOPMENT ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from March 30. Page 3062.)

Mr. DEAN BROWN (Davenport): This is a complex and technical Bill and I will try to explain the Government's motives behind it. I was disappointed by the two second reading explanations of the Premier. It is interesting to note that the Opposition received two different speeches. I suspect by mistake the Premier read the abbreviated form and when he reached the clauses he asked leave to have the rest incorporated into *Hansard* without reading them. A longer second reading explanation was also included in *Hansard*. I am not sure who made the mistake, but someone did. Two speeches have been inserted in *Hansard*. Obviously the Government wished us to see only the abbreviated form.

The first significant difference between the abbreviated form and the longer speech is that the longer speech gave lengthy details about what was obviously proposed and talked at some length about the industrial democracy benefits that would flow from this Bill. No mention of such benefits is made at all in the short speech. Obviously the Premier wished us to believe that this Bill was a mere formality to allow the setting up of an employee trust, which could be used as a superannuation trust, and hoped that it would slip through unnoticed by this House. Even in the lengthy second reading explanation (the one we were not supposed to get, the one not signed by the Parliamentary Counsel, Mr. Daugherty), we were still not given an explanation of how the whole scheme would operate. Having had discussions with the Unit for Industrial Democracy and having used the plentiful time of an excellent private accountant to outline every possible conceivable form that such a scheme could take, I can now outline the obvious plan of the Government.

The first step is to establish an employee share ownership trust (ESOT). That share ownership trust would be a trust under the Trustee's Act but it would collect the superannuation funds from the company and it would also act as the superannuation trust for that company. There will be an outside lender and a principal company and the principal company is likely to establish a new operating company, and the shares of the existing parent company would be wholly owned by the new operating company. The outside lender would lend money to ESOT, and the Government would act as guarantor for that loan from the outside lender. Because the Government is acting as guarantor, the Government would insist that the loan be made at semi-government interest rates. ESOT would then lend that money to the new operating company as a loan for that company to operate on and in return would receive a convertible note to allow that loan to be converted to ordinary shares in the company. ESOT would therefore eventually own a certain share in the company. It is interesting to look at the example established for a first of 50 per cent.

Mr. Nankivell: Will the capital issue of the company be increased or will they have to buy shares?

Mr. DEAN BROWN: The capital of the company would not be increased. A new issue of shares would be created and halve the face value of the existing shares. Theoretically, if the market was rational the market value of the existing company shares would be halved as well. Twice as many shares would be created and that would have to be done with permission of the board. Because it would be the creation of a new issue of shares, it would have to be also done by an annual general meeting of shareholders. The new operating company would pay all superannuation payments of the existing parent company into ESOT, which would then repay its loan to the outside lender not by using a repayment of the principal of the original loan (because there will not be any as that is covered by convertible note) but rather by using the superannuation funds flowing into ESOT, and the ESOT superannuation funds would pay back the original loan.

When ESOT lends money to the new operating company (this was completely ignored by the Premier in both second reading speeches), obviously the interest rate would have to be greater than the semi-government interest rate. It would be astounding to find ESOT borrowing money and lending it at the same interest rate. Although the Premier has suggested in the second reading speeches that money would be available to this new operating company at exceptionally low interest rates, implying semi-government interest rates, in fact it is likely to be above semi-government interest rates.

Shares would go from the existing parent company to the new operating company (half the shares because the operating company would then give them to ESOT). The past dividend would go back from the existing company to the new operating company as the dividend on half the shares. Also, employees would receive superannuation payments out of ESOT. The diagram supplied by the Unit for Industrial Democracy also indicated that a second income could be paid to the employees from ESOT. Under Commonwealth Statute that would be impossible, because a fund set up as a superannuation fund cannot make any other payment except a superannuation payment or a severance payment. If it does make any other payment as a second income, it is no longer classified under the Act as a superannuation fund.

The Bill is an enabling Bill which gives consent to what can be described as a dramatic change in the style of management and the structure of loan capital that would be granted to companies prepared to accept the scheme. The Bill enables an employee share ownership trust to be established, and this may act as a superannuation fund for all employees. Although it is not specifically stated in the Bill, one gets the impression from reading the speeches that all employees would be eligible for superannuation under this scheme. That in itself is a dramatic change from the existing system whereby, normally, only long-established staff are eligible for superannuation payments. That does not apply to every company. Some companies offer superannuation payments to all employees.

The State Government would act as a guarantor for a loan from an outside lender to ESOT. As the Government is acting as guarantor for the loan, it would have to be given at semi-government interest rates. That would be one of the conditions mentioned in the Bill that the Premier would impose upon ESOT. ESOT then lends the money probably at a higher interest rate to the company, receiving in return a convertible note which would allow this loan eventually to be converted to ordinary shares. Although that is not mentioned in the Bill, one would assume that they are ordinary shares. I have proposed amendments to ensure that they are ordinary shares and that those ordinary shares would be on a par with any other ordinary shares and have no special preference.

Although no mention is made in the Bill or second reading speeches about what portion of the total shares

would eventually transfer to ESOT, in the two examples given by the Unit for Industrial Democracy the figure of 50 per cent has been emphasised.

Dr. Tonkin: There's no limit.

Mr. DEAN BROWN: No, and I will look at that important aspect shortly. As the company does not repay the loan to ESOT (although regular interest payments are made from the company to ESOT), the company does pay superannuation funds into ESOT and ESOT repays the loan to the lender from these funds. Not more than 5 per cent of the total annual pay-roll may be paid into ESOT if it is to meet the conditions laid down by the Federal Taxation Commissioner for superannuation funds. I hope that is realised because it is a pertinent point that is again overlooked. I think that the Minister has missed it. I do not know whether the Minister is interested in some of these technical details, but he certainly will not find them in the second reading speech of the Premier, so I hope he takes note of them.

Of the funds paid into ESOT as a superannuation fund, 30 per cent must be invested in Government or semi-government securities. Of that 30 per cent, 20 per cent, in other words, two-thirds of the 30 per cent, must be invested in Commonwealth bonds; that is if it is to be eligible as a superannuation fund. That condition is laid down by the Federal Taxation Commissioner. ESOT would appoint directors to the board of the company. I understand from the Premier's second reading speech that those directors would be appointed in the same proportion as the shares are held by ESOT. That is another point I take up in my proposed amendments, because I believe that, if they are to be ordinary shares, they should be on an equal basis and have no preference whatever. What is obviously implied by the Premier's explanation is that if they hold 50 per cent of the shares they should have 50 per cent of the directors, and if they hold 30 per cent of the shares they should have 30 per cent of the directors. What he is trying to say is that we should no longer have one vote one value, and that the majority rule applies. He suddenly wants certain conditions where a minority shareholding has certain special rights.

The Government could then attach any other conditions through its Treasurer to the granting of such a loan. This could include (and it is not spelt out in the Bill or the second reading speech) the adoption by the company of the industrial democracy policy of the Government. One certainly gains that impression from reading the longer second reading speech of the Premier, the one that came after the first one in *Hansard*, where he boasts that the major advantage of this scheme would be the adoption of industrial democracy as he knows it in the companies concerned. None of these conditions has been spelt out in the Bill, but one gains the impression from the speeches that they are certainly implied.

It appears the scheme will force the company to offer a superannuation scheme to every employee, whereas at present only senior or long-serving staff are eligible for such a provision. The Bill would mean that the major lender to the company would be ESOT and that the role of the existing member would eventually be lessened, at least for some companies. We understand that, except for the 30 per cent of the funds in Government securities, all or most of the superannuation funds would obviously end up reinvested, either as loan or share ownership, back in the company concerned. This is against the traditional safe practices, as funds from superannuation trusts are normally invested in a range of safe, or semi-safe, securities. Although there are some benefits for employees in the scheme there are grave dangers because if a company was in financial difficulty all the superannuation funds, except for the 30 per cent invested in Government or semi-government securities, could be lost. This aspect of the Bill is particularly important as the company was apparently having financial difficulty initially because it was forced, because of its economic or financial plight, to go to the Government and ask for a Government guarantee.

I would like to expand on that most important aspect of all. I believe that the Government, in posing the Bill before us, has completely ignored the well-being of the superannuation funds of the employees. What it has done is allow ESOT to invest a dangerously high proportion of the shares back into the new operating company. As I said, the fact that a company has gone to the Government and asked for a guarantee indicates it is in financial difficulty because most companies do not do that. We had an example today in answer to a question I asked of the sort of company we know goes to the Government and asks for financial assistance. The example was Wilkins Servis Proprietary Limited. I could quote examples of other companies that have gone to the Government and asked for Government guarantees. There was the case of South Australian Barytes, a company that has now gone into liquidation. It appears that the Government will lose its guarantee of about $1 000 000 or more and that the Commonwealth will lose the money as well.

In those circumstances, all the employees in that company would have lost their superannuation funds because they were invested with a company that had gone bankrupt. Another example is David Shearer of Mannum, where I understand the Government lost about $1 000 000 in the form of a guarantee. Numerous other cases have occurred recently. We find that through the Government guarantee system the Government has become the lender of the last resort in this State. I do not necessarily criticise that; as one member said, it has to be. The point I am making is that this scheme is only set up when the company has to go to the lender of the last resort in South Australia, and that is the case where the company is financially unsound and where there is every chance, from previous experience, that the company will go bankrupt and have to go into liquidation, or at least into the hands of a receiver. Therefore, the employees, through ESOT will lose their superannuation fund.

When I showed this scheme to a qualified accountant (who is a partner in, I think, the largest or second largest firm operating in South Australia), he was horrified that any Government, let alone a Government that purports to look after the consumer employees, was prepared to put forward a scheme that would risk the superannuation funds of the employees in such a way. I point out that 70 per cent of the superannuation funds can be invested back into the company. The company could go bankrupt (there is probably a 50 per cent chance it will), and we will find that there is a 50 per cent chance that the employees will get no more than 30 per cent of their superannuation fund, the 30 per cent invested in semi-government or Government securities. Therefore, I cannot accept the scheme outlined here in its present form. I can think of no better reason for that than that this Government has a responsibility to make sure the funds in a superannuation scheme are not abused by a Government that is simply trying to meet a few of its own policies in a different area and is willing, in trying to achieve those ends, to put the superannuation funds at risk. Before the scheme could be adopted it would

need, first, the approval of the existing board of the company (no doubt at an annual general meeting of shareholders), the approval of the Commonwealth Taxation Commissioner for the superannuation fund because he has certain requirements (as I have outlined already), and also the approval of the South Australian Industries Assistance Corporation and the State Treasurer to grant the guarantee initially. Apparently, ESOT will obtain the shares by doubling the share capital; however, I assume that those shares would be obtained at current market value. Again, I believe the House deserves some sort of explanation about the basis of value of the shares to be obtained by ESOT. No explanation of that has been given, but one would expect them to be at market value.

I will now refer to the Premier's lengthy second reading speech and consider the various advantages to be obtained by the company through the scheme. First, he outlined the advantages of the enterprise, of which there are three, that the company involved would receive. First, the enterprise would receive suddenly a major injection of capital which would enable it to diversify its technology and therefore it would be made less vulnerable to the fluctuations of market demand. That advantage of the company's being able to get a Government guarantee is already available under the existing Act, so who is the Premier trying to fool? The scheme outlined by the Premier will not aid that at all. Therefore, the first advantage put by the Premier under this grand new scheme is meaningless and is already available to companies. He has really scraped the barrel looking for advantages, and he has scraped the barrel of honesty as well in trying to do so. Secondly, he said that the enterprise would receive capital injections at lower costs than are now available. The Premier then explained what that meant.

Mr. Nankivell: The Act provides for that anyway.

Mr. DEAN BROWN: Yes. The Premier continued:

This would occur because the employee trust would be established as a superannuation fund and the enterprises concerned would be able to pay back the loan principal plus interest pre-company-income-tax.

The accountant to whom I spoke about this measure pointed out that the principal would still be subject to taxation and that there needs to be a semi-colon or comma inserted after the word "principal" so that the pre-company-income-tax would apply only to interest rather than to principal, and that already applies. As far as I can ascertain, that aspect does not apply, because it already applies under existing Commonwealth legislation and no advantage would be gained by it. I return to my first point about capital input at a lower interest rate and therefore at a lower cost. Companies can now get Government guarantees direct at semi-governmental interest rates, but, because a new body is inserted in ESOT and because there is likely to be an increase in interest charged from the lender to ESOT and from ESOT to the company (which is only logical), it can be well and truly assured that the company must pay a higher cost for capital input than it would pay if ESOT did not exist. Again, who is the Premier trying to fool? The company would have to pay a higher interest rate than it would pay now under a Government guarantee. The third major advantage outlined by the Premier for the enterprise (my having smashed the first two for him) is as follows:

It is anticipated that the employee trust in conjunction with the associated employee representatives on the enterprise board would create a more open and cohesive industrial relations climate and a better method of achieving more of the aims of the enterprise and the trade unions in a form that is advantageous to and compatible with both groups.

Again, that can apply to any company now. The measure that we have before us aids the company in no way whatever. All the Premier is saying is that the scheme would allow employees to have a representative on the board and that that representative could report back to the company.

Mr. Nankivell: Wouldn't it be good having someone like Apap on the board! Wouldn't you have co-ordination!

Mr. DEAN BROWN: Yes, or what about John Scott—responsibility at its best! I will deal with that matter, because the Premier said that employees would know about it. In that case not only employees would know about it but, with a trade union official like John Scott on the board, the whole world and the trade unions would know about it, too. All the confidential information about what the company was trying to do would be made available. I point out that this is not an advantage that would be achieved through the Bill now before us, but it would be an advantage that, if a company wished to do it now, it could do it without the provisions of this Bill. Having thrown aside the three advantages outlined by the Premier for the enterprise, I will now consider the advantages for the work force, because that is the next part of the Premier's speech. It is a pity that the Minister of Mines and Energy is not listening to what I am saying, because no doubt he had a hand in preparing this scheme. It is a shame that the Minister, who has tried to obtain support for worker participation in the Housing Trust and had it rejected so soundly by its employees, is not listening to what I am saying about this Bill. The first advantage that would accrue to members of the work force, as outlined by the Premier, is as follows:

It would provide greater economic security through the establishment of a superannuation plan and disability payments in the event of premature retirement.

The Premier is talking about greater economic security for employees. As I have already pointed out, the Bill threatens the superannuation fund by investing up to 70 per cent of the company's funds in one company. I am assured by the accountant who advised me that that is against the best principles and practices of the accountancy profession and would be against any procedures that a trustee acting on behalf of employees could accept. That procedure does just the reverse: it would decrease the economic stability of the superannuation fund for employees. It certainly would not increase it, as the Premier suggested. The second advantage he stated was that once superannuation needs were fully funded the employee trust would be provided with a second income through the receipt of dividend payments. The superannuation fund would receive dividend payments from existing outside companies with which it had moneys invested. Because the outside companies had not had to run off and ask for a Government guarantee, the dividend payments are likely to be higher than would be paid by the company in this example.

Mr. Nankivell: Who said there would be a dividend?

Mr. DEAN BROWN: The company would have all its eggs in one basket, and even if the company paid a dividend there would be no security at all, whereas now a superannuation fund would invest its funds with at least a dozen companies, invariably more companies. The third major advantage outlined by the Premier for employees is as follows:

It would provide the employees, either through the employee trust or directly, with representation on the enterprise board which in turn would foster participative styles

of management at all levels enabling a greater potential of the work force to be realised.

What the Premier is arguing in the third advantage is that it would allow the industrial democracy policy of this Government to be adopted within the company for the benefit of its employees, and that can be done without this Bill anyway. The real purpose of the Premier in introducing the Bill is that it will enable him to put an additional condition on the granting of a guarantee: a company must adopt worker participation (industrial democracy) within the company. That is about the only advantage, I think, they hope to get from the Bill. The fourth reason put forward by the Premier was as follows:

The employees through their representatives on the board would gain greater access to information and, therefore, acquire a better understanding of the factors promoting and inhibiting the growth and viability of the enterprise.

The Government might find that the Workmen's Compensation Act would need amending drastically. The State Government has done a good job in stuffing up economic development in this State, and has taken away all the advantages for growing industrial plants in South Australia. If the Government looked at Samcor it would find that its employees have not shown any real interest in the information. Certain companies are supplying it, though, and I congratulate those companies that have started to supply regular reports to their employees. If there is one area in which companies can be criticised it is that they have not given regular reports to their employees on how the company was operating and what were its long-term prospects. Unfortunately, it has been left to the employees to read in the daily newspaper how their company has done. I share the concern of some employees in their having to find out how their company was doing in the daily press rather than from the company itself. I have seen some of the employee reports presented by companies in South Australia, and I congratulate those companies. I readily think of Simpson Pope and Hills Industries, both of which issue employee reports regularly. Prime Minister Fraser has regularly and consistently pushed this line, and I support him on that. The present Prime Minister has done more to encourage this practice than has the South Australian Government. Companies are now starting to take notice, and are presenting reports. The fifth advantage put forward by the Premier was as follows:

The operation of the employee trust and the associated representation on the enterprise board would provide a method of gaining for interested employees practical top-level finance and commercial experience on a first-hand basis of a level and depth not presently available to trade unionists.

That is the critical point. It is to be available not to the employees but to trade unionists. I think that that is the whole crux of the Bill: it is not to help the employees but to give vast sums to trade unionists to invest in whatever way they like. It is incredible that, under the Bill, the Government is willing to give the trustee positions on the superannuation fund not, apparently, to the employees or their representatives but to the trade unionists. I think that that is the real motive behind the Bill. The final advantage, apparently, to the employees is as follows:

It would provide an initiative where trade unions and their members could extend their industrial horizons beyond wages and conditions and, hopefully, lead to the development of a meaningful trade union and management agreement on a shop floor industrial democracy programme.

Again, the Bill is obviously designed to adopt the industrial democracy policy of this Labor Government; that is the only advantage which has come through. All the other advantages are already with us. The industrial democracy policy advantages (I do not believe there are any) could be applied without the Bill's being passed. The Premier continued to deal with the advantages that would accrue to the State by saying:

It will enhance the possibility of localising ownership and managerial control of the enterprise in South Australian hands rather than in interstate or oversea head offices.

It will have no effect on that whatsoever, because those companies, through their superannuation funds, would invest in local companies. The Bill will not expand the amount of local capital but will simply concentrate it back into the company whence it has come. As it will not change the amount of capital, it will not change the local ownership of industry. The Premier said that another advantage that would accrue was as follows:

It will provide a method of building up the industrial infrastructure in South Australia without cost to the taxpayer.

Where Government guarantees fail, there is a cost to the taxpayer, and that has cost us dearly recently. I have already referred to the Shearer company, at Mannum, and South Australian Barytes, but other companies have not come out to the public eye.

Mr. Nankivell: What about Ceramic Tiles?

Mr. DEAN BROWN: Ceramic Tiles, at Elizabeth, is widely rumoured around Adelaide as having had a Government guarantee and having failed to pay its loan; therefore, the Government will pay heavily, as guarantor.

Mr. Nankivell: How much?

Mr. DEAN BROWN: It has been rumoured at $3 000 000. If that is the case, the Government should give us details before introducing such a Bill as the one now before us, which endeavours to expand Government guarantees as lender of the last resort. The third advantage the Premier said would accrue to South Australia was as follows:

It may provide a method of bolstering industry decentralisation in South Australia on terms satisfactory to the enterprise and without an additional strain on public funds.

First, I do not see how the Bill has anything to do with decentralisation; it will not help decentralisation at all. If an established industry obtains a Government guarantee, it will help that company to continue wherever it is. All the Premier has done is scrape the barrel and throw this up as another excuse for the Bill. If anyone should be criticised for a lack of real concern at decentralisation, it is the Dunstan Government. Need I remind members of the Government's spending more than $20 000 000 on Monarto without decentralising one single industry, or that it still has not given pay-roll tax rebates to any company other than Fletcher Jones, at Mount Gambier, although one other company is applying for it? The Victorian and New South Wales Governments have been handing it out on a broad basis. The fourth reason put forward by the Premier as an advantage that would accrue to South Australia was as follows:

It will provide a method of raising employee income levels that is not incompatible with the enterprise's long-term capacity to pay for and maintain an expanding employment level.

He has obviously assumed that employees will receive a second income from the superannuation trust, and this shows the lack of any real concern that has gone into the Bill. As I have already outlined, section 23f of the Income Tax Assessment Act prohibits the payment of a second income from a superannuation fund. Not only has the Premier scraped the barrel looking for advantages, but

he has not even done his homework on working out the technical feasibility of his scheme and the accuracy of it. The fifth reason he put forward was as follows:

With the representatives of capital and labour sharing in the ownership and control of the enterprise it is anticipated that South Australia's already good levels of industrial peace may be further improved.

If I thought that employees believed that they had a genuine share in the company, I would believe that there may be some advantages. I am not opposed to employees owning shares in companies, and I will come to that point later. The point is that they will receive no benefit and no report on the superannuation fund; they will not really understand its existence or how it is going until they retire or in the event of death. I should think it would be too late then to appreciate how capital and labour can work together for their mutual advantage. That shows how farcical the Bill is. The Premier points out how the real advantage will come after the person has left the company or has died. To show that the Premier has not done his homework, I refer to some of the factors under the Federal income tax law that relates to superannuation funds, as I think they are relevant and should be given to the House. There are two inter-related areas of income tax law that deal with different aspects of superannuation funds. The first is the tax deductibility of contributions to the superannuation fund, and the second is the tax-free status of income that a superannuation fund might receive.

It should be recognised that the contributions which are made by an employer or a member to a superannuation fund are not themselves income of that fund, so that in talking about the income of a superannuation fund one is referring only to the earnings it receives on investments which it makes of the contributions it has received from employer and/or employee. As to the deductibility of contributions to a superannuation fund, the income tax Act provides the following (non-exhaustive provisions):

(*a*) The fund must be set up so as to provide retirement benefits (either for employees, or in a slightly different form of fund for self-employed persons). In short, for a fund to be classed as a superannuation fund contributions to which are deductible, the sole purpose of that fund must be to provide retirement benefits. This means that the fund must not be set up so as to attempt to provide a tax-free medium of investment, nor must it be a means of accumulating long service leave payments, nor is it permitted to contain provisions that would allow payment to employees or members prior to their retirement or resignation from the employer organisation.

(*b*) The rights of members of that fund to receive the retirement benefits allocated to them must be fully secured. In short, once a contribution to a fund has been made on behalf of or for the benefit of a particular member, then those benefits must be paid to that member and must not be allocated away from him.

(*c*) The fund must be an indefinitely continuing fund.

(*d*) The fund must be administered by trustees who are responsible to act at all times in the interests of members of the fund, so as to ensure that the contributions made by them or on their behalf are properly invested and will be available with accumulations of earnings to provide the intended retirement benefits. In passing, it should be noted that this is entirely different from the types of superannuation funds maintained by Government instrumentalities and State Governments where members' entitlements need not be fully funded or secured.

(*e*) Where it is an employer created fund for the benefit of employees, it should be noted that the employer has a responsibility in terms of the Act to make contributions on behalf of all member employees each year.

(*f*) The amount of contributions to a fund that are deductible to an employee is determined by that provision in the tax Act which limits the contributions to life assurance or superannuation, which are deductible. At present an amount of $1 200 a year is rebatable to the employee.

(*g*) The amount deductible to the employer is determined upon the employee's salary and must not exceed 5 per cent of the employee's salary unless specific approval is given by the Commissioner of Taxation. Approval for contributions in excess of this amount is readily available within guidelines determined by the commissioner.

(*h*) The fund must provide for retiring age, and the normally acceptable retiring age to the taxation authorities is that of 65 for males and 60 for females.

The other main issue is as to the tax status of the income of the fund. The income tax Act includes the following (non-exhaustive provisions):

(*a*) What is known as a 30/20 rule, wherein 30 per cent of the fund's assets (or increase in assets since 1960) must be invested in Government or semi-government securities, and of this amount at least two-thirds must be invested in Commonwealth Government securities.

(*b*) The fund must not provide excessive benefits for employees. In the event of its so doing the income of the fund will be taxed at the rate of 50c in the dollar. Benefits are considered to be excessive when they exceed seven times annual salary or such other amount as determined by the commissioner.

I think it is reasonable to outline the opinion of the Opposition about what conditions should apply under such a scheme. I am not opposed to employees taking a share ownership in their company: in fact, I would encourage it. It has been said that that would make many small capitalists, but I believe there would be real benefits to a company if employees have a share ownership in it. I believe that it makes them feel involved, and they start to relate closely to the well-being of the company and look forward not only to the employee report but also to the financial statement of the company, and that helps to increase productivity and long-term security. Therefore, I think it is to be encouraged by every reasonable means that employees take up a share ownership within their company.

At the beginning of 1976, I had much correspondence and communication with the then Federal Minister for Industry and Commerce (Mr. Howard) about amendments to the Companies Act to make it easier for employees to buy shares in their company. I believe most employees are not willing to go to the local sharebroker and buy shares, and I do not blame them. Most of them would not know where he is situated and how the system operates. The Companies Act should be amended to allow employees to buy shares in the company without having to deal with sharebrokers in the traditional way.

I am not opposed to the principle as outlined of share ownership by employees: I have encouraged it and have asked Mr. Howard that, when he was amending the Companies Act, to consider how this could be achieved and facilitated in every way. However, there is an obligation on this Parliament to ensure that the well-being of employees and their superannuation funds are considered. It is important that this Parliament not go beyond the accepted accounting procedures. It would be remiss of this Parliament to pass the Bill in its present form, because it would be saying that we endorse the political aspects the Government hopes to achieve through the Bill and that we are willing to risk up to 70 per cent of the superannuation funds. Therefore, certain conditions must be imposed on how funds from ESOT can be invested. I believe that the first condition must be that ESOT cannot own more than 25 per cent of the shares of the company. That is not in the interests of the company, but is to safeguard the superannuation fund and the financial resources of ESOT.

The Hon. Hugh Hudson: If you want to safeguard the superannuation fund, why don't you express it as a percentage of the superannuation fund?

Mr. DEAN BROWN: I will come to that as the next condition. The second point is that not more than 15 per cent of the funds in the superannuation fund should be either lent or invested back into that same company. That means there would be 30 per cent in semi-government or Government securities, and 15 per cent or less could be invested in the company concerned. The figure of 15 per cent was not pulled out of a hat. I asked an auditor what would be the level he would consider, if the percentage became greater and that it was an unsafe or unsound accounting practice. He said that about 15 per cent was the figure he would consider. If above that was invested in a company, especially one that had financial troubles and had asked the Government for a guarantee, he would question the 15 per cent, as in some cases it should be less.

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

Mr. DEAN BROWN: Before the adjournment, I was outlining to the House what safeguards should be provided in the Bill to ensure that employees' superannuation funds are not destroyed just because of the financial collapse of the company involved, and I was pointing out that certain amendments need to be made to the Bill and that the effect of those amendments must limit the amount of funds to be invested by ESOT into the parent company. I suggest that the sort of limitation that should apply would be not more than 25 per cent of the share capital of the company to be held by ESOT, and that not more than a total of 15 per cent of the entire funds held by ESOT should be loaned or invested through shares back into the company.

The whole purpose of this is to ensure that there is not a major concentration of the funds from the superannuation fund or ESOT back into the company which would jeopardise superannuation for employees if the company was in financial danger. I reiterate that we are looking at companies which, on coming to the Government, are already facing financial difficulties and which, in the experience of the State, have had a 50/50 chance of having to go into receivership or liquidation.

The third amendment I would propose is that any shares held by ESOT should be ordinary shares and should have rights equal to any other shares. The Premier talked of the proportion of directors on the board representing a proportion of the total shares held by ESOT. In fact, that does not apply in companies, and the Premier should know that. In companies, all shares should be and are normally on an equal basis and have equal voting rights for any directors on the board. An amendment should be made to ensure that that applies in this case. A further amendment should be made to ensure that there is only one superannuation or ESOT fund trust for any one company, and that there cannot be a series of ESOTs set up to get around the safeguards I am trying to provide in these amendments.

Finally, it is important that the employees, if they are to be made to feel at least part of the ownership of the company, should receive an annual financial statement of how the funds are being invested through ESOT and how they are prospering, if they are. Therefore, I shall propose an amendment that a financial statement must be given annually to all employees so that they know the progress of their fund. At present, under such trust funds that is not required; the trustees simply need to submit to the Commissioner of Taxation an annual financial statement for the purposes of taxation. There need be no report at present back to the employees involved.

I believe that those amendments will help to safeguard the finances through the superannuation fund of the employees. I am amazed that the Government has been prepared to come forward with this plan that would have jeopardised those funds. I believe the Opposition has taken a very responsible stand on this Bill. We have not opposed the concept of employees owning shares in the company. We have not opposed the idea of superannuation funds being used to help encourage loan capital for the company, but we have said that normal accounting procedures must apply to the way those funds are adopted. I believe the amendments to be made by the Opposition should be supported by the Government in the interests of all employees. It is their money that we are looking after, and this Parliament has a right and a requirement to safeguard its protection. If the amendments are rejected, I believe the Bill should be rejected. We cannot put at risk superannuation funds to the extent that this Government is prepared to do for its political ends.

Dr. TONKIN (Leader of the Opposition): This is, I think, without doubt one of the more interesting Bills to have come before Parliament in this session; in fact, it is probably one of the most innovative Bills to appear at any time. I must congratulate the member for Davenport on the immense amount of work he has put into the Bill in a relatively short time. I should be failing in my duty if I did not thank the Minister in charge of the Bill for agreeing to allow a little extra time for its consideration in this House. It was down for discussion at the end of last week, and the Opposition is grateful that it has had an opportunity to look at the Bill very thoroughly indeed.

It is an interesting Bill; it is far-reaching legislation. I am not sure which explanation was the one that was intended to come out first, or whether they were both intended to come out. It is almost as though the information about the Bill has been leaked out rather than disclosed fully in one go. I have the strong impression that this is very much tentative legislation to the extent that it is legislation brought in to give it a go and to see how it turns out. I would suspect that circumstances propitious to the introduction of such a scheme arose quite by chance and that, because of that, a scheme has been concocted to fit those circumstances. There are far too many gaps for anyone on either side of the House to feel comfortable.

The Bill contains only two clauses. In essence, the Treasurer may guarantee the repayment of any loan made to trustees representative of employees or proposed employees of any person engaged in or about to enter business, to enable those people to acquire, for the benefit of those employees, an interest in that business. That is straightforward, but those few words have a wide-ranging and significant effect. The member for Davenport was not exaggerating when he said it would bring a tremendous change to the whole picture of financing and indeed of company operation and employment in this State if the Bill goes through in its present form. By this Bill, the Treasurer is given wide and immense powers.

New section 14a (1) provides that the Treasurer may, upon such terms and conditions as he thinks fit, guarantee the repayment of certain loans. That is such a wide and encompassing statement that the Treasurer virtually can lay down any conditions he sees fit for any loan to be guaranteed to anybody coming under the Act. The mind boggles when one thinks of the possible conditions that could be laid down. He could insist on majority representation on the board, on worker participation, on compulsory unionism, on the trust's being composed of active trade union officials; indeed, I am positive that all those things have been through the minds of various people at one stage or another. It is less than honest that they are not brought forward in this House during debate. The Treasurer dictates the terms.

The member for Davenport has outlined very well the machinery and the proposals, covering the possible implications they may have, and I do not intend to cover that ground again. Certainly, some safeguards are written in; I would be very surprised if there were not. The safeguards are the usual ones, and our colleagues on the Industries Development Committee will tell us that they are the usual considerations given when any project at all is being considered. New section 14a (2) provides:

No guarantee referred to in subsection (1) of this section shall be given unless—

(*a*) the Committee has first inquired . . . and that there are reasonable prospects that—

(i) the business or proposed business will be profitable;

(ii) the objects of the trust in relation to which the guarantee is proposed will be achieved; and

(iii) the arrangements made by the trustees to repay the loan will be carried out; and

(*b*) the Treasurer is satisfied that the annual rate of interest payable on the loan in relation to which the guarantee is proposed to be given—

bears due account of the very favourable terms on which the loan will be guaranteed. One would be very surprised if these matters were not covered. Of course, the trustees must be representative of the employees, but are these guarantees enough? Obviously, the Opposition believes that they are not enough. This Bill has been designed to enable the introduction of a considerably modified version of the Kelso plan to enable employees to participate in the profitable working of an industry or a company. On the surface, there is much to commend such a idea. It is certainly worth examining, and it is worth bringing in workers in this way.

Many people would say that the best form of worker participation is through employees having a direct share interest in their companies. Involvement by workers at the supervisory board level is another form of worker participation that has much merit, but whether or not the setting up of ESOT to finance the superannuation fund is the best way of involving employees in the business of a company is a very different thing and a very debatable thing. We have to decide whether the proposed scheme has significant advantages over employee share ownership. In the present case, the major difference is between an immediate annual cash return (presuming always that the company is viable and profitable) and what would be a long-term and very much removed superannuation benefit, something which I think the member for Davenport said that an employee could take an interest in only when he or she was no longer an employee or dead.

I think an immediate annual benefit or, indeed, a lack of an immediate annual benefit (because a company was not going well) would stimulate a much greater interest in the affairs of the company. In these circumstances, the employees would take a vital interest in the affairs of the company. I do not believe that a superannuation fund funded in the way outlined earlier (the implications of which are so far divorced from the immediate future) will provide the necessary incentive to increase productivity and interest in the company, nor will it have all the advantages outlined in the Premier's second reading explanation. The Kelso scheme applies very much in America, where there is very little superannuation and no long service leave. Indeed, in America there are very few of the benefits that employees in Australia take for granted. In many ways they are entitled to do so, but they cannot have it both ways. Our economy cannot stand benefits on both hands. If we are not to have long service leave and other benefits, by all means let us have some form of the Kelso scheme, but we cannot afford both.

It is now generally accepted that we have lost all of our competitive advantage in this State. Because of the unrealistic conditions for concessions in connection with pay-roll tax and because of the unrealistic workmen's compensation legislation, our cost of employment has increased to such an extent that we are at a great disadvantage in comparison with other States. We now line up with Victoria and New South Wales. We are losing our industrial development to the Eastern States because they have other advantages that we cannot hope to match. I hope the opportunity will soon arise to ventilate this subject thoroughly.

While the routine safeguards are written into the Bill, I am concerned about the matters that are not written into it. We are virtually writing an open cheque. I am certain that the people who have thought out this scheme have not thought it out carefully enough; they do not really know what will happen. The Government is saying, "Let us have a go and see what happens." Will the Treasurer insist on worker participation and on representation on the board of management? What will be the basis of such representation? What proportion, in respect of the number of shares held, will the number of directors be? Will the trust be managed by trade union officials or trade union members? Will they be elected by employees, or will they be nominated by trade unions?

Mr. Nankivell: That is the burning issue.

Dr. TONKIN: Yes. Perhaps the people who deal with these things at close quarters have not looked at the overall picture. Perhaps they do not realise how important that is. I would have thought that it would be very important for the viability and the future of companies for people watching the experiment to be able to say, "At least we know that the superannuation trust, ESOT, cannot be manipulated by the trade union officials themselves." Yet that possibility exists, and it is not refuted in any way by anything in this Bill. If people are naive enough to believe that assurances given here, particularly those given by this Government, are worth very much, all

I can say is that they have not been here very long. We have seen the sorts of things that can happen. I suppose it should not be necessary to ask these questions but, with this Government, I have no option but to ask them.

This Government has an obsession with worker participation, or industrial democracy, of one sort—managerial worker participation. The Government has an obsession with the entire matter, and it will stop at nothing to implement its proposals. We have seen what happened in connection with the Electricity Trust, and we have heard about the Savings Bank of South Australia and the Housing Trust. Further, we read that Mr. Wran, the Premier of New South Wales, is following much the same sort of line, but he is running about two years behind the South Australian Government. A report in the *Sydney Morning Herald* of March 15 states:

The New South Wales Government will have pilot schemes for worker participation within the Public Service in operation by the end of this year, the Premier (Mr. Wran) said yesterday. However, the Government would not legislate for worker participation in any industry.

If we pass this legislation in its present form it will not be necessary to legislate for worker participation, because the Treasurer will be able to exercise what will be far more dictatorial power by making it a condition of the Government guarantee that worker participation is adopted in the operating company. Nothing in the Bill protects any company from that. If this legislation is passed, even more companies from other States and overseas will not come to South Australia. Anyone believing anything else would be absolutely stupid.

The Government is also obsessed with compulsory unionism. We do not know whether this legislation will be used to ensure closed shop agreements to back up compulsory unionism. The ultimate discretion lies in the hands of the Treasurer. All these matters need to be clarified. Reassurances, I repeat, are not much good. Another important consideration is the welfare of the employees themselves. We cannot tolerate a sink or swim situation for any group of employees because their superannuation fund is tied up so strongly with a certain company and, in this case, the company for whom they work. It is incredible that any responsible Government or, indeed, anyone associated in the investment sphere should believe that we should have such a high proportion of investment of that superannuation trust in one operating company. Quite apart from anything else, it would be highly improper to put all that money in one investment package.

It is fundamental that superannuation investment, apart from the Government security requirement of 30 per cent, must be spread over the widest possible investment portfolio. However, when the money we are considering is invested in the operating company, the company for whom people work, these people could find themselves in serious difficulty. The reason is not hard to find. It is simply that this scheme will be attractive only to those people who are looking for funds and at that time it is likely that they are in difficulties. Obtaining funds, apart from anything else, is not the answer to the difficulties faced by most companies. Hopefully, companies will not fail. Many companies now are in difficulty, though. One has only to read the newspaper, especially the newspapers of the past two Saturday mornings, to see just what difficulties some firms are facing.

If those companies do fail, what happens to their superannuation funds? Will the Government be asked to make up the money because it guaranteed the original loan? Legally the Government, once the loan has been repaid, does not have to do so because once a guarantee is withdrawn the Government does not enter into it again. Morally, I believe that the Government would enter into it again, especially if it made certain directions about the way the company should be administered and run. Will the Government take the moral responsibility for these sums of money every time a company fails and its employees are left out on a limb? These matters must be clarified. I repeat that nothing in this legislation explains those matters. Safeguards have certainly not been included. Many additional safeguards need to be included in this measure. With those safeguards written into the Bill I will consider it again. I believe that is the attitude that will be adopted by the Opposition—let us re-consider the Bill when the safeguards are included. However, even then I have a strong belief that I will not be terribly pleased with it, because the more I consider this legislation, the more I range over all the possibilities that have been left wide open, the more cynical and suspicious I become. The questions I have raised must be answered. We must be certain about what we are doing.

I will certainly support this legislation to the second reading stage, but using financial difficulties of a company to attach real strings to financial assistance that a company requires desperately, to promote worker participation by hook or by crook, is a pretty low sort of trick. I suspect that someone somewhere in a company would be willing to trade short-term financial gain for an ailing company against the introduction of worker participation and all the other matters that ultimately will destroy the free enterprise system. That person should perhaps consider long and hard what he is doing. I support the Bill to the second reading stage but I will consider it fully when it comes out of Committee.

Mr. NANKIVELL (Mallee): At the beginning I wish to make a few qualifications. I am not opposed to worker participation up to management level: I am not opposed to worker participation in a company. What I want clarified is whether worker participation in a company means representation by employees of that company or representation of those employees by representatives from outside the company. This legislation refers to "representative of employees or proposed employees".

The second reading explanation uses the term "trade unionists" many times. Let us accept that these people are trade unionists. Would it not be better to use the term "employee" instead of "trade unionist" because "trade unionist" has a dual meaning? It could lead, as I said this afternoon, to someone who has views contrary to the goodwill and benefit of the company concerned and who promotes a specific viewpoint that is of advantage to only one section of the interests of the company being placed on the board of that company. It is my experience that one does not obtain happy working relations unless one has harmony between the people concerned. I believe one can get that sort of harmony if one is dealing with people whose livelihood and involvement is in the company in which they are working. I have seen this harmony operating and know that it works.

It is terribly important to get clear in our minds that we are talking about employees of the company and not outside representatives for those employees, such as could be inferred from the Bill. I know that such a situation prevails in other countries, as the member for Spence reminded us this afternoon. The countries in which these sort of companies have been most successful could be limited. The most successful country in this regard would be West Germany. My information about West German

industry, irrespective of the occupations of the respective employees, is that they are representatives of one union. In those circumstances, a union representative can represent the total view of all employees in an industry.

Mr. Coumbe: Industry unions.

Mr. NANKIVELL: Yes, but that is not what we find in Australia. Where one has a multiplicity of unions in a company one must decide first who will be the representative of the employees. One is in conflict before one starts, because that person does not necessarily represent the views of all the employees concerned.

Dr. Eastick: Can you imagine the number of demarcation battles?

Mr. NANKIVELL: Yes, I can. The demarcation battles will be there from the word "go" to determine who will be in the box seat. With this legislation we had submitted to us some sort of explanation about the scheme on which this concept was based. It is said that the scheme was based on a modified Kelso scheme, modified to the nth degree, because the Kelso scheme is an internal scheme within a parent company to provide superannuation benefits for its employees. It was developed in America where such benefits do not apply. They do not have long service leave. An executive in America would be doing well to get 14 days leave. They could not understand the working conditions that apply in America if they say that this model is based on the Kelso scheme. The objectives there are to set up an interest for the employees funded by the parent company, not guaranteed by the Government through an outside lender, but funded through the parent company, which takes advantage of tax concessions, which exist to fund the superannuation fund to create an interest for the employees in the company.

Such a situation is not the same as what we are examining here which, as the member for Davenport has said, is something that may be said to be a modified Kelso scheme but which is one way, I believe, of using this scheme to try and sell it for a completely different purpose. Reference is made in terms of trustees, which implies some form of trust and, as the member for Davenport has said, it is covered by several different laws and several different Acts of both State and Federal Governments. Certainly, it is not something one can take lightly. There are grave responsibilities that a trustee must bear in administering trusts. One is bound within the Act to observe several major restrictions.

If it is a trust and if it relates to superannuation, as is stated here (it is difficult to work out exactly what this trust is, whether it be an investment trust or a superannuation trust), it requires a trust deed. That is the first requirement. Usually, a trust deed is provided for in the articles of the parent company. The trust deed makes certain provisions on behalf of employees within a company. It involves the parent company's contributing to a fund and it also involves the contribution by employees to that fund.

There are statutory limits to the amounts employees are obliged to contribute to that fund. I refer to the explanation, which states that a situation will be reached when the fund is saturated. In other words, the fund has seven times the salary commitment of the employees and, when it reaches that glorious state, the trust can pay a dividend. I suggest that that situation seldom, if ever, is reached. Indeed, as the member for Davenport has stated, it is not appropriate for a trustee company or a superannuation fund to pay dividends. Once dividends are paid the whole purpose of the trust is destroyed. It is no longer a superannuation fund but an investment company and, as such, it is liable to taxation. It then ceases to enjoy tax benefits existing under the present law regarding superannuation funds.

I differ with my Leader in this respect, because it depends on what sort of company one establishes. My experience has been that most companies like to retain, if possible, that 70 per cent interest in their trust funds within the parent company, because it is a source of finance for them. I see a major weakness in this legislation, because those funds will be flowing out from the company concerned. In other words, the company will be contributing superannuation funds to a trust that will use those funds to pay off a debt that it has borrowed from some outside lender, which will not be in itself attractive. That is a significant point in this exercise.

Further, the possibility of dividends is extremely remote. By way of interjection I asked the member for Davenport how he foresaw the position of the parent company. Obviously, we are talking about one situation, and there is another situation to which I will later refer. I am referring to a company in distress seeking assistance from the Industries Assistance Corporation. In such circumstances we are looking at a specialised case and we say, "How are they going to get the shares when there is already a total share issue in that company?" The reply I received to this question was that one would halve the value of the share issue, presumably after this had been settled at a meeting of shareholders and carried by a resolution of 75 per cent of the shareholders present or by proxy (that is the requirement under the Act in order to alter articles in any way), thereby doubling the shares issued and returning part of it to the company.

In these circumstances, unless productivity of the company advanced greatly as a result of such stimulus, no dividend will be forthcoming. The other point that has been raised is that, if we talk in terms of such a trust and we look upon it as a superannuation trust again (that is the principal sense to which it is referred), superannuation is usually reserved for people holding a salary position or for senior wage earners: it is not a universal fund available to all employees in a company. Usually, restrictions surround superannuation.

So far as superannuation is concerned, there is even a qualification period before members of this Chamber are entitled to superannuation benefits in our fund. That is the usual situation, and it requires some sort of permanency of tenure in the position one holds—

Dr. Tonkin: Even in the Public Service.

Mr. NANKIVELL: True, and this position is usually related to salary earners rather than wage earners. In ESOT we are creating universal superannuation, but there are problems of transportability, and it is not always attractive to a wage earner employed in an industry to continue working in that industry if something better is offering elsewhere. There is greater stability in the work force at a salary level than in the lower sections, and the problems that arise in this matter are the problems of severance and the problems involved with who owns the fund.

If one starts paying dividends out of the fund it will affect people who have contributed to it and who have not withdrawn from it. It will affect some of the ultimate benefits of those people who are contributing to a retirement superannuation fund which is the general concept of superannuation as it applies in industry. As honourable members can see, one major thing is lacking in this Bill. I am talking about superannuation, and I have merely developed a few points about it. If we

are to have a superannuation scheme, and this is what this Bill deals with, surely one of the most important considerations is not to leave it to the Industries Assistance Commission or the Industries Development Committee of Parliament to say whether they believe the people who are representative of the employees are proper representatives.

Surely one of the fundamental features is that the trust deed be properly drawn and properly recognises the rights of the superannuants and the responsibilities of the parties concerned. That is not spelt out anywhere. It merely provides that the Treasurer "may on such terms and conditions as he sees fit". I have learnt in a long period in Parliament to accept that as being an elastic situation.

Turning to the other side of the case, which has not been touched on, there is another possibility as far as the operation of such a system of finance is concerned; although it is referred to in the Bill, it is not spelled out at all well. That is an enterprise being set up by a parent company in conjunction with its employees—nothing to do with the parent company itself or the problems in which it finds itself and which we have been debating, but a totally new enterprise that some company might wish to promote.

It might say, "We haven't got sufficient funds. We're doing well. We can see room for expansion, but we are not interested in expanding our operations." That company, with additional injections of capital, could develop into a totally satellite or complementary exercise, namely, the parent company, and a satellite company. In that satellite company, there could be some kind of arrangement whereby the parent company put up half the funds, the employees putting up the other half. That is a totally different situation from the one we have been debating thus far. In those circumstances, I see some merit in the proposals if the parties concerned wished to take advantage of it. I am not sure that that would be using the Act in the proper sense—the one that has always been used in helping a restricted industry in trouble.

There is the possibility of helping an industry not in trouble, by co-operation between the employers and the employees, and by using the resources of the parent company to develop another operation; that is a totally different thing altogether. In those circumstances, I see some merit in the proposals in the Bill. It is a voluntary exercise and, provided that there is no compulsion anywhere, I do not think that there could be any objection. If a company wanted to put itself in this position, and create this kind of satellite expansion of its industry, this is one way in which it could be done. Provided that it was done voluntarily, and not by direction, it is a completely different concept from the one we have been debating hitherto. The concept we have been debating is the case where some pressure could be brought on a company in distress to take its employees into some arrangement whereby they were involved in funding the company into some kind of solvency and, at the same time, placing the superannuation funds in jeopardy if the company failed. In that situation, this Bill has different specifics.

I would support the principles set out in the Bill, in a totally voluntary exercise involving a company which was liquid, which did not want to invest its total liquidity in some further expansion, but which could see room for expansion and whose employees said, "We'd like to expand the operations further by becoming involved." In those circumstances that, to me, is more in line with what I think the Kelso plan is all about, namely, the question of the parent company helping the employees by involving free enterprise with the employees. If the Bill is concerned not with the co-operation and free enterprise of employees, but with Government direction, through the Treasury, and the persuasion and influence of trade unions through the administration of their affairs on behalf of the employees, I cannot support it. On the other basis of completely voluntary involvement between the parties concerned, I see much merit. On that basis, I support the Bill at the second reading.

Mr. EVANS (Fisher): My objection to the Bill is short and blunt. I believe in any scheme that will give the employee of the organisation the opportunity to share from his or her labour to a degree greater than what his or her wages happen to be and to decide for himself or herself what to do with the extra benefit gained. However, the Bill does not provide that. I believe that all we are doing is to allow the employee, with a bit of luck, a better superannuation scheme or just a superannuation scheme where he or she may not have had one. To say, "You have an interest in the superannuation fund and get the benefit on retirement," does not really encourage more productivity in the average person. Not many of us can think that, in 20 years time, we will be better off. With current trends in inflation, one tends to distrust the value of money five years or 10 years from today or at any other point in one's working life.

I do not object if the Government wants to make money available to industries that have a chance of being viable, on condition that that industry makes available to employees who wish to produce more a share as individuals. If the Government wants to pass that kind of legislation and take that kind of action, I do not object to it, because I believe that the individual can say, "I want a share in the organisation. I am prepared to work harder to see whether we can show a greater profit, because I will benefit as a shareholder." However, there will be some in the organisation who will say, "I am not interested in doing it. I don't want the responsibility." There are instances of companies having made shares available to their employees, who have sold them at the first opportunity. This is certain proof that some employees do not want the shares. They are not concerned with that aspect of life. They want a regular wage, and to be able to go home and forget about it.

The Hon. D. W. Simmons: Perhaps they're so poorly paid that they need the money.

Mr. EVANS: If the Minister were to check, he would find that it is those with the greatest responsibilities in the world, with children and with debts, who are more likely to keep them, because of the profitability, than those who do not have such responsibilities but who want to buy the so-called luxuries we enjoy today. My objection is that the Bill will not encourage productivity, which, I think, should be the aim of every Australian Parliamentarian today. We should try to get ourselves back into the markets of the world and encourage more job opportunities by being more productive, than by making money available, as guarantors, from a Government; this will not encourage productivity.

What it may do, if we are not careful, in making money available to a company that is struggling to survive so that it can compete unfairly with other businesses that may better manage surviving by being economic, is that, by putting pressure on the other company, it may be placed in the same position as the original company. We will disadvantage those efficient companies in an attempt to

help the inefficient and, at the same time, give no immediate benefit to the employees, but say, "At some time in the future, you may get a direct monetary benefit." The average human being responds more directly to being productive if he can see in the short term some monetary or other benefit for his extra labour. That is why piecework, with proper provision for the quality of work, is more effective at increasing production than is any other method we have ever had in the western world or in any other society.

Mr. Langley: When a company becomes more efficient, its productivity increases.

Mr. EVANS: I would not argue that, if some became more efficient, they might produce more, or that the employee should be entitled to more money and to decide what to do with it—not some Government that sits back under the direction of a Treasurer who says, "It will be paid into a trust, and you will get it some time in the future."

Members interjecting:

The SPEAKER: Order! This discussion has nothing to do with the Bill.

Mr. EVANS: Thank you, Mr. Speaker, for switching off the electrician. South Australia's population is just over 1 300 000, whereas the Eastern States (about 600 km or more away) contain 11 000 000 Australians. We have already priced ourselves to the point of being one of the highest price States for all facets of Australian industry. This Bill will not in any way help the situation: rather, it will tend to frighten off some of the smaller companies that may be thinking of starting up in a State like ours, and I oppose anything that even suggests that. I therefore hope that the Government will oppose in the strongest terms the amendments that my colleagues move later so that I can in the same way oppose the third reading of the Bill.

Mr. MATHWIN (Glenelg): I support the second reading to enable the amendments placed on file by my colleague, the member for Davenport, to be debated and, I hope, accepted by the Government. This Bill is what I would term a Bill of bluff. The Premier has bluffed all the way through, from the moment he introduced the Bill. He introduced the Bill by making two speeches, one of which he read and the other of which was inserted in *Hansard* without the Premier's reading it. So, there were obviously two explanations of the Bill before consideration of it commenced.

The main basis of the Premier's two speeches was, first, at the beginning of the explanation, employees and, later, trade unions. The Bill is based on the matter of worker participation, industrial democracy or whatever one wishes to call it; whatever it is called, it has the same meaning. The Premier picks up these different fancy phrases, all of which mean the same thing, in his jaunts around the world. It used to be called worker participation; it was then called industrial democracy; and now we have the Unit for Industrial Democracy. This Bill, which is centred completely around the superannuation scheme, is a manipulation by the Government. In his second reading explanation, the Premier said:

This is a short Bill, which amends the principal Act, the Industries Development Act, 1941.

So, indeed, it is a short Bill if one considers the number of clauses that it contains. However, when one looks at the Bill to see what it is all about, one gets down to the nitty gritty of the matter. The Opposition realises that there is far more in the Bill than can be seen from the Premier's introductory statement that this was a short Bill amending the principal Act. In the first paragraph of one of his introductory speeches, the Premier referred to employees who might acquire the right to representation on the board of the enterprise involved. In the second paragraph of his explanation, the Premier said:

It is anticipated that the development of such schemes will occur initially through approaches by the management of South Australian companies to the Unit for Industrial Democracy.

So, we see from which source the Bill stems: the Unit for Industrial Democracy. The Premier then went on to tell the House that the scheme and the details associated therewith would be put to trade unionists and their representatives. Those people would then receive advice from their officials or shop stewards regarding whether they should accept this type of scheme. The trade unionists should have the right to decide whether they will participate in or reject this scheme.

Members interjecting:

Mr. MATHWIN: What about the situation where we have a company that is not a closed-shop organisation, that does not employ trade unionists only? Some companies and organisations allow people the freedom of choice whether or not they will join a union. Should they have no say at all in this situation that has arisen? The Government believes that every man should be forced to join a trade union. I call that compulsory unionism, although the Government calls it a different name that means exactly the same thing. It is, therefore, another way of forcing people to join trade unions, so that they will pay money into the Labor Party coffers through their unions' political levies and sustentation fees. Whether or not they are Socialists, employees must do that horrible thing. That is yet another aspect of the Bill. The Premier continued as follows:

It is the Government's belief that the adoption of such schemes would prove advantageous to enterprises, employees and the State of South Australia. The advantages that would accrue to the enterprises are as follows.

The Premier then went on to refer to a number of advantages that would accrue as a result of this gracious Bill that he has introduced.

Mr. Gunn: Did he say which companies were likely to be affected?

Mr. MATHWIN: He does not mention them, although one has a fair idea where the Government will start. The first advantage to which the Premier referred was as follows:

The enterprise would receive an employment-creating capital injection which would enable the enterprise to diversify into other industries or improve its technology in order to enhance its competitive position. In either case enterprises would be made less vulnerable to the fluctuations of market demand.

That is available already, anyway, so there is no point in the Premier's raising that as a carrot for Opposition members or the public to adopt this legislation with their eyes closed, just as he is hoping they will do. The third advantage to which he referred was as follows:

It is anticipated that the employee trust in conjunction with the associated employee representatives on the enterprise board would create a more open and cohesive industrial relations climate and a better method of achieving more in the aims of the enterprise and the trade unions in a form that is advantageous to and compatible with both groups.

There, the Premier is referring to trade unions. This introduces the Unit for Industrial Democracy: the basis of the whole thing, the Premier's "think tank", with which he cannot trust the Minister of Labour and Industry but for which he, as Premier of the State, must take responsibility. The Premier continues as follows:

The advantages that would accrue to the members of the work force are as follows: it would provide greater economic security through the establishment of a superannuation plan and disability payments in the event of premature retirement.

However, workers can get that now: it is already available to them. What is he giving them? He is giving them nothing. The Premier's second reading explanation continues:

It would provide the employees, either through the employee trust or directly, with representation on the enterprise board, which, in turn, would foster participative styles of management at all levels enabling a greater potential of the work force to be realised.

This is getting to the basis of the situation, the Unit for Industrial Democracy, the brainchild that was brought from Sweden and West Germany, which the Premier visited last year. He also visited Yugoslavia and studied worker co-operatives in a communist country. No doubt they have something similar to this situation. The Premier's speech continues:

The employees through their representatives on the board would gain greater access to information—

this is an interesting situation when one realises that the Left-wing of the trade union movement do not want it: the extreme Left would not want its ordinary members to gain greater access to information—

and, therefore, acquire a better understanding of the factors promoting and inhibiting the growth and viability of the enterprise.

This could be done in any case. The Premier is trying to explain that he would like to get more information to workers. Those who have worked in industry know that the average working man in the factory or building trade is there to earn money. He is not worried about sitting on the board to gain more information. If he can create a situation in which he receives a higher salary, that is what he is interested in, and not in this didgeridoo offer of the Premier from his ivory castle, telling them to get on to boards in order to learn the "good oil". They are not interested: they are interested in the pay packet and how much they can spend at the end of the year on a holiday. We have all done this.

Mr. GUNN: Mr. Speaker, I draw your attention to the state of the House.

A quorum having been formed:

Mr. MATHWIN: The Premier's explanation continues:

The operation of the employee trust and the associated representation on the enterprise board would provide a method of gaining for interested employees practical top-level financial and commercial experience on a first-hand basis of a level and depth not presently available to trade unionists.

Now we are getting to the nitty-gritty of the situation. One can imagine a situation in which the Laurie Carmichaels and the like do not want unionists to be on boards, because they know that, once a worker is appointed to a board, he will realise that there are two sides to the coin, and that he must work hard to make a profit. The more produced, the more profit is made and the larger the share: the bigger the cake, the bigger the slice for everyone. When they realise this, they will no longer wish to go under the thumb of Left-wing trade union bosses. The Premier's speech continues:

It would provide an initiative where trade unions and their members could extend their industrial horizons beyond wages and conditions and, hopefully, lead to the development of a meaningful trade union and management agreement on a shop floor industrial democracy programme.

It seems that the Premier hopes that, with trade union members sitting on boards, they can extend their industrial horizons beyond wages and conditions, thus leading to collective bargaining, and getting away from the arbitration system, as in the case of West Germany and Sweden. That is a system entirely different from that under which we work in this country. Until I read this part of the Premier's speech, I did not realise that he believed we should have collective bargaining (I know that Mr. Hawke believes in it) and should do away with the present arbitration system. I believe that the system under which we work is the best system, unlike the collective bargaining system used in West Germany and also in America, where the big unions work hard and obtain an agreement, and then for the next 12 months or two years amass sufficient money to be ready for another battle with the management when the current contract is finished.

Mr. Abbott: What about the system you brought out from Britain?

Mr. MATHWIN: Are you talking about the Flying Scotsman, John Scott? The situation in the United Kingdom, as the member for Mallee has said, has brought England to its knees. That has been done by a system similar to the one which, obviously, the Premier of this State would desire. Another explanation of an advantage that will occur with the Bill is that, according to the Premier, it may (and, as a lawyer, a barrister, or whatever he was before he came to this House, he would know that "may" is the word with which lawyers, barristers, and solicitors earn their money) provide a method of bolstering industry decentralisation in South Australia on terms satisfactory to the enterprise concerned and without an additional strain on public funds. I know what that is. There is a word to explain that sentence, but I suppose I had better call it bunkum.

The Premier goes on to say that it will provide a method of raising employee income levels which is not incompatible with the enterprise's long-term capacity to pay for and maintain an expanding employment level. There is a good argument there. It will not do that, and I believe the Premier knows full well that it will not. He is not such a nit-wit as that. I suggest he is trying to put it over the House. In my early remarks, I said this was a Bill of bluff on the part of the Premier, and that statement is part of it. He has said that, with the representatives of capital and labour sharing in the ownership and control of the enterprise, it is anticipated that South Australia's already good levels of industrial peace may be further improved. I am surprised that the Premier believes that; to me, it does not ring true, but it is one of the explanations the Premier gave of this Bill after stating that it was a short Bill. If it is a short Bill, it is a bad Bill.

I will support the second reading only so that the Bill can go into Committee to enable amendments to be considered and to give the Government an opportunity to make this a better Bill that is more workable and one that would be an advantage to the State. I am not oppposed to worker participation or, as the Premier calls it, industrial democracy. However, I have my doubts about the method by which the Government wishes to put workers on the board. The Government's idea is that there should be one-third trade union members, one-third Government appointees, and one-third from the company itself. That is where I am opposed to workers on the board. I would not agree with the Government's idea of the proportion of workers on the board. I ask the Minister who is to reply to the second reading debate to say what the workers are being offered apart from the fact that they are getting superannuation. The Government is going to tell them

that they will have this development and all these advantages that they may get when they retire, if they live long enough, but the great advantages will come to them if they die. Of what use is that to anyone? What is the Government giving the workers? I support the second reading in order to enable the amendments to be considered in Committee.

The Hon. HUGH HUDSON (Minister of Mines and Energy): In closing the debate on behalf of the Premier—

Mr. Gunn: You didn't move it, so you can't reply.

The Hon. HUGH HUDSON: I am speaking on behalf of the Premier in closing the debate. I think that is in order.

Mr. Gunn: You didn't move it.

The Hon. HUGH HUDSON: I can close the debate on behalf of the Premier. In considering this matter, and listening to the second reading debate, I must say that I am amazed at all the aunt sallies that have been raised for the specific purpose of having something to knock over. If we can apply a reaper, a thresher, and a winnower to the second reading speeches of the Opposition, we may come down to some grains of truth, and they are what I think I should discuss. May I make it quite clear that the Government's policy is to oppose any provision which would enable a person not working for an organisation to be the representative of employees on the board of that organisation or on any lower level tier of participation by employees. The Government has made that clear on a number of occasions.

Dr. Eastick: That does not deny the opportunity of a trade union organiser—

The Hon. HUGH HUDSON: No. It is saying that the person who is the representative must be an employee of that organisation. If he is an organiser or paid official of the union and not working for that organisation, then, in the Government's view, he is not eligible to be a representative.

Mr. Gunn: This is the first time the Government has made that statement.

The Hon. HUGH HUDSON: That is not so. It has been made clear on a number of occasions. This is the first time the member for Eyre has heard and absorbed it. I congratulate him on that.

Mr. Gunn: You're using personal abuse, trying to pull the wool over the eyes of the public.

The SPEAKER: Order! The Minister must be given an opportunity to speak.

The Hon. HUGH HUDSON: I would be prepared to agree that the member for Eyre needs more than crutching.

Mr. Mathwin: What about the compulsory unionism tidbit?

The Hon. HUGH HUDSON: That was one of the honourable member's tidbits and I found, after listening carefully to the member for Glenelg, that if I applied the reaper, the thresher, and the winnower, there was nothing left in his speech. I do not intend to bother about replying to him. This legislation is an enabling device only. It is not a requirement on anyone to take advantage of it. It devises a means whereby a company, if it so wishes, may take advantage of cheaper capital than is available elsewhere and at the same time involve some employee participation. Whether it does so or not is entirely up to the decision of the company.

In relation to this matter, I should like to make a few comments on superannuation funds. It is not true that the majority of Australian employees in private industry are contributors to superannuation funds. Many employees do not get the benefit of contributing to superannuation.

Mr. Dean Brown: Who claimed—

The Hon. HUGH HUDSON: One or two remarks made by members opposite might have carried that implication, but that is not the case.

Mr. Dean Brown: I specifically said the opposite.

The Hon. HUGH HUDSON: I want to make clear that that is not the situation and that, therefore, there is considerable potential for expansion of superannuation schemes. Secondly, a superannuation scheme is normally a significant benefit to the spouse and children of a deceased employee. The normal trust deed (quite apart from the fact that spouses in this State do not pay succession duties) provides a discretion to the trustees as to who gets the employee's superannuation following his death. The widow almost without exception is the beneficiary, and the effect of this discretion is that the payment made is not part of the employee's estate; so, it would not attract even Commonwealth duty. That point is relevant to a consideration of the benefits. Superannuation contributions are tax deductible up to $1 200 for the employee who makes them. Further, the principal of a loan that is repaid through superannuation contributions is tax deductible; that is another relevant factor.

Mr. Nankivell: The principal is not.

The Hon. HUGH HUDSON: The principal is. I am informed that the principal of a loan that is repaid through superannuation contributions is tax deductible.

Mr. Dean Brown: The loan is not repaid by the company. The company repays the loan in the form of superannuation payments, which are prior to tax.

The Hon. HUGH HUDSON: In that case, my advice is that this is a deduction made prior to the payment of income tax. I will check the matter again. I do not want to delay the debate at this stage. The member for Mallee, in a useful speech, made a point clear. I do not want to give him the kiss of death, but he attempted to be reasonable. He made clear that the trustees of a superannuation fund often reinvest the 70 per cent remaining (after the 30 per cent has gone into Government loans or semi-government loans) back into the firm. That is the normal arrangement. So, the situation where the superannuation contributions are used to give the employees shares in a firm is not really putting those employees at a significantly greater risk than they would be where the money was reinvested in the firm, anyway.

Secondly, for those companies that do invest superannuation funds outside (apart from the 20-30 rule) there is no restriction on the risks taken with those investments. There have been investments made by superannuation funds that have seen better days. So, risk is associated with funds invested outside the 30 per cent statutory Commonwealth requirement for Government loans and semi-government loans. Those funds are often reinvested in the company. So, all this Bill does is attempt to widen the options. The Treasurer cannot guarantee a loan unless there has been a favourable recommendation from the Industries Development Committee, comprising a Treasury officer, two Opposition members, and two Government members. Government members do not have a majority on the committee, and I know of no instance (I stand to be corrected on this matter—there may have been a case where the Government and the Opposition ganged up on the Treasury officer) where the committee made a recommendation

against the Treasury officer's advice. There may have been discussions with him. Normally his views are fairly persuasive. That officer always approaches the workings of the Industries Development Committee in a forthright and independent fashion; that was my experience as a member of that committee.

Mr. Becker: You do not know what you are talking about.

The Hon. HUGH HUDSON: I have been a member of that committee, and I can only relate my own experience. Nevertheless, it would be a most unusual situation for a loan to be guaranteed over the determined opposition of both Opposition members on the Industries Development Committee.

Mr. Dean Brown: Do you agree that it has happened?

The Hon. HUGH HUDSON: I am not sure, The honourable member is the instant expert on everything. I am referring to my own knowledge of this matter. The Industries Development Committee is a well-established committee of this House which has worked well in the interests of the community for a long time. I do not believe that the fact that the committee has taken certain risks and that one or two of the loans guaranteed on its recommendation have not produced the desired results should be held against the committee. In establishing that committee and the principle of guaranteeing loans, it has always been understood that the clients of the committee and the Treasurer would be companies having difficulty in raising finance from any other source. That means that the committee, in making a favourable recommendation, is invariably taking a greater risk than any other lender was willing to take. As a matter of public policy, we have supported the taking of that greater risk. New section 14a provides:

(2) No guarantee referred to in subsection (1) of this section shall be given unless—

(*a*) the Committee has first inquired into the business or proposed business in connection with which the guarantee is to be given and has reported to the Treasurer that it is satisfied that the trustees are properly representative of the employees and that there are reasonable propects that—

(i) the business or proposed business will be profitable

(ii) the objects of the trust in relation to which the guarantee is proposed will be achieved; and

(iii) the arrangements made by the trustees to repay the loan will be carried out;

and

(*b*) the Treasurer is satisfied that the annual rate of interest payable on the loan in relation to which the guarantee is proposed to be given makes due allowance for the reduced risk carried by the creditor as a consequence of the guarantee.

There is the clear implication that the rate of interest is expected to be lower as a consequence of the guarantee and the reduced risk.

Mr. Dean Brown: Didn't you listen to the debate?

The Hon. HUGH HUDSON: An impression was created by the Opposition that this would increase interest rates, but we suggest the reverse is the case. I agree that there could conceivably be a situation where a company in dire difficulties came to the Government and said, "Let us do it this way, to get us out of our problems". But the company still has to satisfy the committee and the Treasurer. The more likely case is the kind of case that the member for Mallee enunciated and indicated that he would support; namely, the case where a parent company and the trustees of the employees' superannuation fund are getting together jointly to establish a new enterprise, a modified Kelso plan, as he indicated. The member for Mallee made clear that he supported that instance—

Mr. Mathwin: The Bill—

The Hon. HUGH HUDSON: —and I do not believe that members opposite should get anything from that just because the member for Mallee is honest and says what he believes instead of playing Party politics. He should be praised rather than condemned by a member who never gets out of the Party political sin bin. I do not believe that what the Government is putting forward this time carries the kind of risk that some members opposite have conjured up in their imagination. I believe that this measure can be supported to see how it works. It should be given an opportunity to work.

Mr. Dean Brown: What happened to David Shearer and South Australian Barytes?

The SPEAKER: Order!

The Hon. HUGH HUDSON: The member for Davenport always wishes to make many speeches; one on his own and one by interjecting against the other speaker. We always listen to the member for Davenport, and I suggest that he returns that courtesy.

Mr. Dean Brown: The Government guarantee had to be—

The Hon. HUGH HUDSON: That may be the case, but if the Industries Development Committee never took a genuine risk it would not be doing its job. If members could say that every guarantee that had ever been given always worked they could be satisfied that that committee, which is a creature of this House, had not been doing its job properly. I would always want the committee to be careful, because, clearly, we are using taxpayers' money and we cannot afford to take undue risks. However, where it is a question of supporting a degree of decentralisation I would be willing to take a greater risk than in relation to a project in the City of Adelaide. Where it is a project that creates employment in a town like Mannum, Mount Gambier, Port Pirie, or elsewhere in the State (and I name those three towns to instance cases where there have been difficulties), a greater than normal risk is justified. As far as the City of Adelaide is concerned, I would not wish that the greater risk be considered.

Mr. Gunn: What about—

Mr. Venning: What about the drought-stricken cockies?

The SPEAKER: Order!

The Hon. HUGH HUDSON: I am confident that whatever happens in this House the member for Eyre, who is interjecting out of his seat, and the member for Rocky River never bother to listen and even if they do it would never sink in.

Mr. Venning: I remember when you sat in the back bench.

The SPEAKER: Order!

The Hon. HUGH HUDSON: Fortunately I have never sat in the back bench there while the member for Rocky River has been there. I am grateful that members are supporting the Bill to the second reading stage and I hope that in Committee we can come to a reasonable agreement.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—"Other guarantees."

Mr. DEAN BROWN: I move:

Page 1, line 16—Leave out "to acquire" and insert "to create a prescribed trust fund to acquire".

My other amendments are as follows:

Page 1, line 23—After "that" insert "a prescribed trust fund will be created and that".

Page 2—After line 8, insert—

(2a) In this section a "prescribed trust fund PTF" means a trust fund which in the terms of the trust deed creating it—

(*a*) not more than 25 per centum of the share in any single enterprise may be held by the trustees thereof;

(*b*) not more than an aggregate of 15 per centum of the funds therein may be invested in or loaned to any one enterprise;

(*c*) any shares acquired out of moneys standing to the credit of the trust fund shall be ordinary shares carrying no special voting rights;

(*d*) shall be wound up and dissolved if any other trust fund providing for superannuation benefits for the employees of an enterprise is created or established in relation to the enterprise in respect of which the trust fund was established; and

(*e*) it is provided that appropriate financial statements shall be given to the beneficiaries or proposed beneficiaries of the trust fund.

My amendments will insert five reasonable conditions regarding the trust. In summing up the second reading debate the Minister made several pertinent points. Frankly, he said nothing new to the debate and most of the points he raised during the debate I had conceded during my speech. It was a shame that, as the Minister was in charge of the Bill, he did not show the courtesy of listening to the points put by the Opposition. The Minister made much of the point about when the Government gives a guarantee that a certain risk is involved. He admitted that the risks involved are possibly higher than normal risks and that was the reason why a company was forced to come to the Government to ask for a guarantee.

The CHAIRMAN: As the first amendment moved by the honourable member is a test amendment, I presume that the honourable member will speak to that and, if he so desires, he will speak to the others.

Mr. DEAN BROWN: The first amendment is a test amendment, but I am speaking to all the amendments now. The point I am making relates closely to the amendments, since there is a greater risk for a company that seeks a guarantee than there is for a normal company. That the company has come to the Government to seek a guarantee, indicates that a greater risk is involved, that the company is in financial difficulty and that it has come to the lender of the last resort in this State for that reason. I do not not dispute that. I do not decry the Government's giving a guarantee to such companies: it should. However, a greater risk is involved and superannuation funds should not be poured back into that company, because it is a risk. To do so would be foolish accounting practice. If the company involved was Broken Hill Proprietary Company Limited, it would be reasonable to invest the entire 70 per cent back into the company, but if it was David Shearer or South Australian Barytes it would be improper, knowing the company to be in financial trouble, to invest all 70 per cent.

Under standard accounting practice in Australia it would be regarded as dangerous to invest more than 15 per cent of those funds. That is why I have used 15 per cent in my amendment. That percentage was recommended by an expert accountant who audits many trust accounts for superannuation funds. He said, "Put your politics aside on this Bill because there are certain basic recommendations that I would have to make on professional grounds. One is that I could not see this Bill passed as it now stands because it would jeopardise the superannuation funds of employees with unnecessary risk." We have moved this amendment to prevent that risk.

Mr. Nankivell: It would be a breach of the position of trustee if the superannuation fund did allow a high percentage of the funds to be invested in a risk company.

Mr. DEAN BROWN: True. In this case, because the Premier has referred to trustees possibly being trade union officials (and that certainly applied in the second reading debate, and the Minister cannot deny it for a moment), a risk could be involved that they would not carry out their required functions as trustees but would consider their investment through other eyes. The first part of the second amendment provides that there should not be more than 25 per cent of the share capital owned by ESOT. The second part is that not more than 15 per cent of ESOT's total funds should be invested back into the company. We all concede that this is a company with a higher risk factor than a normal company and we must remember that 30 per cent of the company's funds are invested in Government or semi-governmental securities. The third part of the amendment provides that any shares owned by ESOT must be ordinary shares and that they have no preference over any other shares. That is necessary if ESOT is to act as an owner of shares and wishes to have an interest in the company. In that case it should stand in exactly the same position as every other shareholder. No-one could object to that. Fourthly, there should be only one trust, and the only reason for this provision is to prevent the company abusing the provisions we have set down by creating a series of superannuation trusts all for the one parent company, in order to get around the 15 per cent provision. Fifthly, there must be an annual financial statement sent to each employee outlining the current status of the fund, whether it has proceeded or retarded, and where the funds are invested.

I have included the fifth provision because a superannuation trust such as ESOT would be subject not to the Companies Act but to the Trustees Act, under which the trustee must present to the Commissioner of Taxation a financial return, but there is no obligation whatever for him to make a financial report to anyone. Obviously, if the fund is there for the benefit of employees, the least employees can expect is some sort of account as to how the trust is going financially.

The other benefit of that provision is that, except for the annual statement of accounts, until the employee retires he has no relationship with ESOT at all. That is one aspect about which I am concerned. For employees to benefit under this scheme they need an annual, if not a more frequent, association with the trust. As it is, the trust will be established, trustees will be appointed who will continue, and employees will not realise that the trust exists. It would be most unfortunate for employees in the company to not even know that they were shareholders in the company. They will not receive dividends and they will not receive financial accounts indicating the shareholding in the company, because such information will go to ESOT trustees.

The least one can expect is a financial statement to be made back to the company, and I hope the Government can accept this. If it does not, it will have really let down the financial security of employees, who will be hurt if these companies collapse. I could give classic examples of companies that have collapsed where a Government has

given a guarantee. I refer to David Shearer, South Australian Barytes, Rare Earth Corporation, and other companies. The list is long, and literally millions of dollars have been lost. We do not want employees also losing their superannuation funds through this scheme.

The Hon. HUGH HUDSON (Minister of Mines and Energy): I will reply only briefly. There is not much point in replying at great length, because the philosophy expounded by the member for Davenport is different from the view I take. First, in the area of Government guarantee some additional risk-taking is justified. There are situations in which everyone in our community gets into taking risks. For example, in times of war, if one is asked to capture a hill and one knows that risk is involved, does one ask the commanding officer what collateral he will offer if one captures the hill and returns alive? If the officer will not offer collateral, does one refuse to attack?

Many superannuation funds invest the entire 70 per cent of their funds, over and above the 30 per cent Government and semi-government provisions, in their own company. The honourable member's amendments seek to prevent an employer's reaching agreement with employees about a joint enterprise on a 50/50 basis. They seek to prevent, even where the agreement is entered into voluntarily and where the employer believes that in so doing it would assist the spirit of the company, the working relationship which applies within the company, and which would make that company a more productive enterprise.

We believe that an employer who wants to develop in that way should be permitted to do so, but the member for Davenport does not. All his conditions are basically aimed at preventing any 50/50 partnership between an employer and his employees. I refer to conditions in new paragraph (*a*), and new paragraph (*c*) which concern special voting rights so that one cannot get around the 25 per cent stipulation by having separate types of shares with different voting rights. The condition in paragraph (*d*) is designed so that there can be one trust only. Either one believes an employer should have this opportunity or one does not. The member for Davenport does not believe that and the Government does, and I guess that never the twain shall meet.

Mr. DEAN BROWN: The Minister gave the impression that ESOT was guaranteed by the Government—

The Hon. Hugh Hudson: No, I didn't.

Mr. DEAN BROWN: I got the impression that that was what he was implying—

The Hon. Hugh Hudson: I didn't say anything like that at all.

Mr. DEAN BROWN: The Minister implied that the risk could be taken because the Government was acting as guarantor. The Government is acting as guarantor for the outside lender when it lends funds to ESOT; it is not acting as guarantor for ESOT itself. Therefore, the funds in the superannuation scheme are not guaranteed as the Minister implied.

The Hon. Hugh Hudson: That's not true.

The CHAIRMAN: Order! The honourable Minister will have the opportunity to reply.

Mr. DEAN BROWN: If I misunderstood what the Minister was implying, I apologise.

The Hon. Hugh Hudson: For the third time you misunderstood.

Mr. DEAN BROWN: The member for Mallee also got that impression. There was no doubt in listening to the Minister that he tried to give that impression. For the information of members I point out that ESOT is not guaranteed by the Government and, therefore, the superannuation funds are not guaranteed.

The Committee divided on the amendment:

Ayes (20)—Messrs. Allison, Becker, Blacker, Boundy, Dean Brown (teller), Chapman, Coumbe, Eastick, Evans, Goldsworthy, Gunn, Mathwin, Nankivell, Rodda, Russack, Tonkin, Vandepeer, Venning, Wardle, and Wotton.

Noes (21)—Messrs. Abbott, Broomhill, and Max Brown, Mrs. Byrne, Messrs. Connelly, Corcoran, Duncan, Groth, Harrison, Hopgood, Hudson (teller), Keneally, McRae, Olson, Payne, Simmons, Slater, Virgo, Wells, Whitten, and Wright.

Pairs—Ayes—Messrs. Allen and Arnold. Noes—Messrs. Dunstan and Jennings.

Majority of 1 for the Noes.

Amendment thus negatived; clause passed.

Title passed.

The House divided on the third reading:

Ayes (21)—Messrs. Abbott, Broomhill, and Max Brown, Mrs. Byrne, Messrs. Corcoran, Duncan, Groth, Harrison, Hopgood, Hudson (teller), Keneally, Langley, McRae, Olson, Payne, Simmons, Slater, Virgo, Wells, Whitten, and Wright.

Noes (20)—Messrs. Allison, Becker, Blacker, Boundy, Dean Brown (teller), Chapman, Coumbe, Eastick, Evans, Goldsworthy, Gunn, Mathwin, Nankivell, Rodda, Russack, Tonkin, Vandepeer, Venning, Wardle, and Wotton.

Pairs—Ayes—Messrs. Dunstan and Jennings. Noes—Messrs. Allen and Arnold.

Majority of 1 for the Ayes.

Third reading thus carried.

Bill passed.

ADJOURNMENT

The Hon. HUGH HUDSON (Minister of Mines and Energy) moved:

That the House do now adjourn.

Mr. MATHWIN (Glenelg): I wish to bring to the attention of the House some matters regarding which I asked Questions on Notice today. The matter relates to inadequate public transport in this State, particularly in the areas surrounding the Flinders Medical Centre. I asked the Minister of Transport whether a feasibility study had been carried out on future bus services from the Flinders Medical Centre to Christies Beach, Port Noarlunga, O'Sullivan Beach, Reynella, Brighton, Marino, Glenelg, and Warradale. The answers were that no feasibility studies had been carried out and that it was not intended that there should be any. Another answer was that a bus service passed within 400 metres of the developed areas in metropolitan Adelaide. It is said that the bus passes within 400 metres of people at Christies Beach, Noarlunga, O'Sullivan Beach, Brighton, Marino, Glenelg, and Warradale to Flinders Medical Centre. What a ridiculous reason for the Minister to give for not providing a really suitable bus service! The Minister claims that he cares about people and that he is worried about the public transport situation. Further, he claims that he wants to get people accustomed to using public transport, yet people from Glenelg, Warradale, Brighton and Marino cannot get to Flinders Medical Centre without a great deal of trouble.

I point out that outpatients have to attend Flinders Medical Centre, as do those wishing to visit the patients

there. From Glenelg, Brighton and Marino it is possible to get to the Marion shopping centre, but it is impossible to get from the Marion shopping centre to Flinders Medical Centre without a great deal of trouble. The Minister provides a bus service for students to go to Flinders University. I suppose he would say that the sick, the infirm, and the aged ought to travel by bus to Flinders University and then walk between 400 m and 800 m to Flinders Medical Centre. What a situation to put before the people of this State! The Minister says that he provides a bus service because the buses pass within 400 m of the people's doors, but the buses do not go to Flinders Medical Centre; the people are left to make their own way there. I suppose the Minister does not care if the people have to hire a taxi. When I asked about the provision of a taxi service for people attending Flinders Medical Centre, I was told that up to now they had spent $8 720 in providing taxi services to get people to and from the hospital, and they had made 2 659 journeys. They can provide a taxi to take people to hospital, but they cannot provide a bus service to enable outpatients and visitors to go to the hospital.

This is a cold, hard fact that the cold, hard Minister refuses to face up to the great need of the people in my area of Glenelg and Warradale, the Brighton area, and Marion. Does the Minister expect people in Christies Beach, Port Noarlunga, O'Sullivan Beach and Reynella to get a taxi if they have not got their own transport? Is he saying that they should get the one bus that goes early in the morning, and that they should return late at night if they want to visit their loved ones in hospital? The Minister said that there was no need for a feasibility study. Evidently he is content with the present situation. When the training school was opened at Oakland Road, the Minister was told by one of his senior staff members that he was regarded as a great man in the State—a genius. Yet this Minister of genius could not provide a bus service for the people who are in Flinders Medical Centre. It is an absolute disgrace for the Minister of Transport.

Another Question on Notice that I asked related to the replacement of glass since July last in a certain institution. In that period it cost $7 303 to replace glass and $23 650 for repairs. On November 1, 1976, it cost $985 to replace glass and on November 3, 1976, it cost a further $700 to replace glass. On February 21, 1977, it cost $1 800 to repair damage. On March 24, 1977, it cost $850 to replace broken glass and the next day it cost another $500 to replace glass at this institution. This institution is costing taxpayers much money because of acts of vandalism. I wish that someone could find something better than glass to be used in this institution.

I ask the Government whether it believes as I do that it is about time that it abolished its idea of legislating for compulsory unionism in this State. I know that Government members like to refer to it as absolute preference to unionists, but that term means the same as compulsory unionism, whether members opposite are moderates or extreme leftists. All it means is that members opposite would force people to join a union with only one object in mind, to obtain more money for Labor Party funds. Money collected from trade union members by levy and sustentation fee goes into Labor Party funds. This is the way finance is obtained from the ordinary worker of this State for Party funds to enable it to fight—

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

The Hon. G. R. BROOMHILL (Henley Beach): The member for Glenelg has referred to questions that he had on notice and the replies that he had been given to those questions. I remind him and all members of the Opposition that, despite complaints that have been made recently about the number of questions that they have the time to ask in this Chamber, they are not limited as to the number of questions that they can put on notice. Today about 90 Questions no Notice were asked, involving considerable research by many public servants. Most of the questions seem to be questions that members dream up which contain no useful information and which are generally of no significance. I am most disturbed by the recent trend of Questions on Notice. When broken down, each question asks a series of additional questions so that, in total, about 500 questions were asked by members of the Opposition last week. First, Opposition members should not complain that they are not given opportunity to seek the information that they want. It has been established that they are given that opportunity, even if they do not get the opportunity to rise in this Chamber to do so. Secondly, and more importantly, if they restricted the sort of information they require from the Government, it would save a tremendous time-consuming job, as must have been required to obtain the replies to questions on last week's Notice Paper. It is an absolute scandal that honourable members ask questions of such a complex nature.

Mr. Coumbe: It's not a scandal at all. The Premier advocated it. The honourable member is speaking from the Government's side and, if he were in Opposition, he would take a different view.

The Hon. G. R. BROOMHILL: The honourable member does not offend to the same extent as some of his colleagues do and is therefore able to make that interjection. He does not have to defend himself. I would not include him in the criticism I have just made. However, if he looks at the matter he will see that some of his colleagues are not playing the game. However, that was not the major matter on which I wanted to speak this evening. The member for Glenelg highlighted my concern about Opposition members attacking the trade union movement generally in a programme that the Commonwealth Government is encouraging them to undertake.

In recent weeks we have had a situation of record unemployment, of inflation, despite the promises with which the people were fooled before the last Commonwealth election, so that the Government even admits the rate will be greater than 20 per cent this year and, as a result, much union-bashing has taken place. The reason for this is that State Liberal Party members are feeling the pressure of the community concerning the poor results obtained by the Commonwealth Government and they are attempting to take attention away from such inactivity by attempting to create another issue to take the community's mind off the maladministration of their colleagues.

Honourable members opposite can say that I am pushing a political point of view and that my view is not widely held in the community. Therefore, I refer them to two articles in the *Nation Review* (April 7-13, 1977). The first article is written by Don Chipp, whom members opposite might not like to listen to at this time, but at least they cannot deny that, as a former Chairman, Government Members Back-Bench Committee on Employment and Industrial Relations, he would know what was going on in the Government's mind and, under the banner "Union Bashing", the following article contains interesting points in painting a future scenario. It states:

That scenario is a confrontation between the Government and a section of the trade union movement—or worse still the united trade union movement. Few people realise the possible, probable harm.

The article continues:

Preceding events have been: the breach of the 1975 promise to continue full wage indexation; the amendment of section 45 of the trade practices Bill outlawing secondary boycotts by strike action punishable by heavy fines to both trade union organisations and trade union officers; the introduction and passage of the industrial relations bureau legislation setting up a mutual "police force" to ensure law and order in the relationship between trade unions and employers; the continued reduction in real wages and the erosion of margins for skill; plus the dismantling of the trade union training authority. At this stage, I will not question the merit or lack of merit of these changes in our industrial relations system. I simply make the point that to trade unionists they will be seen to be unduly provocative at this time.

He goes on to say that, in his view, the Government is acting in a way that he finds completely impossible to follow and that there have been no consultations between employer groups. The report continues:

As a former chairman of the government members employment and industrial relations backbench committee I have had bad vibes about the government's proposed actions—particularly the introduction of the industrial relations bureau at this time. I am not saying that a great number of the government's motivations and provisions are not desirable. What I am questioning is its timing and the abysmal lack of consultation. I have spoken to many employer organisations and I am yet to find one who wants the legislation at this time. I have spoken to dozens of small and medium-size businessmen who, to say the least, are extremely apprehensive about the effect of future industrial trouble on their profitability and survival.

He concludes by saying:

If one is looking thoughtfully for a sensible reason as to the intentions of the Government in pressing ahead with this series of moves at this time it's hard to justify the massive risk involved against the possible doubtful benefits. If one was to become cynical of the intention one might even be permitted to conclude that some people might think it would be a beautiful issue for an early election. Whether one is thoughtful or cynical, the overriding question must remain: "Why now?"

I can only suggest that the community discussions on the proposal by the Federal Liberal Government to introduce its Industrial Relations Bill are generally seen as a screen to cover up for the kinds of problem it is encountering, and its attempts at union bashing and the talk of strikes (the member for Glenelg all day today, it seemed to me, had been given his instructions on the lines to follow) are efforts to take attention from the Federal Government's mismanagement. I conclude by once again commending a report on union bashing by an economist (Mr. Evan Jones, lecturer in economics, University of Sydney), who also makes the point that the Government is trying to look for issues for confrontation with the trade union movement. The report states:

An ANU academic interprets the Morgan poll results as due to the increase in working days lost by the mid 70's, an average of five million a year. This sounds like a lot of working days. In fact, it amounts to about three working days per worker employed by establishments subject to strike, or just over one per cent of potential work time.

The writer goes on to say that almost 5 per cent of work time is lost by absences for every person employed throughout Australia. He draws attention to discrepancies and to the fact that the whole emphasis on strikes, lost time, and the effect on the community is grossly exaggerated. I commend these two reports to members, because they show clearly that what I have been saying is correct.

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

Mr. BECKER (Hanson): I immediately rebut the remarks of the previous speaker, as far as Questions on Notice are concerned. I take great offence at the statement the Premier made last week that the Government will hold up replies to Questions on Notice, and at the remarks made by the member for Henley Beach.

Mr. Whitten: You keep asking them.

Mr. BECKER: I shall continue to put Questions on Notice, because I believe it to be my democratic right on behalf of this State's taxpayers to ascertain information on what the Government is doing with their money.

Mr. Whitten: You're wasting the taxpayers' money.

Mr. BECKER: I am not, because I think I can prove that taxpayers' money has been and is being wasted by the Government. Government members who interject, who contribute nothing to the debate in this place, and who do not put forward any constructive ideas or suggestions to the Government are the ones who are wasting the taxpayers' money. I challenge anyone to deny me the right to ask questions and to ascertain what the Government is doing with the taxpayers' money. Members have been told time and time again that the present Government supports open government. Although we have heard much about this in the early 1970's, we have seen very little of it practised. I have said previously in the House, and I say again, that there are certain Government departments to whose officers I am not permitted to speak. I refer to the Local Government Office and the Minister of Transport's department. No-one, particularly in the Highways Department, is game to speak to me or to answer questions and, if one does ask questions, those involved merely say, "For goodness sake do not quote your source of information. Try not to disclose where you got it from, because they will pin it back on me and I will be in trouble."

I can point to allegations that were made to certain Opposition members late last year when asking questions about operations in the Tourist Bureau, which comes under the Sport and Recreation Department. Opposition members believe they can prove that in some departments certain things have been going on that cannot stand up to close public scrutiny. The only way in which we can get this information is to ask pertinent questions, and those questions will hurt. However, I will keep asking questions, even if it is the last thing that I do on this earth. I know that I will not always be, and have not been in the past, told the truth. I have been told that certain Ministers, when overseas, have wasted public money, and that the spending that is going on in some Government departments at present cannot stand close scrutiny.

There is not one Minister who could stand up in this House and say that he is totally clear. I do not believe there is a Minister in this Government who is competent and capable of administering the financial affairs of his department. Few of them have had the practical business experience to enable them to understand or realise what is happening beneath them. I do not believe that Ministers of this Government are sufficiently dedicated or concerned to know (I do not care who wants to criticise me for saying this) what their public servants are doing. Certain people are pulling the wool over their eyes because the Ministers are not paying close attention to what is happening. I give credit to one Minister, the Minister who is now in the Chamber (I refer to the Minister for the Environment), because he is sufficiently conscientious to be at his office every day, as far as I know, and he would put in almost eight hours a day there. That is unusual for some of our Government Ministers, who spend more time on the golf course than they do anywhere else.

After all, if someone is elected as a member of this Parliament and appointed a Minister, he should surely take enough interest in the running of his department. However,

I know, and it can be proved, that the Minister for the Environment is one of those Ministers who is careful and considerate when it comes to the administration of his department, and that is a credit to him. At least he has had some commercial background training and professional experience in that respect. That Minister would be careful to watch the dockets in his department, although I cannot say the same for other Ministers. If the member for Henley Beach wants to challenge my right to ask certain questions that I have on the Notice Paper this week, he should look at those relating to Marineland. Let us examine the reply that I received to them. How is this reply for an absolute scandal:

The answer to the five questions relating to Marineland required considerable research, and it was not practicable to answer them because the small staff employed at the West Beach Trust were fully occupied in making the necessary arrangements for the utilisation of all facilities, including Marineland, at the West Beach reserve over the Easter holiday period.

It is further pointed out that the staff are currently working under considerable difficulty because of the absence of the General Manager, who is on sick leave following a serious illness. The answer to the questions will be submitted as soon as possible.

I say "bunkum" to that reply, because this is the best way that the Minister can disguise what he knows has not been able to stand close scrutiny at the West Beach Trust for the past five years. It is the Minister's administration and interference at Marineland that will cause problems—if we could only get at the truth! Allegations have been made about certain happenings at Marineland and, if we could get the truth, the Government could call for the resignation of the Minister, but we will never get the truth. It is the same with other Ministers, but up to now they have been able to cover up many things that have been occurring.

This is the role of the Opposition, and I can imagine what members on the other side would be doing if we were in Government trying to do what they are doing. Perhaps we would not be game enough to try. The Government has got away with it unchallenged for so long, but it is being probed, and at last the Opposition is united and working well. The Government is being given some hurry up by the Opposition, and it is time that this happened. Government members do not believe me, because they do not understand, and do not believe that Liberals are willing to work just as hard as they do if not harder. The Liberals know that, if we want to get into Government, we have to work harder than our opponents and, if we have to work 12 or 14 hours a day, we will do so. We will continue to ask Questions on Notice and try to obtain information, and will keep probing.

During the most recent election campaign I was criticised for a Question on Notice in relation to the quantity of aspirin being consumed at high schools. The Labor Party people at the Glenelg Town Hall laughed because they were advocating the legalising of marihuana. That question was asked at the request of a high school headmistress, because she was concerned that every morning students presented themselves and demanded two or three aspirins before school began. She said that during a week a large quantity of aspirins was consumed at that school and, if this situation were compounded at all high schools, it would create many problems. What are the students suffering from to require so many aspirins before school starts? No-one need be a qualified medical practitioner to understand that the continual heavy dosage of aspirin would have an effect on the bodies of those 13, 14 or 15 year old students. What sort of problems and stresses are being caused to these students?

It was a logical question to ascertain whether the Government was concerned about what happened to teenagers, but the Minister was not interested in consulting the high schools to ascertain what was happening, because the Government has no interest in the health of high school students. What is it interested in? Does it want an easy ride from election to election, and not be challenged on any subject? What sort of Government have we got, and what future can young people look forward to, if this is the attitude of the present Government? We will challenge it and keep challenging it, and we want the House to sit week after week and not have three, four, or five months holiday, as we have had up to now. What happened 10 years ago is history, and we are concerned with what is happening today and with the present economic situation.

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

Motion carried.

At 10.30 p.m. the House adjourned until Wednesday, April 13, at 2 p.m.