

HOUSE OF ASSEMBLY

Thursday 21 September 1978

The **SPEAKER (Hon. G. R. Langley)** took the Chair at 2 p.m. and read prayers.

ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following Bills:

Barley Marketing Act Amendment,
Electrical Workers and Contractors Licensing Act Amendment,
Renmark Irrigation Trust Act Amendment,
Savings Bank of South Australia Act Amendment,
State Bank Act Amendment.

PETITIONS: PORNOGRAPHY

The **Hon. J. D. CORCORAN** presented a petition signed by 132 electors of South Australia praying that the House would pass legislation to provide for Ministerial responsibility adequately to control pornographic material.

The **Hon. G. T. VIRGO** presented a similar petition signed by 505 electors of South Australia.

The **Hon. R. G. PAYNE** presented a similar petition signed by 104 electors of South Australia.

Mr. HEMMINGS presented a similar petition signed by 20 electors of South Australia.

Mr. GROOM presented a similar petition signed by 140 electors of South Australia.

Mr. MILLHOUSE presented a similar petition signed by 122 electors of South Australia.

Mr. WOTTON presented a similar petition signed by 183 electors of South Australia.

Mr. DRURY presented a similar petition signed by 261 electors of South Australia.

Mrs. ADAMSON presented a similar petition signed by 40 electors of South Australia.

Mr. HARRISON presented a similar petition signed by 123 electors of South Australia.

Mr. DEAN BROWN presented a similar petition signed by 77 electors of South Australia.

Mr. SLATER presented a similar petition signed by 94 electors of South Australia.

Mr. TONKIN presented a similar petition signed by 284 electors of South Australia.

Mr. GUNN presented a similar petition signed by 33 electors of South Australia.

Petitions received.

PETITIONS: VIOLENT OFFENCES

The **Hon. HUGH HUDSON** presented a petition signed by 82 residents of South Australia praying that the House would support proposed amendments to the Criminal Law Consolidation Act to increase maximum penalties for violent offences.

Mr. MAX BROWN presented a similar petition signed by 208 residents of South Australia.

Mr. RODDA presented a similar petition signed by 534 residents of South Australia.

Mr. MATHWIN presented a similar petition signed by 152 residents of South Australia.

Mrs. ADAMSON presented a similar petition signed by

34 residents of South Australia.

Mr. RUSSACK presented a similar petition signed by 95 residents of South Australia.

Petitions received.

PETITION: VOLUNTARY WORKERS

Mr. TONKIN presented a petition signed by 181 residents of South Australia praying that the House would urge the Government to take action to protect and preserve the status of voluntary workers in the community.

Petition received.

PETITION: UNION HOTEL

The **Hon. J. D. WRIGHT** presented a petition signed by 4 245 electors of South Australia praying that the House would urge the Government to take all steps necessary to prevent the demolition of the Union Hotel in Waymouth Street and to assist with a full restoration of its facade.

Petition received.

PETITION: SUCCESSION DUTIES

Mr. HARRISON presented a petition signed by 33 residents of South Australia praying that the House would urge the Government to amend the Succession Duties Act so that the position of blood relations sharing a family property enjoyed at least the same benefits as those available to other recognised relationships.

Petition received.

MOTION FOR ADJOURNMENT: CITRUS INDUSTRY

The **SPEAKER**: I have received the following letter from the honourable member for Chaffey:

I desire to inform you that this day it is my intention, on behalf of the Opposition, to move:

That this House at its rising adjourn until 1 p.m. tomorrow, for the purpose of discussing a matter of urgency, namely, that the South Australian Government's action in recommending lowering of the present tariff protection afforded the citrus industry, confirmed by the Premier in this House yesterday, threatens to destroy the citrus industry in South Australia, and should immediately be revised to support the recommendations to the Australian Citrus Growers Federation.

I call upon those members who support the proposed motion to rise in their places.

Several members having risen:

Mr. ARNOLD (Chaffey): I move:

That this House at its rising adjourn until tomorrow at 1 o'clock,

for the purpose of discussing a matter of urgency, namely, that the South Australian Government's action in recommending lowering of the present tariff protection afforded the citrus industry, confirmed by the Premier in this House yesterday, threatens to destroy the citrus industry in South Australia, and should immediately be revised to support the recommendations of the Australian Citrus Growers Federation.

It became patently obvious from the time that I asked a question about a month ago of the Deputy Premier, and a similar question again last Tuesday, that Cabinet knew nothing of the submission made to the Industries

Assistance Commission on behalf of the State Government. It became obvious that the Minister of Agriculture had taken this action off his own bat, without the knowledge of Cabinet. The reply that the Premier gave in the House yesterday indicated that, since the Minister of Agriculture had taken that action, the Premier intended standing behind him, in preference to the citrus industry. The first point the Premier made in his reply yesterday was as follows:

The honourable member has been selective in his quoting the South Australian Government's submission . . . There was absolutely nothing selective in that. I quoted the precise wording of the recommendations of the South Australian Government to the I.A.C. I now repeat those words, direct from the submission made by the Government to the commission, as follows:

The South Australian Government recommends:

- (i) that the major form of protection to the citrus industry be tariffs;
- (ii) that the level of assistance to the orange sector be a tariff of either 6c per single strength litre of orange juice or 25 per cent *ad valorem*, whichever is the higher.

The Premier's claim that I was selective in my quoting from the Government submission is not valid.

The Premier's second point was that there had been considerable consultation between the industry and the Agriculture and Fisheries Department. However, before this submission was made to I.A.C., there was no consultation between the Government and the industry. The first the industry knew of the Government submission was when it was presented to the inquiry at Berri last year. That is clearly borne out and supported by a letter which was written by the Chairman of the Citrus Organisation Committee of South Australia, dated 31 July 1978, to the Commonwealth Minister for Primary Industry, and which states:

Dear Mr. Sinclair,

SOUTH AUSTRALIAN GOVERNMENT 2nd SUBMISSION to I.A.C.—PRESENTED BERRI—5-6 OCTOBER 1977

On 12 June a deputation from this statutory citrus organization, Murray Citrus Growers Association and a representative each from co-operative and private processors met with the South Australian Minister of Agriculture and Fisheries, Hon. B. G. Chatterton, to register strong disagreement of the contents of the above submission. Unlike the Victorian Government submission, South Australia prepared their case without reference or discussion with the growers or allied industry personnel of this State. The Premier's claim that there had been considerable consultation between the Government and the industry is completely nullified by the statement made by the Chairman of C.O.C. The letter continues:

The deputation sought to persuade the Minister that the tenor of his Government's submission spelt complete disaster to the citrus industry throughout Australia. It was clearly demonstrated to him that the industry of this State were wholeheartedly and unanimously behind the submission by the Australian Citrus Growers Federation calling for nothing less than the establishment by your Government of a Tariff Quota System on imports of citrus juice concentrates.

We had understood Mr. Chatterton had acceded to the request of the deputation to immediately advise you that his Government now supported the concept of tariff quota control. Members of the deputation are now sorely disappointed and amazed to learn that his letter to you of 22 June did not contain any reference to quantitative control but merely made the suggestion of raising the matter at Agricultural Council. Mr. Minister, there may be some merit in the suggestion, but we are of the opinion that this

approach would be too late to assist your Government to arrive at a conclusion. In view of this we urgently advise you that the citrus growers and allied industry operators and affiliations of South Australia completely and strongly support the A.C.G.F. submission for a tariff quota system for citrus juice imports. We appeal to your Government to implement the proposal for the well being of all concerned in the citrus industry and the consumers of the product thereof.

That deals with the second point raised by the Premier.

The third point raised by the Premier was that there were already signs of considerable expansion in citrus planting. This is quite untrue. There are no indications of considerable expansion of the plantings of citrus. In fact, replantings are barely keeping pace with the removal of old plantings. That statement is completely untrue. In fact, there is an industry short-fall in production in Australia of between 15 and 20 per cent, which represents current imports of juice concentrates into Australia.

It is interesting to note that the South Australian Government is currently spending millions of dollars in the Riverland rehabilitating irrigation systems while, at the same time, urging action that will assist foreign countries to place their products on the Australian market in preference to the product we can produce in this State. At the moment, there is between 15 and 20 per cent short-fall in our production of this product. The Premier then said:

The South Australian Government also has to be consistent in its views before the commission, where it has urged for moderate levels of protection in other industries.

The Government's recommendations, put forward in its submission to the I.A.C., would result in a return to growers of about \$60 a tonne. The Bureau of Agricultural Economics calculates the cost of production in Australia at \$100 a tonne. Evidently the State Government is quite happy to see the industry in Australia run at a loss of \$40 a tonne.

Economists in the Agriculture Department accept that, if the South Australian Government's recommendations are accepted, it will mean a reduction in citrus plantings in Australia, despite the 15 to 20 per cent short-fall in production of citrus in this country. We are not over-producing citrus in this State or country; we are a long way short of that. There is an opportunity, if the industry remains stable, for South Australia to take advantage of the short-fall, and that would be of immense help to the Riverland area where alternative crops must be cultivated. I refer briefly to the Australian Citrus Growers Federation submission to the I.A.C. and more recently to the Commonwealth Minister for Primary Industry. Paragraph 2 of the submission, under the heading "Tariffs and Citrus Juices", states:

We completely reject the draft recommendation that citrus juices falling within item 20.07 of the customs tariff be dutiable at 20 per cent. This level of *ad valorem* tariff would not be adequate to maintain a viable Australian citrus industry.

To illustrate the reasons for our concern, reliable information received from Florida indicates it can be reasonably assumed that orange juice will be freely available from Brazil towards the end of 1978 and during 1979 at an f.o.b. price ranging between 12c and 14c a litre (Australian currency). Imports of orange juice cleared for home consumption during the 11 months ended 31 May 1978 have totalled 5.1 million litres at an average f.o.b. value of 20.3c a litre.

This represents a reduction from the peak values which applied during the early part of the 1977-78 financial year and conforms with predictions by industry and the B.A.E. that the world supply/demand situation would return to a more normal basis by 1979. At an import f.o.b. value of 13c a litre

and based on generally accepted processing costs of 8c a litre, sundry import costs of 3c a litre, a juice recovery rate for Valencia oranges of 455 litres to the tonne, and an *ad valorem* tariff of 20 per cent, the equated return to the grower would only be \$48.23 a tonne.

Surely the Government is not serious when it expects the citrus industry in Australia, and particularly in South Australia, to operate at that level. A country such as Brazil has a daily wage of about \$3 and probably no workmen's compensation legislation or other legislation of that type that adds to the cost of production in Australia, yet the Premier has said the industry in Australia must become more competitive. How on earth can the industry become more competitive on that basis?

On Tuesday, I spelt out clearly to the House that the South Australian Government is in general agreement with the draft recommendations of the I.A.C. report, and I refer to the letter dated 4 May 1978, which states:

The South Australian Government is in general agreement with the Industries Assistance Commission draft recommendations for long-term assistance to the citrus industry. The level of tariff protection is comparable with that recommended by the South Australian Government in its submission.

From the Australian Citrus Growers Federation, we can see what the industry thinks of the recommendations of the draft report of the I.A.C. For all intents and purposes, the State Government supports those recommendations. There is no future for the citrus industry in Australia if the Federal Government accepts the recommendations of the South Australian Government on this subject.

I only hope that the Premier will reconsider the position he adopted yesterday in endeavouring to protect the Minister of Agriculture and, instead of turning his back on the citrus industry, will look at the reality of the position and make a stand to support a major industry in South Australia, rather than protect the follies of one of his Ministers.

Mr. Gunn: He followed his instructions.

The SPEAKER: Order! The honourable member for Eyre is out of order. The honourable member for Chaffey was heard in silence.

The Hon. D. A. DUNSTAN (Premier and Treasurer): The South Australian Government has presented two major submissions to the Industries Assistance Commission's Inquiry into the Australian Citrus Industry. The first was on 16 November 1976 and the second was in Berri on 5 October 1977. Subsequent to the release of the draft report of the I.A.C., at the request of the I.A.C. the South Australian Government commented briefly in a letter on 4 May on the contents of a draft report. All three of those documents were presented to the industry inquiry screening committee of this State. Subsequent to the letter of 4 May two formal meetings were held between industry representatives and relevant departmental officers.

First, there was a deputation of members of the Citrus Organisation Committee, the Murray Citrus Growers Association and citrus processors, and they met with the Minister of Agriculture and the convenor of the Riverland Marketing Study Group who were responsible for the co-ordination of the submissions. Secondly, a public meeting was held in Berri on 29 August and attended by members of the River Murray Citrus Growers, the representatives of C.O.C. and the M.C.G.A., and interested individuals.

At this meeting, there was an open exchange of views on the contents of both the I.A.C. draft report and the South Australian Government's submission. No consensus was reached at that time. The major thrust of both the South Australian Government's submission and the I.A.C. draft

report concerns the efficiency of resource allocations. By recommending a lower level of assistance than that presently applicable, it was argued that the resources will be better employed, both within the citrus industry and between the citrus industry and other industries.

There is a problem as to the level of protection against imports in determining income levels of citrus producers, and this is compounded by regional concentration of growers but, because the distribution of growers' household incomes and production costs is diverse, it is difficult to implement a level of protection against imports which would ensure an adequate income for all producers. However, the submissions were based on a long-term approach and, given the long-term approach of I.A.C., the maximum protection for South Australian industry which it was thought would be obtainable was sought.

In the submission made by South Australia, there were to be two basic components in the tariff. The first component should be a specific duty of 6c a litre of single-strength orange juice, and the second component an *ad valorem* duty of 25 per cent. The higher rate would apply to imports of orange juice and it was also to be adjusted for inflation. Therefore, if the import price was below 24c a litre, the specific duty would be at a higher rate. Alternatively, if the price was above 24c, the *ad valorem* duty would be higher. About 7 per cent of the items of the tariff were subject to duties of this type. The two-component tariff was recommended because it initially provides a high level of protection to the orange sector which would gradually be reduced by the effects of inflation on the specific component.

I was yesterday presented with information concerning this matter, as a result of which I gave a reply to the honourable member. I have today been presented with some further information on this topic that gives me further cause for concern.

Members interjecting:

The SPEAKER: Order! The honourable member for Chaffey was heard in silence.

The Hon. D. A. DUNSTAN: It does give me cause for concern. The information which I received today, in addition to that I received yesterday, gives me cause for concern about the result in economics to some growers in the Riverland. The Government, as the honourable member for Chaffey has said, has spent many millions of dollars in assisting industry in the Riverland and in endeavouring to maintain the viability of growers. I in no way blame the member for Chaffey for raising this matter in the House today. It is rightly a matter of concern to his constituents and it should be a matter of concern to all members.

Dr. Eastick interjecting:

The SPEAKER: Order! The honourable member is out of order. The honourable member for Chaffey was heard in silence.

The Hon. D. A. DUNSTAN: I can assure the member for Chaffey that, as a result of his raising the matter, I shall further investigate it. I will, as a result of that investigation, not necessarily stand on the answer which I gave to him in the House yesterday. I am satisfied that it is a matter of concern and a matter of urgency, and I believe it is one that should be taken further by the South Australian Government. I am perfectly in accord with his raising the matter in the House today as a matter of urgency.

Mr. TONKIN (Leader of the Opposition): I was fascinated to hear what the Premier has had to say. He spent some time in replying to the member for Chaffey, giving a history of what had occurred beforehand. He said

that the South Australian Government had responded to a request from the I.A.C., and he totally ignored the recommendations that were made by the South Australian submission. He says that he was given information yesterday that led him to give to the member for Chaffey an answer with which he is apparently not satisfied today. All I can say is that, if he was given that information, whence did he get it; was it from the Minister? It is equally obvious that, although the Premier now believes that this is an important matter, other Government members are not particularly interested, judged by their attendance.

The SPEAKER: Order! The honourable Leader is out of order. I hope that he will stick to what is in the motion before the Chair.

Mr. TONKIN: It is with great pleasure that I support the member for Chaffey in what he has done. He certainly deserves the praise of everyone, not only in his own district but throughout the State, for bringing forward in the Parliament as a matter of urgency an action that will strike, if it is not changed, a second blow at the wellbeing of the people of the Riverland. I believe that the Agriculture and Fisheries Department should be declared a disaster area and given State relief as soon as possible. The kind of State relief I have in mind will not be expensive; it will not cost the Government any money. All it has to do is to remove the present Minister from his portfolio. That is all the relief the department needs.

Members interjecting:

The SPEAKER: Order! If I hear any more interjections, I will call honourable members to order. I have said three times that the honourable member for Chaffey was heard in silence, and I hope that honourable members do not interject.

Mr. TONKIN: I make clear that, in saying that, I have no quarrel with members of the staff of the Agriculture and Fisheries Department. Ministerial direction is lacking and is causing the department to become a disaster area. We have now reached the latest catastrophe, because that is what it is. It is one thing for the Premier to say that he will have a look at it as a result of the activities undertaken by the member for Chaffey, but it is an entirely different thing to realise that the Federal Government has to decide by the 30th of this month the action it will take. At present, the attitude that has been expressed by the South Australian Government is that the level of protection should be reduced from 65 per cent to 25 per cent, and there is no gainsaying that. This debacle is the latest in a procession of statements and exercises that have thoroughly embarrassed the Government ever since the present Minister was appointed to that portfolio. One need only recall his statement on collective farming—that Utopian situation, according to the Minister.

The SPEAKER: Order! I hope that the honourable Leader will stick to the motion, which concerns the citrus industry.

Mr. TONKIN: Yes, indeed I am; I am dealing with a motion that refers to actions taken by this Government, under the aegis of the Minister of Agriculture, which have led to the most alarming and disgraceful situation. This is what we have come to expect from him. His attitudes on fishing licences and live sheep—

The SPEAKER: Order! There is nothing in the motion about fishing licences. If the honourable Leader does not stick to the motion before the Chair, I will have to take the necessary action.

Mr. TONKIN: —have now been followed by this debacle on citrus. There is no gainsaying the fact that what has been done is totally against the best interests of everyone, not only in the citrus industry but in the State as

a whole. The Minister himself appears approachable to people who see him on deputations and, as the Premier has pointed out, he twice saw deputations from the citrus industry.

He seems to listen and to understand, but then he does what he seems to want to do and what the Government wants him to do. Nothing that the Premier has said today has made clear whether or not the Government knew what the Minister of Agriculture had done in this instance. It seems clear to me that the Premier and his colleagues had no knowledge of this matter when questions were asked by the member for Chaffey. If that is the case, the Minister is failing his Ministerial responsibility and deserves to be dismissed from his portfolio.

Members will well recall the situation not so many years ago when citrus was left rotting in heaps on the ground because of a lack of markets and because it could not be sold. The difficulties of the industry then for South Australia, as the major citrus-producing State, were enormous. When the I.A.C. inquiry was commenced, the South Australian Government presented a submission, as the Premier says, in November 1976, and a supplementary submission in October 1977. The Government recommended clearly that there should be a cut in the existing tariff protection from 65 per cent to 25 per cent.

That was done without any consultation with the growers. Whatever the Premier says, the industry was not consulted at any stage before that submission was made. This afternoon the Premier has made it sound as though there were two deputations and two consultations before the submission was made. There was no consultation with the growers before the submission was made. Those meetings took place after, when it was far too late to influence what the Minister had done. There is no doubt at all about the recommendations. The Premier can try to defend his Minister as hard as he likes, but there they are in black and white and no-one can gainsay them.

The recommendation was that the level of assistance to the orange sector be a tariff of either 6c per single strength litre of orange juice or 25 per cent *ad valorem*, whichever is the higher, and that similar levels of assistance should be granted to the grapefruit and lemon sectors. That is part of the submission put forward by the South Australian Government.

Having met with the deputations and discussed this matter with the citrus industry, the Minister, on 22 June, wrote a letter to say that the South Australian Government was in general agreement with the I.A.C. recommendations. In other words, he was in general agreement that the tariff protection should be brought down to 20 per cent. That is what he is saying. His letter really means that he supports the lowering of tariff protection for the citrus industry to at least 25 per cent. That is what the letter of 4 May really means. He does not seem to mind what effect this will have on the citrus industry in South Australia or what the long-term or short-term effect will be on the economy of South Australia.

I repeat that the Premier may try to defend his Minister, but he cannot succeed in that. In his statement this afternoon, the Premier has shown clearly that the answers that he was given yesterday, and presumably they came from the Minister or his department (and therefore, the Minister is responsible), were not accurate and now give him cause for concern. Had I known that that was the answer that the Premier would give today, we would not be debating an urgency motion now: he would be debating a motion of no confidence in the Minister, a motion that has been tacitly supported this afternoon by the Premier's remarks and the admissions that he has made. Never have I heard a more damning indictment of a Minister by his

own Premier than that made by the Premier this afternoon.

The member for Chaffey was attacked not viciously and not harshly in the Premier's reply to his question, but he was nevertheless attacked by some of the Premier's comments. He said that the honourable member had been selective in quoting the South Australian Government submissions. It is quite clear that he was not. He quoted the recommendations as they stood. The Premier said that there had been considerable consultation between the industry and the department.

We have learnt quite clearly that there was no such close consultation—not before the submission was made. He said that there were already signs of a considerable expansion in citrus plantings. This was not true, as the member for Chaffey has pointed out. New plantings are only just keeping pace with the wastage of old plantings that are being removed. Further, it is not backed up by paragraph 5 of the Government's submission, which points out that there is not an increase in plantings. There are certainly no signs of considerable expansion in citrus plantings. And so it goes on.

It seems to me that this matter deserves the most serious consideration of this Parliament. The bulk of citrus juice used in Australia will come from overseas if this recommendation is acted upon. If that happens, the fresh fruit market will not be able to cope with the increase. The juice market will be severely undercut, mounds of rotting citrus fruit will be seen in the Riverland again, and the people of the Riverland will be in diabolical trouble.

The South Australian Government has joined the Opposition in standing up for the brandy industry since the Federal increase in excise has affected the Riverland. It has taken action in this way by supporting submissions to the Federal Government, yet in this matter it has not. I hope that the guarantee I have received in this matter, that the brandy excise will be referred back to Cabinet for further action, will be observed. In the citrus industry matter the State Government has gone directly against the interest of the growers. It has said that it supports the brandy industry, yet it is turning its back on the citrus industry by recommending a measure that will result in the destruction of the industry in South Australia.

South Australia cannot afford to lose this industry, either for the sake of the people of the Riverland or for the sake of the State's economy. Only eight days are left for the Federal Government to make up its mind. The Premier has not indicated what action he intends to take. He has said he is disturbed and he intends to do something, but time is rapidly running out. When will Cabinet meet? Will it have to meet? Will a special meeting of State Cabinet be called to reconsider this situation, which has obviously been taken unilaterally by one Minister? What is the situation?

I congratulate the Premier for admitting that the situation is far from satisfactory. That is one of the best and biggest things he has ever done in this House in the considerable time I have been here. What is he going to do that is positive to make certain that the Federal Government gets the message, and gets it loud and clear? The Opposition will be doing what it can, but it will be useless unless the State Government revises the firm recommendation, which has been with the I.A.C. all this time, that there should be a cut in tariff protection.

This motion deserves the support of the Government. We must change what is an absolutely disgraceful situation. It is a situation which previously I would have said demonstrates a complete lack of concern on the Government's part for a major Riverland industry. I trust that we will see some sort of action. If we do, it will be

entirely to the credit of the member for Chaffey, who has assiduously stood up for the growers of the Riverland. It is a thoroughly good thing that they have a member of his calibre representing them. Regardless of what happens and what is done, the State Government must review its situation, contact the Federal Government urgently, and put the growers' case to the Federal Government as strongly as possible.

QUESTION TIME

CITRUS INDUSTRY

Mr. EVANS: Can the Premier say what other detail he has, apart from that given in a reply to a question asked recently, about the citrus industry, and where that information came from?

The Hon. D. A. DUNSTAN: The information came this morning from my research assistant, from the department's officer in the Riverland, and from the Minister himself. It was a series of verbal communications to me.

INCENTIVE SCHEME

Mr. OLSON: In the temporary absence of the Deputy Premier, can the Premier explain the new incentive scheme to benefit South Australian industry and to attract new investment to this State? I understand that the South Australian Government will make substantial cash payments or, alternatively, provide long-term interest free loans three months after operations commence for industries that wish to expand significantly and the income of which is derived mainly from outside South Australia.

The Hon. D. A. DUNSTAN: I will get a report from my colleague.

CITRUS INDUSTRY

Mr. TONKIN: Can the Premier say what specific action he now intends to take on two matters: first, the situation of the Minister of Agriculture and Fisheries in the light of his recent statements on the citrus industry, and secondly, on conveying to the Federal Government the strong view of the South Australian Government and people that the citrus industry should be assisted and protected in every way? The Minister of Agriculture and Fisheries has apparently given information to the Premier upon which he based an answer with which the Premier is no longer satisfied. The Federal Cabinet has to consider the question of the citrus industry and the I.A.C. by the end of this month. As I understand it, they have eight days in which to do so. What urgent measures does the Premier now intend to take and what actions?

The Hon. D. A. DUNSTAN: That has not yet been determined, but it will be determined promptly.

HOUSE LOANS

Mr. McRAE: Did the Minister of Mines and Energy see a recent press statement which purported to quote various building societies in this State and stated that those societies had offered \$40 000 000 to the Government?

The SPEAKER: I would like the honourable member to repeat his question.

Mr. McRAE: Will the Minister of Mines and Energy say whether the Government has been offered \$40 000 000 by some building societies in this State for the purpose of house building and construction?

This matter came to my attention a few weeks ago when reading the newspapers. If such an offer was made, no doubt it would have been accepted readily. I should like to hear the Minister's information on this subject.

The Hon. HUGH HUDSON: A newspaper report a few days ago referred to a suggestion being made by Mr. Lewis that as much as \$40 000 000 could be available for house building through the building societies if some Government subsidy was paid by the Government in order to reduce interest rates on that money, that is, if the building societies were to be subsidised by the Government. At the time that that statement appeared, I said, and I was quoted in the press as saying, that any approach by the building societies would be considered and that any assistance that could be given to the building industry at this stage would be very much welcomed.

I think I should report to the House generally that no such formal offer has been made. I think the statement made at a seminar was in the nature of flying a kite, and certainly I have not had any written communication from any of the building societies suggesting that that kind of sum could or would be available. That is the position as I understand it at present.

Certainly, we would like to see, fairly quickly, a general reduction in the interest rates that are applicable on building loans, whether it be through the savings banks or the building societies. I think the stage has been reached where there is a significant group within our community who cannot be effectively catered for in terms of the provision of housing loans. I refer to those people whose income is sufficiently high for them to fail to qualify for a State Bank loan; that is, they have an income of more than \$180 a week, which is not very high, and below, say \$220 a week—roughly speaking, people in the category of income between \$9 000 and \$11 000 a year.

Those people cannot be catered for by the State Bank and normally cannot afford, if they are a single-income family, the kind of loan that is available through the savings banks or the building societies, because the repayments involved result in too much of their income, at the existing rates of interest that apply, going in loan or mortgage payments.

I think it can be demonstrated fairly readily that a reduction in interest rates of even 1 per cent would lead to quite a substantial impact on the payments people in this category would have to make. I hope that various actions that we have taken already through the State Bank and further actions that are under consideration will lead to a reduction in the State Bank waiting list. Once we obtain an effective reduction in the State Bank waiting list, it will be possible to ease eligibility conditions for a State Bank loan.

Basically, whatever funding may or may not be available for the building societies, I see the answer to our existing problems, first, in terms of a reduction in interest rates which would lower the weekly payments that people who borrow have to make, and, secondly, in terms of a reduction in the State Bank waiting list which would enable the State Bank to ease the eligibility conditions that apply for State Bank loans. The easing of eligibility conditions for a State Bank loan has the highest priority. Now that the amount of the loan that can be available through the State Bank is \$27 000, the next step must be to improve the eligibility conditions that apply.

CITRUS INDUSTRY

Mr. GOLDSWORTHY: In the temporary absence of the Premier, will the Deputy Premier say whether the submissions by the South Australian Government to the I.A.C. in relation to the citrus industry were put before State Cabinet, whether they were understood, and whether they were approved; if not, why not? This is a matter of major significance to a large South Australian industry. It involves Government policy in relation to the level of tariff which would apply in the protection of that industry. In the normal course of events, I think it would have gone before State Cabinet. For that reason, I should like to know whether the Minister put it to Cabinet and, if he did, whether Cabinet understood it and approved it.

The Hon. J. D. CORCORAN: To my knowledge, the matter did not come before Cabinet. The reasons why it did not come before Cabinet are known to the Minister of Agriculture. I certainly have not had the opportunity to discuss the matter with him. I do not think that I have missed a Cabinet meeting recently or any meeting at which that matter would have been placed before Cabinet.

Mr. Goldsworthy: I asked, "If not, why not?"

The SPEAKER: Order! The honourable member has asked his question.

The Hon. J. D. CORCORAN: I will inquire why, and let the honourable member know.

REPORT ON VANDALISM

Mr. MATHWIN: Does the Minister of Community Welfare intend to table in the House the report on vandalism by the Community Welfare Department's advisory committee and, if so, when will it be tabled? On Tuesday, in reply to a question asked by the member for Semaphore about this report, the Minister indicated that the report was completed and that it was only a matter of his finishing his study of it before he or Cabinet would decide on the situation. In view of the nature and importance of the report, coupled with the expected change soon in the system that will soon apply to juveniles in this State, will he be releasing the report?

The Hon. R. G. PAYNE: I am taking that very question to Cabinet.

PARLIAMENTARY WHIPS

Mr. BANNON: I direct my question to the member for Henley Beach.

The SPEAKER: Order! I want to hear the honourable member's question.

Mr. BANNON: Has the member for Henley Beach examined the origins of the title of the office of Whip, and will he confer with his Opposition colleague, the member for Fisher, with a view to changing the title to something more suitable? People throughout Australia, particularly members of Parliament, were shocked by the recent disclosure by the Opposition Whip in the Federal House of Representatives that the term was derived from the ancient English blood sport for gentlemen, namely, hunting for foxes, and that the term "whip" came from the title whipper-in of the hounds in that gruesome sport, rightly described by Oscar Wilde as "A case of the unspeakable pursuing the uneatable". In view of that, I ask the honourable member whether he will take action to have something more Australian applied to the title.

The SPEAKER: Recently, questions between honourable members have had to be of a nature that concerned

Parliament. I ask the honourable member for Henley Beach whether he wishes to reply, as in this case I think that the question concerns Parliament.

The Hon. G. R. BROOMHILL: Yes, I think it does, too, Sir.

The SPEAKER: Order! The Chair will decide.

The Hon. G. R. BROOMHILL: Exactly. The history of the term causes me some concern. However, I think it is a most descriptive name for the person who has to round up all the back-benchers. From time to time, I have referred to them as "hounds". I think that the term is also an Australian one, in general terms, if you associate it with the sport of kings, in which most Australians are interested. The use of the term "whip" is descriptive in that case. I prefer that term to the unofficial and descriptive one usually applied to me by my colleagues outside the Parliament.

INDUSTRIES ASSISTANCE COMMISSION

Mr. VENNING: Can the Premier say whether submissions to the Industries Assistance Commission normally go before Cabinet for approval before being forwarded to the commission for approval?

The Hon. D. A. DUNSTAN: The submission was not presented to Cabinet for presentation to the I.A.C.

Mr. Becker: All other submissions.

The Hon. D. A. DUNSTAN: Not all submissions have been. There is an Industries Assistance Steering Committee, which examines all submissions from departments before they go to the I.A.C. The submission was submitted to the steering committee, but no information from that committee was provided to me, as is normally the case.

TORRENS RIVER

Mr. SLATER: Can the Minister of Works say what consideration has been given to a hydrological report on the Torrens River prepared by B. C. Tonkin and Associates? I understand that a report that was prepared by B. C. Tonkin and Associates in 1976 for the Engineering and Water Supply Department indicates that, under certain meteorological conditions, extensive flooding of properties could occur, particularly in the Paradise area, which is part of my district, and in the Campbelltown area, which adjoins my district and is in part of the Minister's district. Concern has been expressed to me by some of my constituents that the flood mitigation procedures suggested in the report have not received any consideration.

The Hon. J. D. CORCORAN: The honourable member is correct in stating that a report was received by the Engineering and Water Supply Department (in fact, it was a report for the Government) in 1976. The report was circulated; in fact, from memory, I think it was tabled in the House. I made a press release about it at the time because it indicated that there was a one year in 100 years possibility of the type of flood that occurred happening again. I am not sure how long ago the first flood occurred.

Mrs. Adamson: It was in 1888.

The Hon. J. D. CORCORAN: It was about then. At that time, of course, South Australia did not have the Kangaroo Creek Dam. However, one cannot take that into consideration because, clearly, it is not a flood control dam and it could well be full at the time when circumstances arose that would create that type of flood. I do not want to be held to the exact figures, but about 14 inches of rain fell in the Torrens River catchment area in

about 24 hours. It was an absolute cloud burst, and it led to the flooding at that time.

From memory, the report stated that about 30 000 homes or properties would be affected not only in the area in which the honourable member has expressed an interest but also in the western suburbs. A continuing study is being undertaken by Tonkin and Associates. The company reports from time to time on this matter to the Engineering and Water Supply Department. The most recent contact I have had with this subject was in reply to a question asked by the member for Coles.

It is possible that Kangaroo Creek Dam could be modified and become, if necessary, a flood control dam. Certainly, that could be the case if the dam was half or three-quarters full. However, I again point out to honourable members that, in the sort of circumstances that led to the last flood, we would have had little time to do anything. I will check for the honourable member and ascertain whether there is any more up-to-date information that I can give him. I appreciate the concern of the people living in the area and that 30 000 properties are involved. I point out that the nature of the flooding, which has caused much property damage, would not have caused loss of life.

MINISTER OF AGRICULTURE

Dr. EASTICK: I ask the Premier whether, accepting in respect of the citrus industry that the Minister of Agriculture has exhibited a clear ability to mislead the Premier, the Government and the House, he will now call for a total reappraisal of the decisions made by the Minister of Agriculture, particularly that relating to the prawn fishing problem. It is obvious from this afternoon's revelations that there has been a misleading. Public disquiet in a number of areas, particularly in the editorial of the *Advertiser* this morning on the prawn issue, makes it quite imperative that, for the benefit of South Australia, this action be taken to ensure that South Australia is not being held back by decisions made by the Minister of Agriculture thus far.

The Hon. D. A. DUNSTAN: I do not accept the remarks made by the honourable member in relation to the Minister of Agriculture; the Minister has not set up to mislead the House or the Government. Regarding the prawn fishing industry, the Government and Cabinet are fully apprised of the position.

Dr. Eastick: What are they going to do about it?

The Hon. D. A. DUNSTAN: We have evidence from a wide area about the prawn industry. Many of us have had experience in Government over a long period in relation to that industry. The position within that industry is as I have stated to the House previously in answer to questions. The plain fact is that people engaged in the prawn industry are engaged in the most profitable section of the fishing industry, and that section requires a considerable expenditure on research. It is proper therefore that these fishermen rather than the general taxpayers of the State should pay some reasonable funding towards that research, given the considerable returns they make. If the honourable member is not aware of those returns, he is not apprised of the situation in the industry.

It is ridiculous that people in the prawn industry, given the increases which the Government has made in payments to fisheries research, are acting in this way. This Government is spending much more on fisheries research than any Liberal Government ever did. I increased the allocation available for fisheries research in one year of this Government by 100 per cent, and there have been

increases since then. Those moneys are paid by general taxpayers. In this case there is every reason why the industry that benefits from that research should pay some reasonable funding towards it. That they should base their claims about what their fees should be on an extremely low fee set long before the prawn industry was fully established, is completely absurd and unjustified. That is the position.

The proposition that has been put for an interim fee this year is perfectly reasonable and everyone in the fishing industry, other than prawn and abalone fishermen, would agree with that. If the honourable member wants to talk to other fishermen who are concerned about the privileges that are given to the limited number of prawn fishermen in South Australia he would get the same answer that I am giving him now.

At 3.10 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

SEEDS BILL

Received from the Legislative Council and read a first time.

TRADE STANDARDS BILL

The Hon. PETER DUNCAN (Attorney-General) obtained leave and introduced a Bill for an Act to prescribe standards for and to regulate the safety and quality of goods, the provision of information in respect of goods and services and the packaging of goods; to repeal the Sale of Furniture Act, 1904-1975; the Goods (Trade Descriptions) Act, 1935-1969; the Textile Products Description Act, 1953-1972; the Packages Act, 1967-1972; the Footwear Regulation Act, 1969-1972; the Flammable Clothing Act, 1973; and for other purposes. Read a first time.

The Hon. PETER DUNCAN: 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

The purpose of this Bill is to consolidate and rationalise a series of industry-protectionist Acts regulating the manufacture, packaging and labelling of goods, and to enable the safety of goods to be controlled, by prohibiting the supply of dangerous goods and requiring goods to conform to prescribed safety standards.

A number of the Acts this Bill repeals, for example, the Sale of Furniture Act, have been on the Statute Book for a great many years and have over the years been unsatisfactory in providing sufficient protection to the industries they regulate, and in providing sufficient powers of enforcement to the Commissioner for Standards, who is charged with their administration.

Many of the Acts this Bill repeals were enacted originally to protect the interests of specific industries or industry in general. However, in the years since their enactment, they have not kept pace with the technological

changes in the industries whose interests they are intended to protect. Changes wrought as a result of new technology have made the provisions in these Acts in some cases impractical, in others inadequate. This Bill remedies this situation by providing a legislative framework which can respond to the changing needs of the industries which it serves and regulates.

The arrangement of the Bill reflects the different types of standards involved in the production and supply of goods, thus packaging standards have also been included. The prescription of the different kinds of standards allowed by this Bill, with the exception of safety standards, is already allowed under the Acts this Bill replaces. All the Acts repealed require the provision of certain information in a specified manner or form, and seek to prevent and prohibit misdescriptions in relation to certain goods. The Sale of Furniture Act requires certain information to be marked on furniture; the Footwear Regulation Act requires certain information to be marked on shoes; the Textile Products Description Act requires, textile goods to indicate the kind of material or fibres from which they are made; the Packages Act requires, *inter alia*, that the packages in which goods are supplied be marked with content size information; the Goods (Trade Descriptions) Act requires leather goods to describe the type of leather from which they are made; the Flammable Clothing Act requires warning labels and instructions to be attached to clothes.

Part V of the Bill enables the provision of all this information by means of information standards prescribed under the Act and prohibits misdescriptions. Provisions relating to the quality and safety of goods are already contained in the Footwear Regulation Act and the Flammable Clothing Act so that in a large measure this Bill enables the prescription of certain types of standards which are already required by law.

This Bill is a recognition of the fact that you cannot serve the interests of consumers by ignoring the interests of industry; and that the promotion of standards of quality and safety in the manufacture and supply of goods, as well as promoting the interests of industry, promotes the protection of consumers. Thus, in many ways this legislation is essentially an industry-protectionist, as opposed to consumer-protectionist, measure. Its purpose is to serve the interests of industry and consumers alike. The production and supply of safe reliable goods, that provide adequate and accurate information and that are fairly packaged, is in everyone's interest. The protection the Bill offers, therefore, is not confined to consumers; all purchasers of goods will benefit from the standards prescribed under this Bill. If a product is dangerous its supply should be banned no matter who uses it. None of the Acts this Bill repeals operates solely for the benefit of consumers. They operate for the benefit of all purchasers of goods. Thus, this Bill is not restricted in its application to goods sold only to "consumers".

Industry and consumer consultation in the prescription of standards have been provided for and assured by providing in Part II of the Bill for the establishment of a Trade Standards Advisory Council. This council will include industry representatives and a consumer representative. It is intended that most of the standards prescribed under the Bill will be either the result of recommendations from the Standing Committee on Packaging, or the Commonwealth/State Consumer Products Advisory Committee, or adoption of existing Standards Association of Australia standards. Thus, there will be ample opportunity for industry input and consultation as there are industry representatives on all these bodies. In any case, it is not intended that this Bill impose standards without industry

consultation and co-operation. The vast majority of goods supplied in South Australia are manufactured outside this State and, where possible, we will ensure that any requirements under this legislation are uniform with the requirements of the other States, and where goods are manufactured to an international standard, for example, and that standard is an acceptable one, that approval will be given, of that international standard, under this legislation.

Legislation which is part of a uniform scheme, such as the Packages Act and the Textile Products Description Act, will be enacted in its entirety under this Act. All the provisions in this Act, requiring the provision of information or regulating the packaging of goods, will be enacted under Part V of the Bill dealing with Information Standards and Part VI dealing with Packaging Standards. This Bill will not detract in any way from the uniformity of these provisions; in fact, it will promote the ideal of uniformity by enabling recommendations of the Commonwealth/State Consumer Products Advisory Committee, and the standing committee on packaging, which is also a body of Commonwealth, State and industry representatives, to be adopted speedily and efficiently by this State. Honourable members may be assured that the requirements in all the Acts this Bill repeals will continue to be law under the Bill.

This Bill merely provides a more rational and coherent framework within which they can be enacted and ensures that any future requirements relating to the provision of information of regulating the packaging quality or safety of goods are able to respond to changes in the manufacturing and production processes of the industries to which they relate. This Bill identifies the purposes for which particular types of standards are made and indicates the interests of both suppliers and purchasers that are sought to be protected in the prescription of those standards. It sets out why standards, in relation to certain goods or classes of goods, are necessary. No-one would deny that every purchaser of goods has a right to safe, reliable and fairly-packaged goods, together with any information necessary for him to make a choice in purchasing those goods or information necessary for the proper use of those goods.

No-one would deny that every producer or supplier of goods has a duty to ensure that the goods he produces or supplies are safe, reliable and fairly packaged and that information necessary for a rational purchasing decision to be made or for the proper use of the goods is provided with the goods. This Bill enables these rights and duties to be realised and takes a positive approach to their realisation. Consumers can be assured of the safety and reliability of goods that comply with the applicable standards under this Bill. Manufacturers and producers can be sure that they have marketed goods which are safe and reliable, have packaged them fairly and have provided necessary information, if the goods comply with all applicable standards.

This Bill protects the interests of both purchasers and producers. By taking essentially preventive action, it seeks to reduce consumer complaints about defective or unsafe goods and avoid product liability claims brought against manufacturers by ensuring that goods meet essential requirements of safety and reliability before they are marketed. Before going on to describe each clause of the Bill in detail, I will explain the scope and purpose of each substantive part of the legislation.

SAFETY STANDARDS

Part III of the Bill substantially enacts recommendations contained in a report on product safety submitted to the

Government last year. That report recommended that safety legislation be enacted in order to ensure that goods available to consumers were not accompanied by unreasonable risks in their usage and to enable dangerous goods to be swiftly and effectively withdrawn from the market.

At present, there is no control over the hazardous nature of the wide variety of goods that people buy. The purchaser's safety is entirely in the hands of the manufacturer. In some cases, the manufacturer will adopt a standard developed by the Standards Association of Australia, in many cases he will not. There is no statutory obligation for him to do so. In some cases, his quality control and performance testing procedures will be adequate, in others they will not.

Every major advance in technology brings with it a special group of hazards to the public. Although the individual can, and must, be expected to protect himself from his own follies, he cannot be expected to protect himself fully from these new technological hazards which are not of his making. Community protection for the individual from these hazards must be provided and this can only be effected by laws and regulations.

There is, within any consuming public, a large and very vulnerable group of 'forgotten consumers'. These are the child consumers—the people between the ages of 7 and 17, who in many cases possess significant purchasing power but who are least able to make reasoned choices. In Australia accidents are the main cause of death of children in the first four years of life, and between the ages of 1 to 14 years, accidents are responsible for the deaths of more children than the next three most fatal diseases of childhood combined.

At greatest risk are children in the pre-school age group. Most of the children admitted to hospital in Australia are in the pre-school age group and most are admitted as a result of accidental poisoning or burns they have sustained. In 1975, of a total of 969 children between the ages of 1 and 14 years, treated for poisoning by the Adelaide Children's Hospital, 573 were between the ages of 2 and 4 years. The provision of goods to children or for children, which are not properly and carefully tested, which do not carry sufficient safeguards and which are readily obtainable, is both reprehensible and irresponsible.

This Bill will ensure that greater regard is paid in future to the safety of all consumers but, in particular, child consumers, when goods are manufactured for them or sold to them, and such safety is best assured when manufacturers build into their products safeguards against all predictable forms of abuse or misuse. Part III of the Bill therefore enables safety standards to be prescribed with which the goods to which they relate must comply. It also allows the supply of proven dangerous goods to be prohibited; that is, goods which are so inherently dangerous that they should never have been supplied. This part of the Bill also enables the sale of certain types of goods, for example fireworks, to be prohibited to people below a certain age. It can of course be difficult for a retailer to determine with reasonable accuracy the age of a young consumer and it is also possible, of course, that the prohibition will be avoided by children persuading older children or adult friends to buy the goods for them; however, despite those recognised difficulties there will be cases where an age limit is the best way of dealing with a particular hazard and prohibiting the supply of some goods to children below a certain age may deter some from being able to procure them and thereby reduce the high incidence of admissions to hospitals due to burns and poisoning.

The ability to ban the supply of goods that have been shown to be unreasonably hazardous, or to prescribe standards of safety is important, of course, unless those people who have already purchased goods that have been declared dangerous or which do not comply with a safety standard, are warned and are able to return the goods. Clause 25 allows any purchaser of such goods, and any subsequent purchaser, to return the goods to his supplier and obtain a refund, while clause 26 provides for action to be taken to notify any purchasers of such goods that they have been declared dangerous or that they do not comply with a prescribed safety standard.

Under clause 26, notices can be published in the media, naming the goods, drawing attention to their safety risk and the ban imposed on their sale, and advising purchasers to return the goods to their supplier without delay. I emphasise again that only those goods will be banned from sale which pose a very serious risk of injury or death resulting from their use. Where possible, it is intended to prevent such goods being manufactured by ensuring that they meet certain safety requirements in their manufacture. However, a great many cheap and inexpensive goods, particularly toys such as pen-knives and catapults, are imported.

Many of these imported goods do not contain any safeguards and have not been manufactured to satisfy any safety requirements. They are sold at a low price and as a result quickly find their way into the hands of children. It is important that controls be placed on the supply of such goods, not only to protect the interests of young purchasers, but also to protect those of local manufacturers who are supplying similar products in accordance with safety specifications, but whose prices, as a result, may be higher.

QUALITY STANDARDS

Part IV of the Bill enables standards to be prescribed under the Bill to regulate the quality of goods. The standards provided for under this part of the Act are intended to allow the composition and construction of goods to be regulated, not for the purpose of ensuring that they are safe, but to ensure that they can perform the task for which they are designed, for a reasonable period of time. The provisions regulating the filling substances used in the manufacture of shoes and presently contained in the Footwear Regulation Act, will be prescribed as quality standards under this part of the repeal of that Act. The prescription of quality standards is a measure primarily designed to protect the interests of local manufacturers of certain goods from the supply of inferior quality imported goods. Many industries have been requesting the introduction of such controls for some time, among them the furniture industry.

The provisions of the Sale of Furniture Act, with regard to its scope and the labelling requirements under it, are extremely limited and, in many cases, anachronistic. The Act only contains mandatory information requirements and only applies to furniture made of wood. Furniture made wholly from, or from a combination of, glass, plastic or aluminium is excluded from the application of this Act; such an exclusion is absurd in view of the increasing use of man-made materials in the design and manufacture of modern furniture. Local manufacturers of good quality furniture have been severely prejudiced by the importation of furniture using poor quality materials which can be sold cheaply. Much of this furniture is imported in cartons and either assembled here or sold unassembled. The Standards Association of Australia is, at present, drafting an industry standard which will set standards of construction, workmanship and finish to be used in the

manufacture of furniture, and this S.A.A. standard is the kind of standard that this part of the Bill is intended to prescribe.

For manufactured products, quality means a combination of quality of design and of manufacture (sometimes called quality of conformance). The standards it is intended will be enacted under this part of the Bill are essentially quality control standards; standards designed to ensure that goods manufactured meet design requirements or the specific requirements of the end-user, economically and efficiently.

At present, consumers have to rely on the manufacturer's brand name or reputation and vague claims that a product's reliability has been tested, for assurances as to its quality and reliability. They have very little information on how reliable the equipment is, beyond vague unsubstantiated claims made by many manufacturers that the product's performance has been thoroughly tested. Although manufacturing techniques have improved, the reliability of, for example, electronic and mechanical components, goods are becoming more complex in construction and in the numbers of units or components used. At the same time, the performance expected of particular goods is increasing and the costs of repair and maintenance are increasing. It is becoming increasingly common for purchasers of goods to demand reliability and value for money in the goods they buy. They are attracted by goods covered by manufacturers' guarantees and by package deals which include maintenance of the goods. The average purchaser is by and large convinced that the products he buys today are not as good as those he bought yesterday. He senses he is the fall-guy for companies that simply do not care or are negligent in quality control. He feels more and more that he is not only the final inspector of the goods he purchases but the only inspector.

It is in the interests of industry and consumers alike that quality standards be prescribed. Industry support for the introduction of such standards is as much a "capital investment" as buying new inspection devices. Supporting the establishment of standards prescribed by outside bodies, such as the S.A.A., which are objectively designed ensures that the standard will not be seen as an industry attempt to "cut corners" in the production process in order to meet the lowest standard of quality that can be tolerated; in other words, attempts to bend the standard to meet a poor product instead of raising the product to meet the standard prescribed. On the contrary, compliance with such quality standards will generate consumer confidence in the reliability of a particular manufacturer's goods and reduce quality related costs caused by defective or inefficient goods.

INFORMATION STANDARDS

Part V of the Bill enables information standards to be made, under which specified information will be required to be disclosed when certain goods or classes of goods are offered for sale, and under which the use of specified words or descriptions will be prohibited and also prohibits the provision of inaccurate or misleading information.

The concept of information standards is not new. Section 63 of the Commonwealth Trade Practices Act provides for the prescription of product information standards and goes on to detail the kind of information that can be prescribed. Part V of the Bill contains substantially the same provision with regard to goods and services.

As I mentioned earlier, all the Acts this Bill repeals contain provisions requiring goods to be labelled or marked with specified information. In some cases, namely, the Sale of Furniture Act, the Textile Products

Description Act, the Packages Act and the Goods (Trade Descriptions) Act, the entire substantive provisions of the Act are concerned with the disclosure of specified information while all the Acts this Bill replaces have the common purpose of preventing and prohibiting specified misdescriptions of goods. It is intended, therefore, to incorporate all those provisions requiring the supply of specific information presently contained in the Acts this Bill replaces in information standards made by regulation under the Bill.

Clause 29 of the Bill basically re-enacts the law presently contained in the Goods (Trade Descriptions) Act. That Act prohibits the application of false trade descriptions in relation to goods and the definition of 'trade description' under that Act has been followed and updated in the definition of 'information' under this Bill. There is nothing new in the concept of this Part of the Bill. Most of the provisions in this part are already law under the Goods (Trade Descriptions) Act. That Act enables the compulsory disclosure of certain prescribed information in relation to prescribed goods and prohibits false or misleading information, whether on labels, in pamphlets or in any form of advertisement. Part V of this Bill allows the prescription of specified information and prohibits inaccurate or misleading information, whether on a label, in pamphlets or in any form of advertisement.

Clause 29 is intended to specify the type of information in relation to goods and services which must not be inaccurate or misleading. It is information relating to objectively verifiable facts. It differs from the general unfair advertising controls which are concerned with the overall impression created by the advertisement, the degree to which claims are ambiguous and the use of hyperbole or superlatives in describing goods or services. The purpose of this legislation is to be prescriptive and preventative. It is based on the premise that the most effective way to ensure that manufacturers provide necessary information to prospective purchasers and that the information they provide is not misleading and is based on fact is to specify those facts or that information commonly provided in relation to goods that purchasers rely on when making a choice between competing products. It is intended that the prescription of information standards will be the primary method used to ensure that accurate and non-deceptive information is provided to consumers, but, while an information standard can require the disclosure or provision of specified information, it cannot also guarantee the truth of that information. Thus, a prohibition on the provision of untrue or misleading information is obviously essential to support the requirements of any standards made under this Part, and such a provision is already contained in one form or another in some of the Acts this legislation repeals.

A further point I want to emphasise in relation to this Part is the inter-relationship between advertising and labelling. There is little use in requiring safety warnings, for example, to accompany the sale of goods, by either being marked on them or attached to them, if that requirement ceases to operate when the goods are advertised, so that a deceitful manufacturer can conceal or omit such safety warnings in his advertisements. The United States experience, when cigarette advertising was banned, is cautionary in this respect. When cigarette advertising was banned on radio and television in the United States in 1971, the number of cigarette advertisements appearing in magazines escalated alarmingly. At the same time that the Chairman of *Time*, Andrew Heiskell, was assuring the public that *Time* had no intention of accepting any 'overwhelming' amount of

cigarette advertising as a result of the television ban, the first three issues of *Life*, (a subsidiary of *Time*) were carrying 22 pages of cigarette advertising, nearly double the number of cigarette advertisements that they published in the same period the previous year, prior to the ban. Further, many of those advertisements showed people promoting the qualities of a healthy outdoor life associated with smoking the various brands and holding packets of cigarettes in such a way as to conceal the health warning on the packet.

Thus, it is futile to require a manufacturer to state the possible risks involved in the use of certain goods, on labels attached to the goods, if he can disregard the requirement completely when advertising the goods on television or in magazines, and in such a way as to project the impression that any use of the product is completely safe. This Part of the Bill recognises that it is no good saying that information must be provided and provided fairly and correctly, if you do not go on to say that that includes all the ways by which that information may be provided. Wherever standards have been enacted governing the labelling of goods, for example food standards, it has always been recognised that any information intended to relate to those goods must in no way undermine the purpose behind the prescription of that standard.

PACKAGING STANDARDS

The Packages Act was passed in 1967 as part of national uniform legislation governing the marking of packages. The present Packages Act contains provisions requiring the marking of specified information on packages; information as to the quantity, that is the number, weight or measure of the contents of the package. The Act also contains provisions assigning meanings to certain terms such as the term 'net weight' and specifying the manner and form in which this information is to be provided. The present Packages Act thus largely consists of information standards prescribed for packages. It is intended to incorporate these standards within a more flexible framework under this Bill. The Packages Act will be repealed and all the substantive provisions relating to the marking of packages, the prohibition or restriction of certain terms, the assignment of specified meanings to certain words and generally providing for the prescription of information, which form the greater part of this Act, it is intended be enacted in their entirety under clause 31 (2) of Part V of the Bill dealing with information standards. This Bill is not intended to tamper with the substance or the content of the uniform provisions contained in the packaging law and many of them can be enacted almost in their entirety under this Bill.

This Bill is intended merely to provide a more coherent framework for all provisions requiring certain standards to be adhered to in the production and manufacture of goods, at present scattered in different pieces of legislation. Provisions in the Packages Act dealing with the approval of brands will be enacted under clause 31 (2) (c) of Part V of the Bill; provisions in the Act regulating the marking of packages with information as to weight, number, fractions, the manner and form in which that information may be provided, assigning meanings to certain terms, such as 'net weight', and prohibiting or restricting the use of expressions such as 'Huge', 'Giant', 'Economy', etc., will be enacted under clause 31 (2) of Part V of the Bill. Exemptions from the provisions requiring the marking of statements of quantity on packages, currently allowed under the Packages Act, will be repealed under clause 43 (3) (b) of Part VII of the Bill. The exemption of export packages from the provisions of

the packages legislation is enabled under clause 34 (1) of Part VII of the Bill. Permits currently issued under the present Packages Act will be issued as exemptions under clause 34 (1) of Part VII of the Bill. The defences presently contained in the Packages Act for packers and sellers are substantially repeated in the defence provisions contained in clause 35 of the Bill.

However, while the majority of the provisions contained in the Packages Act are concerned with the provision of information, some provisions deal with standardisation of packaging and deceptive packaging. Hence the need for Part VI of the Bill enabling the prescription of packaging standards. I think it would be true to say that most people would expect packaging legislation to be concerned with deceptive packaging and standardisation of packages, and I believe many people would be surprised to learn that, in fact, most of the packaging standards enacted to date have been concerned with the provision of information on packages. Part VI of the Bill will allow the enactment of those provisions currently contained in the Packages Act requiring goods to be packaged in specified denominations of weight and measure. Clause 33 (2) (b) of Part VI enables standards to be prescribed specifying the mass or measure in which goods are to be packaged. Clause 33 (2) (a) enables standards to be prescribed to prevent the deceptive packaging of goods and this provision will enable the uniform provisions developed by the Commonwealth and State Standing Committee on Packaging in 1977, to be enacted by South Australia. These uniform provisions will regulate the use of false or excessive recesses and cavities in packages, which often tend to deceive the purchaser by artificially inflating the quantity, size or volume of the product being sold.

At present, industry has to comply with a variety of standards, regulating the packaging or manufacture of goods, contained in diverse legislation. For a manufacturer contemplating the national marketing of a product, not only is he faced with complying with different laws in different States, but also different laws within each State. A report was submitted by the Trade Practices Commission in June last year on packaging and labelling laws in Australia. The authors of that report received numerous submissions from manufacturers complaining of the difficulties they encountered as a result of this multiplicity of laws between the States and within the States. That report went on to say:

Industry's problem would be considerably lessened if all State laws were uniform, and inconsistency or conflict between the various laws laying down packaging and/or labelling requirements were avoided.

This Bill seeks to ensure that inconsistency or conflict between the requirements in the various laws setting packaging and information standards is avoided. It seeks to ensure that a manufacturer of a particular product does not have to go first to specific legislation governing that particular product and then to general legislation regulating all products; that requirements as to what must be marked on the goods and requirements as to what must be marked on the packages in which those goods may be sold can be found in one place, in one piece of legislation.

The Trade Practices Commission, in its report, argued strongly for one law, administered by one authority in relation to the packaging and labelling of goods. This Bill provides for one law with which manufacturers must comply and one authority responsible for its administration. This Bill also provides for industry consultation and consumer consultation, since the setting of standards affects the interests of both groups. None of the Acts this Bill repeals contain provisions for such consultation. Industry incurs substantial costs and inefficiencies in

endeavouring to find and then to comply with a myriad of regulations governing the manufacture and packaging of goods. The result of this is that industry must lose efficiency and because of this, increased costs are borne by the purchasing public.

SUMMARY

This Bill provides a comprehensive framework within which the specific requirements or standards now contained in the Acts it will replace can be enacted, and introduces an important new type of standard, safety standards. Standards which, for too long, have been either disregarded or secondary considerations in the manufacture of goods. This Bill rationalises the provisions in the various Acts it repeals and streamlines their administration by incorporating them within one Act. Goods which are already subject to specified standards in their design and manufacture in other legislation are not the target of this Bill. For example, food, drugs, motor vehicles and some electrical goods. These goods are subject to standards of performance and safety under existing legislation.

This Bill is intended to offer purchasers of the wide variety of goods not subject to standards, the same guarantees and protection that the Food and Drugs Act offers them specifically with regard to food. Just as it would be impractical, undesirable and inefficient to enact the myriad of food and drugs standards presently prescribed under the Food and Drugs Act as provisions in the principal Act, so it would be equally impractical and undesirable that detailed standards of safety, information, quality and packaging appear as principal provisions in this Bill. It would make the adoption of uniform standards, recommended, for example, by the Commonwealth/State Consumer Products Advisory Committee or the Standing Committee on Packaging, or routine provisions difficult and would hamper the ability of the standards to respond to the changing needs of the industries affected. Regulations made under the Food and Drug Act and under this Bill are afforded ample time and opportunity for scrutiny during their period for disallowance and in their consideration by the Joint Committee on Subordinate Legislation.

I would remind honourable members once again that many of the standards prescribed under this Bill will be merely repeating what is already law under the various Acts it repeals. New standards prescribed under the Bill will adopt existing S.A.A. standards, the recommendations of the Commonwealth/State Consumer Products Advisory Committee, or the Standing Committee on Packaging—recommendations I would add that South Australia is committed to adopting if we are to support the concept of uniformity, whether or not this Bill is enacted. Without the provisions and framework this Bill offers, adoption of such recommendations will be made more difficult. The establishment of safety standards is imperative. Product safety legislation has been established in the United States and Canada for some years; the United Kingdom has recently enacted product safety legislation, and Tasmania and New South Wales have recently passed legislation regulating the safety of goods. The Trade Practices Act has, of course, contained powers to regulate the safety of goods for some years; but these powers have only latterly been exercised. It is essential that South Australian purchasers are given the same protection as their counterparts interstate and overseas, and that this State does not become the dumping ground for hazardous goods banned in other jurisdictions.

Trade standards legislation is an area of legislation vital to the interests of both consumers and the business

community alike. Legislation which regulates the safety and quality of goods offered to the public effectively protects the interests of consumers by controlling or influencing the quality of goods at the point of manufacture or sale. Legislation which regulates the quality of manufacture of goods effectively protects the interests of industry by reducing the incidence of defective or dangerous goods on the market, which in turn leads to a decrease in consumer complaints and product liability actions brought against retailers or manufacturers.

The setting of trade standards protects those industries already offering good quality goods or services by ensuring that those whose standards generate consumer dissatisfaction are prevented entry to the market. The setting of such standards protects the purchasing public by raising their confidence in the reliability of the goods offered for sale and by ensuring that they have basic information available to them upon which to make a reassured choice.

Clause 1 is formal. Clause 2 provides that the various provisions of the Act may be brought into operation at different times. Clause 3 sets out the arrangement of the measure. Clause 4 provides for the repeal of the Sale of Furniture Act, 1904-1975, the Goods (Trade Descriptions) Act, 1935-1969, the Textile Products Description Act, 1953-1972, the Packages Act, 1967-1972, the Footwear Regulation Act, 1969-1972, and the Flammable Clothing Act, 1973.

Clause 5 sets out definitions of terms used in the Bill. Attention is drawn to the interpretation placed by subclauses (3) and (5) on references to the provision of information whereby the acts of labelling or packaging goods and the act of supplying packaged or labelled goods are deemed to constitute the provision of information. Clause 6 makes it clear that the measure would not affect the operation of any other Act or any civil remedy already available at law or in equity.

Part II of the Bill deals with administrative matters. Division I of this Part, comprising clauses 7 to 12 inclusive, provides for the establishment of a Trade Standards Advisory Council. Clause 7 provides that the advisory council is to be chaired by a person nominated by the Minister and to have representatives of the Health Commission, the Chamber of Commerce and Industry, the Standards Association, and consumers. Clause 8 sets out the terms and conditions of office of members of the advisory council.

Clause 9 provides for remuneration of members of the advisory council. Clause 10 regulates the proceedings of the advisory council. Clause 11 ensures that proceedings of the advisory council are not invalid by reason of a vacancy in its membership or a defect in the appointment of a member. Clause 12 provides that the function of the advisory council is to advise and counsel the Minister on the administration of the Act, the formulation of safety, quality, information and packaging standards and the declaration of dangerous goods.

Division II of Part III, comprising clauses 13 to 20 inclusive, deals with general administrative matters. Clause 13 provides for the appointment of inspectors, who are to be known as "standards officers". Clause 14 sets out the powers of standards officers to enter premises and inspect and test goods, to compulsorily purchase goods, to seize goods, to question persons, and to take copies of records. Subclause (7) provides that persons from whom goods are seized or compulsorily purchased may have the goods tested on their own behalf if that is reasonably practicable. Subclause (8) requires that any goods that are seized must be returned, or the person from whom they are seized must be compensated if he is not convicted of an offence in respect of the goods. Subclause (9) provides for

the forfeiture of any goods in respect of which an offence is committed.

Clause 15 empowers the Minister to require any person to furnish information that may be of assistance in enforcing the Act or determining whether or not goods or services should be regulated under the Act. Subclause (3) entitles persons to refuse to furnish information that would be self-incriminatory. Clause 16 prohibits the disclosure of information obtained through the administration of the Act. Clause 17 provides for the recovery of the cost of testing goods that do not comply with a safety, quality or packaging standard or that are declared to be dangerous goods or goods in respect of which materially inaccurate information is provided. Clause 18 prohibits the impersonation of standards officers. Clause 19 empowers the Minister to delegate his powers under the Act, including discretionary powers. Clause 20 requires the Minister to present to Parliament an annual report on the administration of the Act.

Part III, comprising clauses 21 to 26 inclusive, provides for safety standards for goods. Clause 21 prohibits the supply in the course of a trade or business of goods that do not comply with an applicable safety standard. Clause 22 empowers the making of safety standards by regulations that are designed to prevent the exposure of any person to undue risk of injury or impairment of health arising out of the possession, use or handling of any goods. In addition to regulating the physical characteristics of goods, the regulations may prohibit the supply of certain goods to children.

Clause 23 prohibits the supply in the course of a trade or business of dangerous goods. Dangerous goods are goods declared by proclamation under clause 24 to be dangerous goods. It is intended that goods declared under this section be goods that are either inherently dangerous or that may be safe if modified but are already on the market and so dangerous that their supply should be prohibited until a safety standard is formulated. Clause 25 creates a right in any person to whom goods are supplied that are dangerous goods or that do not comply with a safety standard to return the goods (if that is possible) and recover the amount paid in respect of the goods. Clause 26 empowers the Minister to publicise the danger associated with any dangerous goods or goods that do not comply with a safety standard that already have been supplied or that continue to be supplied in breach of the Act.

Part IV, comprising clauses 27 and 28, provides for quality standards for goods. Clause 27 prohibits the supply in the course of a trade or business of goods that do not comply with an applicable quality standard. Clause 28 empowers the making by regulation of quality standards designed to ensure that goods are reasonably fit for the purpose for which they are intended. Regulation of the quality of footwear under the Footwear Regulation Act, 1969-1972, is the only regulation of the quality of goods that is presently in force.

Part V, comprising clauses 29, 30 and 31, provides for the regulation of information provided in respect of goods or services. Clause 29 provides that it shall be an offence for any person to provide in the course of a trade or business any materially inaccurate information in respect of goods or services. By clause 5, it is provided that a person provides information in respect of goods if he labels the goods, labels the packaging of any goods, places information within the packaging of any goods, packages the goods in any packaging that is labelled, or supplies goods in respect of which information is provided in any of those ways. Under that clause the provision of information in any other way is also included, the most obvious example being the provision of information by way of

advertisements. The question of whether information in respect of certain goods or services is, by virtue of subclause (4) of clause 5, to be determined objectively and not by reference to the intention of the person providing the information.

Information is to be treated as materially inaccurate if it is inaccurate or misleading or likely to mislead in a material respect and to a material degree. Information in relation to goods and services is by subclause (2) of clause 29 restricted to information as to certain matters listed in that subclause which have the common characteristic of being matters of fact that are objectively verifiable. Subclause (3) of clause 29 provides that, where a meaning is assigned by regulation to certain expressions, the question of whether goods in respect of which claims are made by the use of such expressions meet those claims shall be determined by reference to the meaning so assigned to the expressions. It is intended that the margin of permitted error in the weight or measure of packaged goods would be provided for under this subclause, as would the accuracy of claims about the relation of the price for goods to the "recommended price" or the appropriate test for determining the accuracy of claims where there is more than one accepted test.

Clause 30 provides that it shall be an offence for a person to breach, or fail to comply with, an information standard in the course of carrying on a trade or business. Clause 31 empowers making by regulation of information standards designed to ensure that misleading information is not provided and that adequate information is provided in respect of goods and services. Information standards are to provide for matters such as the safety labelling of goods such as flammable clothing which is presently regulated under the Flammable Clothing Act, 1973, or the prohibition of the use of misleading expressions such as "net weight when packed", the use of which is presently prohibited in certain cases under the Packages Act, 1967-1972.

Part VI, comprising clauses 32 and 33, provides for packaging standards. Clause 32 provides that it shall be an offence if a person, in the course of carrying on a trade or business, packages goods, or supplies packaged goods that have been packaged, in breach of, or non-compliance with, a packaging standard. Clause 33 empowers the making by regulation of packaging standards designed to prevent deceptive packaging of goods and to ensure that goods are packaged for the reasonable convenience of persons to whom they may be supplied. Under this provision, it is proposed to provide for standardisation of the packaging of certain goods and to prohibit undesirable packaging practices such as the inclusion of recesses or cavities in the covering or containers in which goods are packaged. As with all other standards, it is proposed that packaging standards will be introduced on a uniform basis with the other States as far as it is possible.

Part VII, comprising clauses 34 to 43 inclusive, deals with miscellaneous matters. Clause 34 empowers the Minister to grant discretionary exemptions in the case of goods that are to be exported from the State or are imported into the State or in any other particular circumstances. Exemptions granted under this provision may be made subject to conditions stipulated by the Minister.

Clause 35 provides for general defences to offences against the Act or regulations. The clause provides that it shall be a defence if the commission of the offence was due to a mistake, to reliance on information provided by another person, to the act or default of another person, or to a cause beyond the control of the defendant, but only if the defendant took all reasonable precautions and

exercised all due diligence to prevent the commission of the offence.

Clause 36 provides that a contract is not rendered void or unenforceable by reason of a breach of or non-compliance with a provision of the Act or regulations. Clause 37 provides for the giving of evidence by certificate by the Minister or any prescribed officer. Clause 38 provides certain evidentiary assistance for the proof of certain matters. Clause 39 provides that the directors and managers of bodies corporate shall, where the body corporate is guilty of an offence, also be guilty of an offence unless they can establish that they did not know of, or could not by the exercise of reasonable diligence have prevented, the commission of the offence.

Clause 40 provides that where the commission of an offence is due to the act or default of any person that person shall also be guilty of an offence. Clause 41 provides for the summary disposal of proceedings for offences against the Act. Clause 42 provides that courts hearing proceedings for offences may order the payment of compensation up to an aggregate of \$1 000. Clause 43 is a general provision relating to the making of regulations. Under subclause (3), standards made under Parts III, IV, V or VI of the Act may refer to or incorporate standards of the Standards Association of Australia, the International Standards Organisation or any prescribed body.

Mr. GOLDSWORTHY secured the adjournment of the debate.

JURIES ACT AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 19 September. Page 977.)

Mr. ALLISON: As the Attorney informed the House when he introduced the second reading of this Bill, several long criminal trials in recent years have pointed up the need to amend the Juries Act to deal with the situation where a juror becomes ill or is incapacitated during the course of a trial. He pointed out that as criminal trials become longer (and this is nothing new because there have been extremely long trials over the past 50 or 100 years), there is an increasing danger of their being aborted because a member of the jury is unable to attend. I understand that the procedure, should a member of a jury be unable to attend, is that the case would either be dismissed, adjourned or remanded until a subsequent session of the court.

Several conditions have to be considered along with this Bill. The costs of criminal trials, even if they reach a conclusion at the first hearing, are high. There is the question of the defendant and the jury being subjected to stress if there are repeated trials because of delay. It is obviously sensible and expedient to introduce legislation such as that before the House now.

In 1937, when sections 55 and 56 were previously dealt with by the House of Assembly, the only exclusion was for criminal trials involving murder or treason. The Mitchell Committee, the Criminal Law and Penal Reform Committee of South Australia, in its third report on court procedure and evidence made no mention of such a change in the legislation.

In 1975, the possibility of capital punishment being abolished in South Australia was obviously in the committee's mind. At page 85, paragraph 319, under the heading "The unreasonable juror", the committee mentioned the problem of the dissentient juror who will hold out against the verdict that other jurors wish to bring in merely because he is prejudiced or because he refuses or

is unable to follow reason. This is not as serious in South Australia as it is in places where the verdict in all cases must be unanimous. In this State, except in the case of capital offences where the verdict must be unanimous, after the jurors have deliberated for at least four hours and are unable to agree on a verdict, the verdict of five-sixths of them can be taken as the verdict of all. The report states:

If, as we have recommended in our first report, capital punishment is abolished in South Australia, a majority verdict will be possible in all cases.

The legislation before us was in some way foreshadowed by that report. There is still a special provision for cases of murder or treason where one or two members of the jury may be excused. There is still the provision in section 56 (2) that a majority verdict has to be brought in in such cases. If only 10 or 11 jurors remain in a murder or treason trial a majority decision must still prevail.

During the debate in 1937, one reservation expressed by a member involved in the debate is a reservation that I currently share, that then, as now, there is no safeguard against a juror who may for some reason (even a capricious one) wish to have himself absented from jury service. Then, as now, we have no safeguard against such a case, except that I think almost every South Australian would have an innate regard for the wisdom and the propriety of senior judges engaged in murder trials. I am sure those judges will ascertain to their personal satisfaction that jurors do not come forward with a light excuse for absenting themselves from trials. There is no safeguard in the legislation, but we have implicit faith in the calibre of our senior members of the Judiciary.

Subsequent to the legislation introduced to abolish capital punishment in South Australia, legislation dealing with murder and treason trials is now being brought into line with legislation brought before the House in 1937. At that time this legislation was considered to be relatively minor. The Opposition supports the legislation.

Bill read a second time and taken through its remaining stages.

APPROPRIATION BILL (No. 2) AND PUBLIC PURPOSES LOAN BILL

Adjourned debate on second reading.
(Continued from 20 September. Page 1071.)

Mr. MATHWIN (Glennelg): Last evening I referred to what I consider to be a shocking waste of taxpayers' money. I referred to the short sketches that are now being shown during some television programmes, in which the Premier and what I believe to be an Irish bricklayer appear. I believe the main purpose in presenting these sketches is to scare the public, and unfortunately they appear to have been successful. It has frightened people in this State into saving their money, and they are refusing to buy goods. I think these scare tactics could be laid at the feet of the Dunstan Government.

Mr. Becker: Who is paying for them?

Mr. MATHWIN: I understand the taxpayers of this State are paying for the television advertisements, and the cost of such advertisements, particularly during prime time, is colossal.

The Hon. J. D. WRIGHT: I rise on a point of order, Mr. Speaker. The member has indicated that the taxpayers are paying for the latest advertisements by the Labor Party and the Premier.

Mr. Becker: What is the point of order?

The SPEAKER: Order! The member for Hanson is out of order. Decisions will be made by the Chair on all

occasions, and I do not need any help from the honourable member for Hanson.

The Hon. J. D. WRIGHT: I ask for a withdrawal. There is no proof of that. They are not being paid for by the Government; they are being paid for by the Labor Party.

The SPEAKER: I do not uphold the point of order.

Members interjecting:

The SPEAKER: Order! The Minister of Labour and Industry and the Deputy Leader of the Opposition are out of order. If I hear any member stating what I should do when anyone speaks on a point of order, I will immediately take action.

Mr. MATHWIN: I withdraw; I am glad to know the answer. We have asked this question many times, and now we know that the advertisements are being paid for by the Premier's slush fund.

Mr. Max Brown: What did you have to—

The SPEAKER: Order! I call the member for Whyalla to order.

Mr. MATHWIN: Now we know where the payments come from. It would be interesting to know how much the Labor Party and the Premier can plough into the advertisements from the slush fund to scare the people of South Australia. People using electricity will pay a 5 per cent levy which will go into general revenue this year. These people will pay a hidden tax amounting to \$8 100 000, an increase from almost \$7 000 000 last year.

For the privilege of investing in and saving with the Savings Bank of South Australia, people will pay another tax on their money amounting to \$2 672 000. That money also goes into general revenue. That is another hidden tax on the people who wish to put their savings into the Savings Bank of South Australia. I would be surprised if many people in the community know they are paying these taxes. When referring to the Community Welfare Department, the Premier said:

It is estimated that the expenditure by the Community Welfare Department will increase from \$28 500 000 this year to about \$30 000 000—

give or take a million or two, I suppose—

The one major new initiative which the department is undertaking this year is the introduction of a new method of dealing with young offenders. In essence, the aim of this scheme is to provide the facility for the courts to remand young offenders into the custody of individual families rather than to institutions. The families involved in this Intensive Neighbourhood Care programme will be paid in the same way as foster parents but at considerably higher rates.

We know they are going to be paid not \$23 but \$105 plus side benefits. The Premier continued:

An amount of \$150 000 has been provided for this purpose.

I would be surprised if that sum was sufficient. When referring to children's treatment and residential care centres, the Auditor-General's Report states:

The department's four residential treatment centres (including their detached units), three hostels and 14 cottage homes accounted for \$5 853 000—

In the previous paragraph it was stated that the increase in the net cost to Consolidated Revenue of the operation of all children's centres of \$718 000 to \$6 229 000 was mainly due to salaries, wages and related payments. The Auditor-General's Report shows that the weekly cost of maintaining a child ranged from \$422 at Lochiel Park to \$1 196 at Vaughan House. It does not say how much it costs to keep a child at McNally. It seems to me that the main concern of the Government appears to be the cost of care.

We should not be governed merely by the increasing cost of residential facilities so that we graduate into a sort

of permanent experiment, which is precisely what the next move will be. That is the Intensive Neighbourhood Care scheme, as described in the blue book put out by the Community Welfare Department. That is the latest experiment. It has been tried in Great Britain, and I understand it does not live up to the rosy pictures painted of it. I am awaiting information about how the scheme is working in Kent.

The blue book states that the purpose of the scheme is to ensure that custodial care is used only for a small number of young offenders who require it, due to its expense and limited success. It seems that the present scheme is unsuccessful, but I suggest that it is the present system that is unsuccessful. In these institutions, particularly McNally, there is no discipline at all among the offenders. The residential care workers have a colossal problem and they are defied by the young people in McNally time and time again. They do not know which way to turn, and they cannot get advice from the department, which has failed over many months to indicate where they stand in relation to the complete failure of discipline within the institution.

It is suggested that the proposal will increase the community's knowledge that assistance is available for young people with problems by providing it locally. The objective is that, within a short time, 40 per cent of the children will be farmed out into the community, and shortly after that 60 per cent will be farmed out.

The third point is to ensure that these young people will experience minimum disruption to their normal lives so that readjustment to the community is less demanding. The system has been operating at Seaforth Home in Somerton. At that institution, young children aged 13 years or 14 years or less are allowed out until all hours of the night. If they want to stay out until 2 a.m., they simply telephone and say that they are going to a party, and they come back when they feel inclined.

In the centre unit, Tintoo, discipline is lacking completely; there is no supervision of the time at which they come back, and no-one seems to worry what is happening to these young people. If that is getting them used to the community, I think someone has fallen down badly. How many members in this House who have children of that age would allow them to be out until the early hours of the morning, finding their own way home and, if they want to extend their time out until 2 a.m., simply allow them to ring and say they are going to a party? If Government members believe that that is getting children used to the community, they are falling down completely in their duty to these young offenders.

In the department's philosophy, the objective of the department's services for young offenders is to prevent re-offending and to assist the personal development of the young people involved. In my opinion, the Police Department is not sufficiently involved. If the department were to take a leaf out of the book of the Police Department on the Merseyside, in the United Kingdom, it would find that liaison with the police is working effectively, for the benefit of the offender rather than for the other parts of the department.

I know that the department jealously guards its area. It thinks that any figures that do not relate success look bad for it. It worries about the criticism received, but the main point must be the concern for the young people. It is time the Government realised the advantages of closer liaison with the Police Department in this area.

The department is convinced that this range of facilities in the community will be more effective than custodial options and that the current decline in the use of custodial care will be hastened. We have the assessment panels,

which farm out these children into the community as quickly as possible, irrespective of the past record of some of them and the high rate of recidivism. The assessment panels at the moment are putting out into the community hard core recidivists, one reason being that these offenders cannot be handled in McNally or in Vaughan House. Some at Seaforth Home, in my district, have come from McNally and from Brookway Park, and are causing some trouble in Somerton, where the local residents are greatly concerned about the situation. The system has been a complete failure to the Government, and certainly to the Community Welfare Department.

Mr. BLACKER (Flinders): I want to speak about one of the most controversial subjects of the year, the prawn authority licences. I connect that to the Budget from the aspect that, in the Estimates of Revenue, the Government has not indicated that it intends to collect additional revenue from prawn licence holders. The figure anticipated for the next financial year is within \$2 000 of the figure for last year, so it is improper for me, or for members of the general public, to consider that the present wrangle over prawning fees has anything to do with the Budget.

Is the Government misleading the public? It has made no record of the intended use of the money it is trying to extract from the prawn fishermen. It is not on the record, and not in the Estimates. What is intended? Is the Government providing books that look good for the next year and hoping to get a little extra in the pocket? Is it trying to get the cream from somewhere and make no account of it?

This record is not accurate, and this is how the Government has been acting on this issue right along. I shall set out, step by step, the background of the prawn authority fee. When prawns were first discovered in South Australia, I understand that every prawn fisherman had to have an A-class fishing licence. At that time the licence fee was about \$20. It has now doubled to \$40, but that is a minor aspect of the financial side of the matter. For any person to fish for prawns, he had to have a prawn authority, and that involved a \$10 fee. As the prawn fishermen began to develop the area, it was realised that research on the industry was non-existent. No-one knew what types of prawn were there or the breeding grounds and the hatcheries or the growing-out grounds, or whatever we might like to call them.

No-one knew exactly where the best catches of fish were. There was much trial and error, all carried out at the fishermen's expense, and the Government had nothing to do with it. With the authority fees, the fishermen themselves proposed that there should be a research programme. They made an offer that the Government should increase their fees from \$10 to \$300. That \$300 for each licence holder was to be used for research in the prawn industry.

We have seen that situation abused. Suddenly, the prawn industry became a lucrative one. It developed over a period of 10 or 11 years to the stage where, three years ago, it was a lucrative industry, but it has reached a levelling-off period. During the past 12 months, there has been a 20 per cent increase in work effort, with a 35 per cent decrease in catch. That is an indication of what is happening to our fisheries, and this affects my electorate. Not only are the fishermen involved but so, too, are the processors, whose employees spend their funds within my electorate. That money could be turned over and over again. It very much affects the Port Lincoln area and my electorate.

I will now get back to the present wrangle. On Friday 11

August, after leaving the House, I met at the airport a group of prawn fishermen then coming to Adelaide. I had to ask the obvious question, "How are things in the prawn industry?" I learnt in five minutes flat exactly what was happening. The Minister was intending to impose massive licence fees on those fishermen. At present, the Government is collecting \$18 000 across the total prawn industry, and it is proposing to increase that to \$350 000; that was only for this coming licensing year, and in the very next year it was going to be doubled: in two years, it was to go from \$18 000 to \$700 000. That is the manner in which this Government is treating these fishermen.

Needless to say, it was not long before these matters came to the attention of the public. On Tuesday 15 August a report appeared in the *Advertiser* under the heading "Big rise soon in South Australia prawn fee". It had been approved by Cabinet the previous morning. The report states:

Huge increases in the cost of prawn licences will be announced by the South Australian Government this morning. This is expected to cause a confrontation between fishermen and the Minister of Fisheries, Mr. Chatterton.

It certainly did. The report continues:

The Australian Fishing Industry Council (South Australian Branch) will recommend that members not accept the new fees, which will come into force on 1 September.

These fees were thrown on the industry 14 days before the licence fees were due. You call that consultation? No way!

Dr. Eastick: The Premier did this afternoon.

Mr. BLACKER: I will get to him directly, because I believe that his statements today misled the House. I question whether he did it deliberately but, somewhere between his Minister and the manner in which he presented his argument to the House today, there have been misunderstandings and untruths. There has been a complete lack of communication between the Minister and the industry. The report continues:

It is understood the fees for St. Vincent Gulf will cost up to \$5 000 and for Spencer Gulf up to \$9 000.

I question that. I know of one vessel which will have licence fees, if the programme is introduced, of \$10 000 this year and \$21 000 next year—for one fishing vessel with a crew of three. Fair is fair. The report continues:

The State Cabinet approved the new fees yesterday.

I doubt whether Cabinet examined this proposal, because no-one in his right-mind would agree to it. The report continues:

Present fees are \$200 a year for single-rig vessels and \$300 a year for double-rig vessels.

That, in itself, is an anomalous situation, because the Minister was stating that there was \$150 000 income from each licence in the Spencer Gulf and \$175 000 income from each licence in St. Vincent Gulf. The fees are inconsistent with the catch value, because he had the lower fees in St. Vincent Gulf and the higher fees in Spencer Gulf, whereas it is the reverse. The report continues:

Under the new fee structure prawn fishermen will pay according to the length of a vessel and on rated horsepower.

It is like telling a farmer that he will be taxed on the number of acres he sows and on the horsepower of his tractor: a direct relationship could be drawn there. That is how ridiculous it is. What concerns me most is that in no circumstances was the industry consulted on the matter. In the press report, the executive officer of A.F.I.C. said that there had been no consultation with the industry. I was not necessarily prepared to accept that. Whilst I do not doubt the words of Mr. Stevens in any way, I double checked and, on the afternoon of 15 August, I visited the Minister, in his own office in the House, and specifically asked him what negotiations had taken place with the industry. He

said, "None". In no way did the Minister or his department consult with the industry on the extent of or manner in which the fees were to be raised for the prawn-fishing industry.

Mr. Chapman: It claims to be an open government.

Mr. BLACKER: Yes. The Premier said on Tuesday that there had been consultation, whereas the Minister said that there had been no consultation. His only reference was that the fishermen knew many months ago that there had to be a fee increase. I think everyone accepted that there would be a fee increase, but I cannot accept that the Government should impose a fee increase on the industry in this way, particularly as the Minister did not consult with the industry.

Mr. Chapman: Do you think that, because of this and because of events in the citrus industry, the Minister should now resign?

Mr. BLACKER: Someone must take the blame. We must point the finger at the Minister, because he must take the responsibility for the actions of his officers. There is no point in going down the line and naming departmental officers one by one. The Minister is responsible for the affairs of his own portfolio and, if he is not prepared to accept that responsibility, the Premier should replace him.

Mr. Chapman: The Premier covered up for him earlier today.

Mr. BLACKER: There is no doubt about that. The Premier definitely did cover up for the Minister of Fisheries, and how wrong he was. I seriously question whether the Premier was aware of his actions when he did that. Undoubtedly, the policy of this Government is to knock the fishermen down and console them with compromise. That is how it has approached the situation. It has applied a heavy hand, later saying, "Tut, tut, boys, we'll meet you half way." That arrogant attitude has developed throughout.

When the licence fees were announced, the Minister went to the press and said, "These fishermen have earned for South Australia \$9 700 000. That's \$150 000 for each authority holder for Spencer Gulf and \$175 000 for each authority holder for St. Vincent Gulf." The figures the Minister quoted on that occasion were deliberately untrue, because that is not the case. I immediately put Questions on Notice to the Minister acting for the Minister of Fisheries in this place.

I asked specifically how many kilogrammes of prawns were caught in each of the prawn fishing zones for the year ended 30 June 1978, what were the respective values of the catches, how many permit holders were operating in each zone, and, of the permit holders in each zone, how many were using single-rig vessels and how many were using double-rig vessels. There are several anomalies in that situation.

I presume that the House has not been misled by the replies but we find that, instead of the gross value of the prawn catch being \$9 700 000 (as the Minister said when he went to the press to sell his argument), it is \$6 200 000, a 35 per cent drop. They are the artificially inflated figures that the Minister is presenting. Instead of an authority income of \$150 000 in Spencer Gulf, in reality the income is \$100 000. Instead of the income in St. Vincent Gulf being \$175 000, in reality the income is \$116 000. So the figures are out by \$50 000.

Dr. Eastick: That is the gross return, too.

Mr. BLACKER: Certainly, and I will analyse that later. All sorts of argument have been put up. I intend to put to the House a resume that anyone can challenge if he likes to try to bring up more appropriate figures. Regarding last year's catch rate, we had a figure of \$6 207 000 shared between 62 authority holders, giving an average share to

each holder of about \$100 000.

What sort of capital and manpower are involved, and what other aspects are involved in order to earn that income? An authority holder must have a vessel, the average length of which is 16.5 metres (about 54 ft.). The current cost of that sort of vessel is \$200 000, and the replacement cost would be considerably greater. In addition, the authority holder would need gear and spare parts, bearing in mind that the trawling industry is a costly industry to run. One has only to snag a net on the bottom to lose many thousands of dollars. In this example, only \$5 000 has been allowed for the cost of a net. That sum could be lost in one night.

Every shipping enterprise must have a shore-based shed or maintenance facility. A sum of \$10 000 is allowed for that and \$7 000 for a vehicle. That figure would be grossly under-estimated because a fisherman could not purchase a vehicle for \$7 000, unless he bought it on the second-hand market. The total capital investment would be \$222 000. Running costs for fishing gear amount to \$5 000, and maintenance amounts to \$15 000. Those figures are extremely conservative, bearing in mind the type of industry about which we are talking.

The sum of \$5 000 is allowed for insurance. I should like to know where one could find an insurance company that would insure a fishing vessel for that sum. It is completely under-insured if we use these figures. The licence fee is \$300, the association fee is \$300 and the telephone charges \$800. Running costs for the vehicle are \$1 000. Not one member of this House could run his vehicle for \$1 000 a year. Fuel costs are \$15 000. That sum may seem excessive, but many of the vessels have 2 000-gallon fuel tanks. One has only to fill that size tank a few times to soon run away with your fuel account. Administration expenses amount to \$4 500. All those costs add up to a total figure of \$46 900.

On top of that we have wages, which are based on current wage expectations in similar fields. The allowance for the crew is \$20 000, and that is the cost to the authority holder. That sum includes wages, workmen's compensation premiums, pay-roll tax and all that goes with it.

Dr. Eastick: What about interest on capital?

Mr. BLACKER: That is still to come. For the skipper \$25 000 is allowed, giving a total in the case of a three-man crew of \$65 000. So far we have total operating costs before profit, depreciation and before replacement value of \$111 900.

The Agriculture and Fisheries Department has already stated publicly that these fishermen are entitled to an allowance of 17½ per cent for profit. That amounts to another \$38 000, so the total is now up to \$150 785. No allowance is made for depreciation and replacement value. I could go on and on with these statistics. The Government has been trying to squeeze an industry which, three years ago, was on top because the fishery was being exploited and was not managed. Now the fishery has been over-exploited and catch rates are on the way down. In addition, the catch effort is on the way up and we are headed for disaster. What is this Government doing about the situation? It is trying to get in and rip off the fishermen.

I have quoted these figures because they are typical of the fishermen operating in my area, and they are based on statistics that have been made available by the Agriculture and Fisheries Department. The average catch in Spencer Gulf (Venus Bay) from 1975 to 1977 was 2 046 000 kgs. Assuming that this catch remains static and the number of fishing vessels remains at 39, the total catch per boat will be 52 461 kg. At present market returns to fishermen of \$2.20 a kg, total gross income of \$115 922 can be expected

per vessel. From this analysis a short-fall of \$34 863 occurs between the expected profitability of the industry in 1977 and the actual return.

I base those statistics on an example that I believe to be conservative. The figures I have given could be higher but I have deliberately given these figures so that Government members, if they wish to challenge the validity of this argument, can come forward with logical figures to give some solution to the problem.

Let me now consider wages. Under the present catch statistics and price structure, the crew's share is divided as follows (and the crew men are not paid a set rate each week or each month as the case may be, but are paid a percentage of the actual catch): a deck hand usually receives 10 per cent of the average catch, which would amount to \$10 492. That figure certainly explains why there is a rapid turnover of crew on vessels. I doubt whether people could be attracted off the street today to work all night and, in many cases, most of the day for that sort of wage. A rigman (the second man) gets 12 per cent of the catch, which amounts to \$12 590. The skipper receives 18 per cent. Therefore, 40 per cent of the gross catch is paid out in wages. I cannot table all these statistics, because so many aspects are involved.

Let us now consider the proposed structure put forward by the Government. The Government intended to hit Spencer Gulf fishermen for \$9 000. Fishermen in Spencer Gulf operate much larger vessels than those in St. Vincent Gulf and, consequently, the cost of their operation is much greater. In most cases these fishermen operate double-rig vessels so the quantity of fishing equipment is doubled, and yet they are hit with a larger fee. Their income is not nearly as great as that received by St. Vincent Gulf fishermen, who use much smaller boats. The weather is not as rough and torrid in St. Vincent Gulf as in Spencer Gulf, and in St. Vincent Gulf single-rig vessels are used. The statistics indicate that fishermen in St. Vincent Gulf earn much more than the capital invested, yet their licence fee is much lower.

There is no comparison or correlation between the two cases, and I think this shows a flaw in the Government's argument. I wonder how the Government could have ever come across a system of licensing such as it proposes. It must have thrown a dart at the wall and that system happened to be the one it hit, because there is no logic in this argument.

I have said quite a lot about the running cost of vessels. The Government is adamant that it will knock these prawn fishermen down. At the time I put Questions on Notice about catch rates and income of prawn fishermen. I also asked about the *Joseph Verco*, which is operated by the State Government at the taxpayers' expense. That vessel cost \$182 653 to run last year. That is almost double the amount of a fisherman's catch. That vessel was at sea for only 96 days. I questioned the validity of that, too, because I understand if that vessel leaves Port Adelaide and ties up at Port Lincoln then for the time it is tied up at Port Lincoln it is considered to be at sea. That vessel cost \$1 126 a day to run while at sea. When those figures are considered, I do not think that this Government is in a position to be critical of the statistics being presented by the fishermen. In addition, there were slipping costs, which are obligatory expenses for all boat owners—

The Hon. J. D. Wright: Did you say that the costs were twice as much as the catch?

Mr. BLACKER: I said the costs of operating the *Joseph Verco* were nearly twice as much.

The Hon. J. D. Wright: What is the sense of saying that?

Mr. BLACKER: Because it is the Government's survey vessel.

The Hon. J. D. Wright: I thought you said it was a prawn-fishing vessel.

Mr. BLACKER: It is of similar size and horsepower to a prawn fishing vessel. I was about to mention a figure of \$17 000 for slipping and maintenance. I did not mention those expenses in my other figures. If it costs the State Government \$17 000 for slipping and maintenance, it costs the fishermen that amount. There was \$71 000-worth of equipment put on the *Joseph Verco*. Because that vessel operates in several types of fishery, I will not take that amount into account.

The Government has been adamant that it is trying to squeeze \$350 000 out of the fishermen. It has now reduced that figure a little. Is there any indication that the Government will use that sum in an appropriate manner? Let us look at what the Government has done for the prawn fishing industry in the past. On 26 January this year a report appeared in the *Eyre Peninsula Tribune* that was widely reported in other papers, stating that the Government intended to lift the restriction placed on the Upper Spencer Gulf region. I challenge the motives behind that action. I do not think that the Government's action was in the interest of prawn stocks. The Government had no intention of endeavouring to preserve prawn stocks. Instead, it had a financial interest elsewhere and was prepared to open up that area to keep one or two producers operating.

The fishermen had to take the matter into their own hands, saying that they were closing the upper gulf. There was much ill-feeling because a few fishermen felt they should be still fishing. I have since spoken to those fishermen and they now say that the action taken by their colleagues in preventing fishing during that six-week period was most beneficial. The State Government was prepared to oppose that action. This is the sort of thing that applies throughout the industry.

One of the problems arising out of this issue is that people are being hurt, and I refer to the wives and families of fishermen. They do not know where they stand. They have put their blood and sweat into the industry and developed it without any support from the Government. Those people can stand on their own two feet. They have invested thousands of dollars in South Australia and have been instrumental in developing other fisheries. What ever money they have made has been spent in South Australia, and as long as it is spent in South Australia they should be able to continue to make that money.

The other matter that concerns me is that this issue has become one of finance, with complete disregard for the resource. Not one word has been mentioned about what action is to be taken to protect the resource—it is going out of the window. The Government is trying to put pressure on the fishermen to obtain finance from them, without saying anything about protecting the resource. Catch effort has risen by 20 per cent and the catch rate has been reduced by 35 per cent, so the Government is to be condemned for the manner in which it has handled this industry, and the Minister is to be condemned for the way in which he has misled the public and the Parliament about this matter.

Dr. Eastick: I wonder how many other niggers there are in the wood pile?

Mr. BLACKER: They are coming out all the time.

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

Mr. NANKIVELL (Mallee): Most of the criticisms to be made of this Budget have been made by my colleagues who preceded me. Alternative budgetary proposals have been put to the House by the Leader, so I will confine my

remarks to a few observations about the present Budget and the scene as I see it.

First, I commend the Premier on the presentation of the Financial Statement in its present form. For a long time we have had to look at Loan Accounts and Revenue Accounts in isolation, yet they cannot be looked at in isolation, because under our financial system it is inevitable that we have balanced Budgets. To have balanced Budgets it is important to be able to transfer either Revenue and Loan Funds between Revenue and Loan Accounts. When the Revenue Account is in deficit, our Loan Account expenditure is cut back in the last half of the financial year in order to try to balance our Revenue Account.

This year we find that, whereas we allocated about \$12 000 000 of revenue to Loan Account to stimulate the building industry, in fact, because of a short-fall in revenue, we transferred only about \$3 400 000, instead of the proposed \$12 000 000. All these things are inter-related within the budgetary system of the State. We have no means of creating credit or generating finance, as does the central government, and because of this we are obliged to run, as nearly as possible, a balanced Budget.

I believe that there is still considerable improvement to be made in the new format. There is still too much repetition. I think members who have read the document will understand what I mean. We find, under different headings, a recapitulation of something said previously. We also find in the appendices much information which is historical in nature and which is not really relevant, in many instances, to the debate before the House.

Such historical information can be found in the Auditor-General's Report and therefore need not necessarily appear in the Budget papers. However, a new addition has been made to this information which I think is invaluable. For the first time, the Government indicates that it has some responsibility to answer matters raised by the Attorney-General in his report. Attachment III to the statement of the Premier sets out many of these criticisms and indicates what action has been taken in order to correct, in some instances, or to implement, in other instances, the recommendations of the Auditor-General.

We must realise that we are dealing with a State Budget. The State draws its funds from restricted resources, its principal source being reimbursement of income tax from the Commonwealth Government under a historically approved formula which is made up of three components: an Australian wages factor, a State population factor, and a betterment factor which is fixed at 3 per cent. It is not spelt out (and I think it is important) that there is the added factor for South Australia that relates to the transfer of the State railways to the Australian National Railways. This amount is also subject to an escalation factor, as are the other components of that formula, and therefore it becomes a significant part of the State Budget. Consequently, it is not surprising that the Premier has expressed some concern that there may be some alteration to the procedures concerning the recognition of this amount of money in our tax-sharing arrangement relating to the existing formula.

We entered into a new tax-sharing arrangement under the federalism policies of the Federal Government, whereby the States receive a fixed percentage of personal income tax which is distributed amongst the respective States. Out of this it would appear that this year we could have expected an amount of about \$551 600 000, which is a lesser factor than we would normally have expected to receive under the old formula. It would appear that, with the economic situation as it is, it is highly likely we will be dependent on the safeguard written into this agreement by the Premiers at the Loan Conference preceding the

acceptance of the federalism policy. We will be dependent upon this safeguard, this retention of the old formula, as a backstop. It may well be that that is the figure on which we will have to formulate Budgets.

I think this is highly essential because, unless it is possible for a State Treasury to have some indication of what that figure is likely to be, it is difficult indeed to formulate any form of sensible and logical financial policy for the State. We must have some certain idea of money to be received from that Commonwealth source in order to prepare a Budget and to plan ahead. I think the procedure we have here of a rolling Budget for Loan Account expenditure and adjustments for revenue is in keeping with reasonable practice, and we are probably in advance of other States in this respect.

If we want to implement policy in this State that is not in conformity with Commonwealth policy and we wish to implement policy relating to areas over which the State has complete and sovereign control under its Constitution, I believe we have to accept some responsibility for raising any additional funds that might be necessary to implement those policies. We are told in this document that the big increase in expenditure in certain areas has been necessary to provide the services demanded by the community. I believe that, if the community really wants those services, it will be prepared to pay for them. As I said in the Address-in-Reply debate, I discussed this type of financing with people in the provinces of Canada, where there is a federalism system, with the right of the States to impose a surcharge, and the State accepts the responsibility for the surcharge. The people accept that tax because, if they really want this service and they believe it is essential, they will realise it has to be paid for and they will be prepared to pay for it.

There is one problem with the surcharge arrangement that we have now, in relation to implementing this type of policy: not only has it been temporarily pre-empted by the Federal Government, but more particularly it would be difficult for a State such as South Australia to act unilaterally in this matter. We have enough problems as it is because of our situation and because of other aspects. One of our greatest disabilities is that at present we do not have income from royalties. This year we will receive just over \$4 000 000 in royalties, which is only just fractionally higher than the amount received in Tasmania and which is so far behind the other States that it places a tremendous strain on our budgetary resources to provide comparable services.

I hope we can come to some sensible arrangement about developing the resources we have tied up. I know there are political and social reasons why restraints have been placed upon developing a site such as Roxby Downs. This is a matter of Government policy. In fact, when this matter was debated before the House I voted for the restraints to be imposed on the development. I believe now we must surely be getting to the point where the safeguards that have been offered are realistic. We must be realistic in realising that time will run out for us, and that we cannot hold the world to ransom, irrespective of what the Attorney-General might think. If we do not sell one ounce or uranium we will not stop the problems associated with atomic energy and the possible escape of nuclear waste. We will not stop that by any unilateral action in South Australia.

The Hon. Peter Duncan: Have you heard about the Northern Land Council today? It has imposed—

Mr. NANKIVELL: I understand this has happened. I have also read that it is suggested that this is political action. I do not want to say anything more about it except that this State is short of income from royalties, and we

will not be able to get any royalties from our greatest potential resource whilst we have restraints and cannot mine the copper at Roxby Downs without at the same time shifting uranium. Of course, uranium is there naturally. It is not as though we are adding it to the ground. This State does have a singular disability in that it has no income of significance from royalties, and this is a tremendously important area of income to the other States.

However, we do have a slight advantage over the other States at the present time. I mentioned earlier the fact that we have built into the formula for South Australia the component relating to the transfer of the State railways. We must not go past the point that this year, according to the Auditor-General's Report, up to 28 February the Commonwealth will have picked up \$27 800 000 which was the loss to that date. I believe the possible loss on the country railway system in South Australia for the full financial year will exceed \$40 000 000.

That is an expense we no longer have to bear. In addition, we are being compensated for the sale of the railways. There is probably in that a figure of \$70 000 000 or \$80 000 000 of special grant in aid which is hidden within our present budgetary structure.

It would seem that any mineral development likely to take place in South Australia will be limited indeed. I have a copy of the August edition of the *Australian Director*, in which appears a report headed, "The outlook for major investment projects in Australia", and I shall quote briefly from it to indicate that not only are we not getting income from royalty but we are not attracting mining or manufacturing industrial development in this State. The report states:

There has been a trend throughout the 1970's towards a changing composition of private investment. Since 1970-71, for example: mining has dropped from 25 per cent to nine per cent and has fallen significantly in current price as well as real terms; manufacturing has dropped from 37 per cent to 31 per cent, most investment in the period having been devoted to capital deepening and modernisation with few new large plants; 'other' investment has increased from 38 to 60 per cent.

Some of this redistribution can be attributed to developments in the service industries which previously would have been measured as a manufacturing or mining activity.

Over the last two years total new private capital expenditure has remained virtually static in real terms but there are firm indications that this pattern will improve in the period to 1980 and if current plans to develop further mineral resources and related manufacturing activities come to fruition there will be substantial real growth in mining and related manufacturing industries in the 1980's.

Under the heading, "Locational distribution", the report states:

The 'firm' manufacturing projects which will be implemented in the next two or three years are distributed across most of the States with New South Wales, Victoria and Western Australia providing the largest share. In the medium and longer term Western Australia and Queensland will become the major locations for investment in mineral processing areas of manufacturing as well as continuing to dominate mining activities.

The outlook for New South Wales and Victoria may reflect current capacity-utilisation levels in many industries which are causing manufacturers to temporarily defer larger projects. It is also relevant that much of the lower level manufacturing investment occurs in the two major States and this type of project is not covered by the present survey. South Australia's position is largely dependent upon which of the several proposed major petro-chemical plants proceeds.

Table 1 of the document sets out the total value of projects State by State, as follows: New South Wales, \$1 198 000 000; Victoria, \$1 017 000 000; Queensland, \$1 167 000 000; Western Australia, \$1 455 000 000; South

Australia, \$121 000 000; and Tasmania, \$72 000 000. The following projects are suggested as possibly proceeding in South Australia:

Company-project	Location	Activity	Cost \$
Food, beverages and tobacco			
S.A. Brewing Co.	Adelaide	Rationalisation of facilities	18
Chemical, petroleum and coal products			
ICI.....	Dry Creek	Soda ash plant expansion	14
Basic Metal products			
BHP	Whyalla	Oxygen plant and coke ovens extensions	13
BHP	Whyalla	Environmental control equipment	20
Transport equipment			
Chrysler	Lonsdale	Expansion 4 cylinder engine plant	44
W. H. Wylie.....	Adelaide	Shock absorber plant	4
Other manufacturing			
Uniroyal.....	Adelaide	Diversification into building products	8
Total South Australia			\$121

I am sure members will realise my concern when I say that we have no royalties from our natural assets. That is a disability. We are not attracting manufacturing industry to this State as compared with what is happening in other States. We have a Government that believes that the community wants a lot of high-cost services. It is not prepared to tax the community to provide those services, but complains that the Commonwealth Government is not providing adequate funds.

We have been able to handle the Loan area very comfortably by the establishment of no end of trusts and authorities with borrowing powers. Collectively, a considerable sum has been provided for Loan projects in this State. The State Government Insurance Commission has been indicated as another area, and there is an authority set up under the State Superannuation Fund which is providing money in those areas.

If we want to act unilaterally, as we have in some areas, we must continue to act unilaterally as a State and accept some of the responsibility for our actions. If we are convinced that the policies of this Government are policies the people are prepared to pay for, in the long term, we have no option but to impose additional costs and to use the income tax surcharge factor that is available to us to create those funds.

One should look at the S.G.I.C. report in speaking of that area. The commission generates a great deal of money which it can release for capital works, but it has a substantial build-up of liability in uncontested cases still to be dealt with by the courts. Most insurance companies have a high volume of turnover and money to invest, but they have considerable liabilities. We must be concerned that the majority of these liabilities are now involved with the State, which is also accepting the responsibility, as with the Superannuation Fund, which is lending money, of guaranteeing any short-fall. This is an added responsibility for this Parliament in looking at such matters to see where the additional money is coming from.

There is no question in my mind that we will see further improvements in the presentation of budgetary information to Parliament. We have started to move in that direction with the changes that have taken place in the format of the present Budget papers. I want to repeat what I said in the Address in Reply debate, which I think is pertinent to this issue. We are despatching very quickly, because speakers are coming from only one side of the House, the debate on the financial affairs of the State. The next part of this debate will deal with individual matters of expenditure on the lines. It is a time-consuming and frustrating exercise in many instances for members trying to get information and for Ministers trying to provide it.

I go back to my suggestion that we can reform our budgetary approach even further by setting up budgetary committees which have the right to call before them the heads of departments, to go through the lines and to analyse the lines with the department, and report to Parliament their belief that the amounts of money requested have been properly appropriated and can be accepted by Parliament as a fair and reasonable allocation of the financial resources to those areas of expenditure. This significant step has still to be taken in the area of financial review. I support it, as I have always supported the principle that we should look at expenditure after it has occurred.

That is why I fought so long for the establishment of, and was successful in achieving, in this House, a Public Accounts Committee, which I believe should be made more use of. I repeat what I have said with respect to another significant committee in this House, namely, the Public Works Standing Committee. One of the arguments we have been having in this House (and it has been a donnybrook for some time) has been over the white elephant known as the Frozen Food Factory. I believe that many of the problems would not have occurred had this matter been referred back to the Public Works Standing Committee immediately it was obvious that there would be a tremendous escalation in the cost.

The original recommendation was made on the basis of a total outlay of about \$4 300 000. When it first came to the House in the Budget papers, it was in a line for \$500 000, and we were told that it would probably cost \$7 000 000 or over. At that stage, if the House had been acting responsibly, it would have questioned whether or not the advice given to the committee would stand up in the light of that escalation of costs. Furthermore, it might have asked whether this would be the only cost, because apparently now there is at least a \$2 000 000 flow-on in the Hospitals Department to take advantage of this kind of food. I believe that some of these problems could be prevented by the Public Works Standing Committee having some of these matters referred back to it for reconsideration and further report.

I believe that, as a responsible Parliament, we should accept the responsibility imposed on us by the taxpayers, not only through a budgetary committee and tight budgetary controls ensuring that money is properly allocated and accounted for but also by checking again whether the projects the House is approving are realistic, currently viable propositions, and are essential to the operations of the State Government, before we allow ourselves to be put into the open-ended sort of exercises we have had over a long time since I have been a member. There has been too much open-ended budgeting, as far as my memory serves me, over a long time. All that has been required is that there is a line on the Estimates, even if only for a few dollars, and millions of dollars can be spent on a project, because it is accepted that Parliament has approved expenditure on that line of expenditure.

These are the sorts of open-ended exercise with which we have been confronted for a long time. In this tight situation we now face, with people obviously resisting what they consider to be unnecessary and unjust taxes, if we are going to be a properly responsible and accountable House, we should be ensuring that we are responsible and accountable to the people for all moneys voted through the House on various Government expenditure items.

I believe that these improvements will be made in the future (in the not too distant future, I hope). I hope that, if we lead into this area, we will be giving a lead to the other States and the Commonwealth in a new system of approach, whereby we are treating the finances of the Government as a business and are presenting our financial reports in a way in which they can be understood by the public, and not in the way in which they are now, whereby they are mostly misunderstood even by members of Parliament. A tremendous area of work needs to be done in adopting the concept the Government has of open government—making it open government in a sense that people can appreciate what we are doing and why we are doing it, and accept that it is being done for a reason for which they are prepared to pay.

Dr. Eastick: You said we mustn't be a dog in the manger with uranium.

Mr. NANKIVELL: I will not answer that; I do not wish to be diverted again. In supporting the Bill, I hope that the debate on the lines will be far more rewarding than such debates have been historically, as far as I am concerned.

Mr. ARNOLD (Chaffey): In supporting the Bill, I will take up from where I left off earlier this afternoon, in relation to my motion before the House dealing with the citrus industry. At that time, we had only 15 minutes in which to present our case for the urgency motion. Obviously, it is a complex problem, and much more could have been said earlier today, but time did not permit.

For members' benefit, I will give some of the background of the citrus industry, together with the

overall situation as the industry sees it. Looking at the industry in its entirety, in South Australia alone we find that the gross value of citrus production during 1977-78 was estimated to be about \$24 000 000. Obviously, that makes the citrus industry extremely important in South Australia. A major factor contributing to the gross value was the realistic level of protection provided to the industry by the Commonwealth Government against unfair import competition. Members will readily recall the time, only about two years ago, when numerous reports and photographs appeared in the *Advertiser* and *Sunday Mail* indicating the massive surplus of citrus in Australia, particularly in the Riverland in South Australia. There were photographs of large dumps where citrus was being disposed of, because there was no effective market for it as a result of cheap imports.

One must realise that the citrus imports into Australia are largely from low-cost countries—for example, Brazil, where the average daily wage is the equivalent of about \$3, and it is highly unlikely that Brazil would have legislation similar to that existing in South Australia in relation to workmen's compensation, etc. That gives a country like Brazil an enormous advantage over Australia to produce citrus or any other product at a greatly reduced price compared to the Australian price. About 18 months or two years ago, the Federal Government imposed a 65 per cent tariff protection, thus dramatically altering the situation in Australia and restoring a reasonable level of stability to the industry in South Australia. However, it is not to South Australia's advantage to maintain that level of stability.

The citrus juice market is a growth market, with consumers now recognising the health benefits associated with citrus fruits and citrus juices. It has been well established for a long time that citrus products are accepted throughout the world as being of considerable health benefit. World production of citrus is expected to return to a normal supply situation in 1978-79, and it is anticipated that orange juice will be available from Brazil at 13c a litre f.o.b. during the coming months.

At this f.o.b. price, the implementation of the recommendations of the South Australian Government to the I.A.C. would result in a return to the grower of \$60 a tonne, whereas costs of production are \$100 a tonne. This is borne out by the conclusions and findings of the Bureau of Agricultural Economics.

The effect of this would be felt at all levels of the industry (fresh fruit as well as processing) and would reduce the gross value of citrus production in South Australia by about 25 per cent down to \$18 000 000. In other words, it would bring the citrus industry in South Australia to its knees. The recommendations of the South Australian Government are obviously based on an academic theoretical exercise and take little account of the practical aspects of the industry's problems.

We are well aware of the problems faced by the canning fruit industry. The increased problems of the wine and brandy industry are a result of the Federal Government's massive increase in the duty on brandy. The only bright spot at the moment in the fruitgrowing industry is really citrus. As I have said, the recommendations of the South Australian Government would put the citrus industry into as much trouble as we now have in the brandy industry.

A major problem associated with imports of citrus juice is that the product is imported in a highly concentrated form at a ratio of approximately 8:25:1. This creates a distinct advantage for the supplying countries. A fixed *ad valorem* or specific rate of tariff does not provide satisfactory protection. Based on an f.o.b. price of 13c a litre, an *ad valorem* tariff in excess of 100 per cent would

be required to maintain a viable citrus industry. The specific tariff would need to be 14c a litre. That would be a tariff in excess of the value placed on the imported product.

Quotas are therefore the most satisfactory method of providing protection without adversely affecting the consumer price. Under a tariff quota arrangement, the over-quota tariff needs to be at a competitive level in relation to Australian prices, otherwise the effect of the quota is negated.

The Budget decision imposing an additional customs duty on certain goods subject to tariff quotas and import licensing controls was not intended to have an additional protective effect. Discussions with the industry on the matter should not be inhibited by the Budget decision. The Premier made play of that in his reply yesterday. There is little consequence in the Premier's comment of yesterday, as I have just said.

Dr. Eastick: Today he said he recognises it as a socio-economic disaster.

Mr. ARNOLD: Right. The industry also does not want to see a boom in planting which could lead to surplus production. Such developments are not likely to occur under the proposals put forward by the industry. New land is not available in South Australia. Further allocations of irrigation water will not be available. Time after time we hear from the Minister of Works that no further water is available for irrigation, so additional land is just not available in South Australia. If there is to be an increased production of citrus, it must be at the expense of another horticultural crop.

The cost of developing citrus plantings, which take up to 10 years to come into production, will inhibit such development even in a relatively viable industry. Plantings which are now taking place are mainly replacement plantings plus the possibility, subject to soil suitability, of growers moving from another horticultural variety to citrus. What the industry seeks is a reasonable level of stability so that the grower and his family have the confidence to improve efficiency and go about the task of producing a crop of good quality fruit which will provide them with a satisfactory level of income. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ADJOURNMENT

The Hon. D. J. HOPGOOD (Minister of Education) moved:

That the House do now adjourn.

Mr. KENEALLY (Stuart): I intend to defend the public transport system, particularly the railways. I can recall, in 1956, when I was working in Darwin in the Commonwealth Railways that it was an effort to admit who was my employer, because every time I said I worked for the railways people would laugh. I felt somewhat ashamed of my job. Unfortunately, that is the attitude that people generally have towards the railways. It is because of that attitude that the whole argument on public transport is based on a false premise.

People believe that public transport, particularly railways, needs to be profitable. I believe that railways need to be economic and efficient and not necessarily profitable, for if railways, with all the infra-structure costs that are placed on them, must run at a profit, serious fare and freight charge increases would have to be imposed. The result would be no customers at all, so that would be self-defeating.

People, when judging the value of railways, should not look at the balance sheet or profit and loss statement but should consider the social benefits of a railway system which is efficient and comfortable. That does not apply to some of the railway systems in Australia that unfortunately have been allowed to degenerate.

People using railways as a mode of transport do not use the roads and, consequently, we see less traffic on the roads, less need for freeways in the cities and less need for road maintenance in country areas. We would have a lower usage of an important resource—oil. We would also have less pollution caused by motor vehicles. Because we would have fewer cars on the roads, we would have fewer accidents, fewer people in hospital beds, fewer paraplegics and quadraplegics, and we would have lower third party and comprehensive insurance costs. I could go on dealing with that topic.

The use of railways has a tremendous social benefit to any community, yet the whole basis of discussion within Australia is based, unfortunately, on whether or not the railways are profitable. At a time when most of the rest of the world is moving back into railways, in Australia, unfortunately, there is a tendency to move out of railways.

I represent a district that includes Port Augusta and Port Pirie, two large rural railway cities. The people in those cities are concerned about the future of the railways there, and quite rightly so. The Chairman of Australian National Railways (Mr. Keith Smith) and the General Manager of A.N.R. (Mr. Vern Dyson) have both for a period of their life lived in Port Augusta. Mr. Dyson has also lived in Port Pirie. Both these gentlemen have an affiliation to my district.

Whilst they are in the positions that they now hold I am sure that Port Augusta and Port Pirie will remain important elements in all railway thinking. However, in these areas we are concerned about what might happen on the retirement of those two gentlemen. I understand that Mr. Dyson is to retire this year and that Mr. Smith will retire next year. They will be replaced by railway economists, railway technicians, if you wish, who may well consider that railways need to be profitable, and profitable alone, so we will see a continuation of the dismantling our railway system. I think that will be a sad day indeed.

I suggest that a good way of costing the efficiency of the railways and providing a service would be for the railways to determine those areas of activity which are profitable and which can be quite sensibly carried. They could also report on the areas of railway activity that are socially desirable but which would run at a loss. Those services could be made known to the Government so that if a political decision was made to continue those services they would be funded because of a Government decision and not be debited against railway running costs, so that a railway could be seen to be running efficiently in those areas that it could sensibly maintain, and if it was required to run a service that was economically disadvantageous it would be funded by the Government to make up for the loss incurred. If that was the case, I am sure it would change the railway debate.

One matter I draw to the attention of the House is the requirement for railways to provide their own permanent way; that is, the railway track. This places an enormous accumulated capital cost against working expenditure. Road transport runs on roads provided by the community. Road transport operators pay taxes, but they do not have to meet the enormous capital and repayment costs that railways have to meet. Airways and sea transport have airports and seaports provided by the community. They pay taxes and charges to use those services, but they are not required to meet the full capital and repayment costs

of their roads. The railways are at an enormous disadvantage in comparison to other forms of transport in Australia.

I would hope that criticisms of the railways will cease. I do not expect that they will, but I hope that the debate will become more informed. I am a former railway worker (and I say "worker" with great pride, because people in the railways work, despite what the general opinion is). I can certainly say that railway workers in Port Augusta and Port Pirie work hard.

Mr. Russack: Do you come down from Port Augusta by train these days?

Mr. KENEALLY: I do not. The reason for that is that it takes too much time to come down by railway. There is an easy answer to that; we should spend more capital to improve services so that the railways provide the efficiency and comfort necessary to get people to use them. If there was a fast, comfortable service to Port Augusta, Whyalla and Port Pirie, it would be much more relaxing for people to use that service rather than drive a car. To drive a car from Port Augusta to Adelaide and do the job you want to do is a hassle. The railways have a great advantage if they can provide that service. They cannot provide that service unless funds are available, and funds will not be made available so long as we have the level of debate about railways and the misunderstanding about what railways can do.

If the honourable member's question was a facetious one, fair enough, but if it was not I ask him to look at the whole argument to appreciate the value of what I am saying. The railway people in my district are desperately concerned about their future. There is a trend for young people working in Port Augusta to be moved to Adelaide. I can see the arguments about efficiency and the need for some of these people to be working in Adelaide, but in terms of decentralisation I think it is disastrous.

I think the railways system already existing in Port Augusta and Port Pirie should be supported and upgraded and, rather than workers moving out of those cities to Adelaide, there ought to be a move to Port Pirie and particularly to Port Augusta, which is the centre of the Australian National Railways and which should remain as such and be expanded. There is a future for the railways of the world if people are prepared to accept these arguments.

Mr. WILSON (Torrens): In October last in this place I canvassed the subject of what I consider to be the over-supply to out-patients of drugs in hospital pharmacy departments. I did the same thing again in February, and at that time I asked the Health Commission to institute an inquiry into these matters. I am pleased to say that that has been done. At the time, I gave several examples and I asked that a report be made to this House. Much consideration has been given to the matter. I was supported in this endeavour by the Hon. Mr. Carnie in another place. The recommendations brought down by this committee are important especially in regard to the recent State Budget wherein the Government has had to cut back the expenditure on the Hospitals Department and the Health Commission generally. The recommendations of the inquiry are as follows:

- (a) S.A. Health Commission to develop uniform guidelines covering pharmacy service at all hospitals.
- (b) A pilot study to be conducted to determine the effect of limitation of pharmacy issues to one month's supply.

In those grievance debates I pointed out that much of the supply of these drugs was done in quantities of two, three,

four or even six months' supply, and obviously this caused some concern as well as being a great cost to the community. The recommendations continue:

(c) Pharmacy out-patients sections to be remodelled to provide a better service.

(d) Pharmacist to be available for drug counselling and drug inquiries.

(e) Continued support for studies on drug compliance.

"Drug compliance" means a study into the way in which patients take their drugs. For instance, many people do not take their drugs according to the correct dosage schedule which, of course, means not only does the drug not work as well as it should but also the quantity of drug lasts for a longer time and that causes an extra cost on the community. The recommendations continue:

(f) Hospitals should maintain a policy of referral back to general practice.

(g) Private patients' prescriptions should be part of hospital service with an appropriate fee levied.

(h) Drug committees to be an active section of hospital executive.

(i) Director, Pharmacy Services, to undertake work flow pattern evaluation of hospital pharmacies.

When these recommendations are put into practice, there will be a considerable saving in the cost of drugs supplied in hospital out-patient departments. However, the main economic area of concern is in the total provision of drugs and surgical sundries in institutions under the control of the Health Commission. According to the Auditor-General's Report for the year ended 30 June 1978, the total cost to revenue of drugs alone was \$5 690 000, which represents an increase of 17.5 per cent on last year. This is really only half the cost because, under the Medibank agreement, the Commonwealth provides an equal amount.

The total cost to South Australian revenue for drugs and services and medical supplies was no less a figure than \$23 641 942, which represents an increase of 13.6 per cent on last year. No wonder then that the Corbett Committee, having just completed its inquiry into the cost of hospital food supplies, is now in the process of investigating drug costs as well. I look forward with anticipation to that report.

I turn now to the supply of drugs for hospitals in country towns. The practice in the past has been for local pharmacists to supply these drugs under contract, but latterly there has been a move for hospitals to obtain their drugs, using a Government authorised supply system. Because of the law, the supply of drugs under this system requires professional supervision, thus imposing a further cost on the budget for the Hospitals Department and, in my opinion, an unnecessary cost.

Why bring in supplementary labour or replace existing people with a potentially more expensive Government scheme, especially when this service is being provided adequately by the local pharmacist? Being a pharmacist myself, I must declare my interest in the matter, although I have never dispensed, and am never likely to dispense, for country hospitals.

Nevertheless, the Government should use the services of the local pharmacist when he or she is able to provide such a service. Certainly, the current Medibank issue complicates the matter. However, I understand that joint talks are now proceeding between the Health Commission and its Pharmaceutical Advisory Committee, which committee consists of representatives of the Pharmaceutical Society, the Pharmacy Board, the Pharmacy Guild, and the Society of Hospital Pharmacists.

I understand also that an agreement is likely to be reached that will enable the local pharmacist to continue

supplying these drugs under special contract arrangements. If this is so, I heartily applaud the negotiators on their efforts over what must have been a long period of hard work.

Members will be aware that there has been a reduction in members of the professions willing to practice in country areas. This applies not only to pharmacy but also to the medical, dentistry, and other professions. The President of the Pharmacy Guild (Mr. Ingerson) said recently that there was a net loss of 10 pharmacies in the city this year. In fact, there was a loss of 35 pharmacies, although another 25 were opened. This trend is about to make itself felt in the country as well. In fact, I believe that in Rocky River District recent changes have occurred in pharmaceutical services to country towns.

This trend can be partly averted by allowing the country pharmacist to retain his or her hospital dispensing. The urgent implication of the agreement that I understand has been reached by the pharmacy and Health Commission negotiators will not only provide an equitable solution to the problem but will also go a long way in preserving the services now provided by pharmacists in country towns.

Mr. KLUNDER (Newland): I wish to bring several matters to the attention of the House today, one of which is the way in which at least some members of the medical profession tend to augment their incomes. This matter came to my attention recently when one of my constituents came to see me with a number of bills that he had received from his general practitioner and specialists. Apparently, he has a daughter who had a medical problem. He took her to a general practitioner who, to his credit, recognised that the skin problem that the youngster had was beyond his competence, or at least that there were people more competent to deal with it, and he recommended my constituent and his daughter to a specialist.

When my constituent went to the specialist he found out, after a while, that the first bill he received was of the order of twice the amount of the second, third, and subsequent bills. When he queried this higher charge and the reason why the first visit was charged at double the rate, he was told that this was because the first visit is usually a longer one that requires a specialist to become familiar with the case history. Since it takes longer, it is charged for at a higher rate. My constituent accepted that, paid the bill, and continued to take his daughter to the skin specialist.

About a year later he was told that he would have to go back to his general practitioner in order to get a further referral. This struck him as odd. He was required, apparently by regulations, to go back to a general practitioner who had indicated in the first instance that there were other people more competent to deal with the medical problems that the daughter had. To find out whether or not he was allowed to continue seeing the specialist in this area, he had to go back to someone who had indicated that his expertise in the matter was not high.

He went back to the general practitioner, who said he should continue going to the specialist, and charged \$9.70 for that. He went back to the specialist and found out that the first visit to the specialist once again was charged at double the rate of normal visits. When he went back to his specialist to query this he was told that, after all, it was the first visit after having been to a general practitioner and could therefore be charged at double the rate and would therefore be charged at double the rate; if he did not like it, legal action would be taken.

I find that an almost incredible situation. Here we have a medical specialist (and I do not think specialists are

really on the breadline), using a very minor regulation to hide behind in order to charge an extra \$12.50 for every patient he sees again after 12 months. When one considers that that money comes out of the pockets of individuals or out of their medical health funds, but certainly that a proportion of the charges comes from the Australian taxpayer through the Commonwealth Government, one wonders to what extent the Commonwealth and the taxpayers are being ripped off and how many specialists are indulging in this practice. Certainly on the overall Australian scale one wonders how much money is being taken out of taxpayers' funds in that regard.

I cannot really see much justification, either, for sending a patient back to a general practitioner in order to be able to continue going to a specialist. The only reasons I have been able to find for this I would rather not state, because I do not think they are to the credit of the profession. If it is possible for a medical association of any kind to tell me a good reason why that is the case, I trust it will do so.

The second point I wish to raise is one that I do not think very much can be done about. It is probably a fairly minor point, but something that has been irritating me for some time. When I migrated from Europe to Australia, two of the ports of call were Port Said and Aden and I remember, as a youngster, being very impressed by the way in which the street hawkers operated. Even at that time, I realised that if one were prepared to bargain it should be possible to get goods for as little as two or three times the normal retail price.

The Hon. D. J. Hopgood: Did you buy a post card?

Mr. KLUNDER: I was not even offered one; I was 12 years old at the time. When I came to Australia, I was reasonably happy, even at that age, to be back in a country where there was a fixed retail price and where the only haggling that went on was whether the vendor was prepared to sell at that price and the buyer was prepared to buy at that price.

I have since realised that that is not really the case in Australia. If one happens to know somebody, he will be able to get it for wholesale, wholesale plus 10 per cent, or at least 20 per cent off the retail price. I suspect that this has become institutionalised since one can join certain groups or organisations and get discounts. I suspect that it is almost mandatory for suppliers of goods and services actually to raise what would have been a reasonable retail price to a slightly higher figure in order to maintain profit levels. Cashdown presumably is one of the organisations which utilise what has already become a very institutionalised system. The problem is that the various groups that have to pay the full retail price or the new full retail price, which is somewhat higher than it need have been, are the very groups least able to afford it. One can think in terms of young people, women who do not have the experience and expertise usually to haggle and find the right person for this type of thing, and age pensioners who normally do not have the mobility to move around, and get this sort of information. There would be many other groups, but one thing they would all have in common is that they would not be as rich as the groups that are actually managing to get this discount. That is a pity.

I refer now to an interjection I made on the member for Eyre yesterday, when he was talking about the Queensland election figures. I have to apologise to him because I thought he was referring to the 1977 figures but, on reading *Hansard*, I find he was referring to the 1974 figures. He is quite correct that the coalition managed to get 59 per cent of the vote and the Labor Party 36 per cent. What he did not say was that the 36 per cent of the vote that the Labor Party got entitled it to less than 12 per cent of the seats in the Queensland Parliament. I examined the

1977 figures, which indicate an interesting level of gerrymander. The National Party in Queensland in 1977 gained 35 seats with 26.94 per cent of the vote; the Liberal Party gained 24 seats with 25.35 per cent of the vote; and the Labor Party gained 23 seats with 42.91 per cent of the vote. If the member for Eyre is willing to defend the Queensland Government as a democratic Government with a just electoral system, I think we need to make the

electors of South Australia aware of the attitudes of Liberal Party members on this matter because, by that truculent ignorance, there is a real danger to democracy.
Motion carried.

At 5.13 p.m. the House adjourned until Tuesday 26 September at 2 p.m.