HOUSE OF ASSEMBLY

Thursday 6 November 1980

The SPEAKER (Hon. B. C. Eastick) took the Chair at 2 p.m. and read prayers.

PETITIONS: PROSTITUTION

Petitions signed by 867 residents of South Australia, all praying that the House urge the Government to strengthen existing laws against the prostitution trade, reject any proposal to legalise the trade, and request the Commonwealth Government to sign the United Nations Convention on Prostitution, were presented by the Hons. R. G. Payne, D. O. Tonkin, and J. D. Wright, and Messrs. Ashenden, Lewis, Oswald, Peterson, and Schmidt.

Petitions received.

PETITION: PORNOGRAPHY

A petition signed by 94 residents of South Australia, praying that the House legislate to tighten restrictions on pornography and establish clear classification standards under the Classification of Publications Act, was presented by Mr. Schmidt.

Petition received.

PETITIONS: MEAT SALES

Petitions signed by 186 residents of South Australia, all praying that the House urge the Government to oppose any changes to extend the existing trading hours for the retail sale of meat, were presented by Messrs. Lynn Arnold and Slater.

Petitions received.

PETITION: ENVIRONMENTAL UNIT

A petition signed by 33 residents of South Australia, praying that the House urge the Government to re-establish the Environmental Mutagen Testing Unit, to reinstate Dr. J. Coulter to his previous position, and instigate an inquiry into the administration of the Institute of Medical and Veterinary Science, was presented by Mr. Evans.

Petition received.

PETITION: WHYALLA CULTURAL CENTRE

A petition signed by 100 residents of Whyalla, praying that the House would urge the Government to reconsider the decision to establish a cultural centre at Whyalla and use the funds to upgrade facilities at the college theatre complex and other community projects, was presented by Mr. Gunn.

Petition received.

QUESTIONS

The SPEAKER: I direct that the following written answers to questions, as detailed in the schedule I now table, be distributed and printed in *Hansard.*

DRUG-RELATED OFFENCES

In reply to **Mr. SCHMIDT** (7 October).

The Hon. W. A. RODDA: The following table provides data relating to all drug-related offences detected in the metropolitan area during each quarter of the fiscal year 1979-80 and the first quarter of the 1980-81 year:

Geographical	Fiscal Year 1979-80					1980-81
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total for year	1st Quarter
Police Region B	65	147	249	298	759	101
Police Region C—						
C.1 Division	18	57	86	65	226	76
C.2 Division	13	37	59	52	161	52
Police Region D	17	48	51	44	160	77
	113	289	445	459	1 306	306

The broad geographical areas to which the statistics in the table apply are delineated as follows:

Region "B"—extends from just west of the city to the Mount Lofty Ranges, encompassing the city proper and such suburbs as Mile End, Thebarton, North Adelaide, Hackney, St. Peters, Campbelltown, Athelstone, Montacute, Rostrevor, Magill, Norwood, Burnside, Glen Osmond, Mitcham, Panorama, Blackwood, Unley, Black Forest, and Keswick, as well as such hills areas as Stirling, Aldgate, Mylor, Summertown and Norton Summit.

Region "C"—extends south along the coast from Outer Harbor to Christies Beach and inland to include such suburbs as Port Adelaide, Wingfield, Woodville, Henley Beach, Hindmarsh, Croydon, Mansfield Park, Brooklyn Park, West Beach, Lockleys, Torrensville, Fulham, Glenelg, Brighton, Edwardstown, Marion, St. Marys, Darlington, Lonsdale, Happy Valley, Christies Beach Willunga, McLaren Vale and Clarendon.

For administration purposes, Region "C" is split into two Divisions, C.1 Division with its headquarters at Birkenhead and C.2 Division with its headquarters at Darlington. The suburb of Darlington itself is situated within an area of C.2 Division known as Police Sector 4, which is a defined patrol area bounded by the suburbs of Glenelg, Plympton, Clarence Gardens, Edwardstown, St. Marys, Flagstaff Hill, Seaview Downs and Marino.

Region "D"—extends north from the northern boundaries of Regions "B" and "C" to include such suburbs as Prospect, Kilburn, Enfield, Medindie, Greenacres, Gepps Cross, Pooraka, Valley View, Windsor Gardens, Holden Hill, Tea Tree Gully, Ingle Farm, Para Hills, Salisbury, Elizabeth, Munno Para, One

Tree Hill, and the towns of Gawler, Two Wells and Roseworthy.

The figures produced embrace the full spectrum of drug-related offences such as drug use, possession, cultivation, trafficking, etc. The incidence of offences related to individual suburbs is not readily available and cannot be extracted without an exhaustive search of source documentation. The statistics available reveal there has been an increasing incidence of drug offences in each quarter of the 1979-80 financial year and that on the basis of the figures for the first quarter of 1980-81, the trend is continuing in all metropolitan areas.

POLICE FORCE RESIGNATIONS

In reply to **Dr. BILLARD** (7 October).

The Hon. W. A. RODDA: In reply to the questions raised by the honourable member concerning the resignation rate from the Police Force, the following information is supplied:

Table 1 relates to members of the Police Force and Table 2 to Police Cadets, while Table 3 depicts the overall situation.

TABLE 1

ACTIVE POLICE RESIGNATIONS

Financial Year	Active Police Strength	Resignations from Active Police Strength: Number	Percentage of Active Police Strength
1976-77	2 781	49	1·76
1977-78	2 922	42	1·44
1978-79	3 135	38	1·21
1979-80	3 219	78	2·42

TABLE 2

CADET RESIGNATIONS

Financial Year	Cadet Strength	Resignations from Cadet Strength: Number	Percentage of Cadet Strength
1976-77	455	21	4·61
1977-78	435	36	8·28
1978-79	226	23	10·18
1979-80	202	5	2·48

TABLE 3

TOTAL RESIGNATIONS

Financial Year	Total Strength	Resignations from Total Strength: Number	Percentage of Total Strength
1976-77	3 236	71	2·19
1977-78	3 357	79	2·35
1978-79	3 361	61	1·82
1979-80	3 421	83	2·43

HELICOPTER

In reply to **Hon. PETER DUNCAN** (7 October).

The Hon. W. A. RODDA: Cabinet approved the following users of the helicopter:

(a) Police Department
(b) St. John Ambulance
(c) Country Fire Services
(d) Commercial sponsors.

The Chief Secretary was authorised to negotiate contracts with Lloyd Helicopters Pty. Ltd. and the commercial sponsors for use of the helicopter, and no department, authority or other organisation can use the helicopter without the Chief Secretary's approval in writing as provided for in the contracts.

The following organisations only can call out the helicopter:

(a) Police Department
(b) St. John Ambulance
(c) Country Fire Services
(d) Radio Station 5AA
(e) Television Station SAS10.

In the case of the Sea Rescue Squadron and State Emergency Service, the Police Department is the call out authority, and for hospital medical retrieval teams, St. John Ambulance is the call out authority. Surf life saving requests are directed to either the Police or St. John depending on the particular case, and Bank of New South Wales requests are directed to 5AA.

The helicopter can be used by any of the organisations mentioned above providing call out is effected through the appropriate call out authority listed above (*(a)* to *(e)*). There are detailed procedures, operating instructions and safety procedures in relation to using the helicopter, and Department of Transport regulations must be adhered to. Some relevant rules of use are:

a. The approved Government departments and authorities can use the helicopter anywhere in South Australia.
b. Commercial sponsors are limited to use within 85 km of Adelaide Airport.
c. In the event of requests for the use of the helicopter occurring either simultaneously or a further request when the helicopter is already committed, the priority of use will be determined by discussion between Police, St. John and C.F.S. control rooms, bearing in mind that preservation of life is paramount. Should a change of mission occur due to a higher priority requirement, passengers and crew may be off-loaded at the discretion of the pilot.
d. Commercial sponsor usage is at their expense and is always subject to the helicopter not being required for Government use.

The Premier has been a passenger in the helicopter on 9 July 1980, when he landed at Kooyonga Golf Course for the official launch of the Wales State Rescue Helicopter service. He was also a passenger in the helicopter used for the trial period when it was launched on 21 December 1979, at State Transport Authority land on North Terrace.

DEPARTMENTAL SALARIES

In reply to **Hon. PETER DUNCAN** (7 October).

The Hon. W. A. RODDA: The honourable member has, in his question, compared the 1978-79 year (1979) salaries with those paid in the 1979-80 year (1980).

The differences between the salaries recorded in the Auditor-General's Report 1979-80 year and the Estimates (Actual Payments) 1979-80, are that amounts for payroll tax and terminal leave payments are recorded in total for Treasury purposes, under "Administration" on the Estimates, whereas these amounts have been apportioned to branches in the Auditor-General's Report.

The following table details the information requested:

Auditor-General's Report
Page 56—Salaries wages and related payments (includes Payroll Tax and Terminal Leave Payments)

Branch	1978-79 (shown as 1979)	1979-80 (shown as 1980)	Estimates Pages 51 and 52 1979-80 Actual payments inc. P.R.T. and T.L.P.
	$'000	$'000	$
Administration	446	579	1 047 614
Probation and Parole	983	1 206	1 140 067
Adelaide Gaol	1 557	1 670	1 577 346
Country Gaols	740	807	766 233
Women's	353	389	366 744
Yatala	3 031*	3 372	3 154 193**
Cadell	528	561	532 275
	7 638	8 584	8 584 472
			8 584 ($'000)

*Auditor-General's Report Page 56
**Estimates—Page 52.

CRIME STATISTICS

In reply to **Mr. KENEALLY** (7 October).

The Hon. W. A. RODDA: The collating of crime statistics by all Police Forces throughout Australia is based upon rules set out by the Australian Bureau of Statistics. These rules are arrived at through discussion with representatives of all Australian Police Forces and are aimed at providing uniform counting procedures so that statistics from each State can be reasonably compared. Unless a particular procedural change has far-reaching implications, it has not been the practice in the past to refer decision-making at this level to the executive arm of Government.

From 1 January 1980, a modification to the production of statistics by the Police Department occurred to bring this State's procedures into line with the processing instructions of the Australian Bureau of Statistics. The effect of this modification has been that crime statistics produced for each quarter of the year will now reflect the incidence of offences which actually occurred in the relevant quarter, as distinct from the previous situation where quarterly published figures represented offences brought into account during the period without regard for the date of occurrence.

Although processing instructions issued by the Australian Bureau of Statistics specified the need to produce statistics based on the reported offence date, it was only from 1 January 1980, that the South Australian Police Department had the facility to produce statistics on this basis.

REVENUE RECEIPTS

In reply to **Mr. KENEALLY** (7 October).

The Hon. W. A. RODDA: The following analysis of revenue receipts for 1979-80 is provided in reply to the honourable member's question:

PROCEEDS FROM VARIOUS PRISONS

Institution	Tradeshops	Farm and Garden	Rentals	C/W Prisoners	Plant Sales	*Misc.
	$	$	$	$	$	$
Adelaide Gaol	3 532	175	—	18 082	—	366
Women's Rehabilitation Centre	—	—	—	1 969	—	186
Yatala	150 515	2 686	—	220 465	8 370	2 556
Cadell	—	87 073	68	—	2 260	3 432
Port Lincoln	—	2 219	700	—	—	549
Port Augusta	2 728	—	—	—	—	—
Mount Gambier	—	207	—	—	—	276
	156 775	92 360	768	240 516	10 630	7 365
Plus Administration	—	—	80 102	—	28 070	730
	156 775	92 360	80 870	240 516	38 700	8 095
Total	$617 316					
Nearest $'000	$617 000					

*Miscellaneous receipts include telephone and telegram recoups and sundries.

RECEIPTS AS DETAILED IN AUDITOR-GENERAL'S REPORT—PAGE 56

	$'000
PROCEEDS OF PRISON LABOUR, ETC.	
Adelaide and country gaols, women's and sundries	92
Yatala Prison	156
Cadell	90
Recoup from C/W for sustenance of prisoners	240
Sales of plant and motor vehicles	39
	617

POLICE OVERTIME

In reply to **Mr. OSWALD** (7 October).

The Hon. W. A. RODDA: The following table provides the information requested by the honourable member in relation to overtime worked by Police personnel:

It will be seen that, although the total overtime worked is increasing each year, when calculated as an average per man per year, the rate of annual increase appears relatively stable and, in fact, in the last twelve months ended 30 June 1980, the percentage increase declined by almost 1 per cent.

Financial year ended	Manhours of overtime worked	No. of Police personnel at 30 June	Manhours of overtime per man per year	Per cent increase over previous year
30/6/77	63 365	3 236	19·58	—
30/6/78	69 306	3 357	20·65	5·46
30/6/79	73 587	3 361	21·89	6·00
30/6/80	78 706	3 423	22·99	5·03

CRIME

In reply to **Mr. McRAE** (7 October).

The Hon. W. A. RODDA: The study of crime rates in the various States and Territories of Australia and comparison of the respective trends is a complex exercise and one to which criminologists and criminal justice administrators throughout Australia have addressed their minds for many years. One such study, entitled "The Size of the Crime Problem in Australia", undertaken by Dr. David Biles of the Australian Institute of Criminology, was published in 1979 and contains comparisons of selected crime categories over a 14-year period.

It is not possible to supply Australia-wide figures relating to the years 1977 to 1979, together with comparable figures for the last twelve months as statistics from other States for the fiscal year 1979-80 are not yet available. Consequently, the following information is supplied:

1. Table 1.1 Shows selected crime offences reported to or becoming known to Police in all Australian States and the Northern Territory.
2. Table 1.2 Depicts the percentage change in offences contained in Table 1.1.
3. Table 2.1 Shows the total number of offences reported in South Australia over the four fiscal years 1976-77 to 1979-80, together with a selection of the more serious criminal offences.
4. Table 2.2 Depicts the percentage change in the offences recorded in Table 2.1.

It will be seen that during the period 1976-77 to 1978-79 there was an increase in the total number of offences in the selected crime categories in all States of Australia. However, this increase was not uniform over all categories, with some States, including South Australia, showing a decrease in certain offences in some years.

While it is not possible to make any meaningful comparison between States over such a relatively short time span, the overall situation in South Australia is not significantly worse than in the majority of other States.

SELECTED CRIME REPORTED OR BECOMING KNOWN TO POLICE
1967/77 TO 1978/79

Offence Category	N.S.W.	VIC.	QLD.	S.A.	W.A.	TAS.	N.T.	A.C.T.
Total Selected Offences:								
1976/77	68 454	53 091	20 546	19 785	20 620	3 801	1 941	2 067
1977/78	79 868	64 073	23 324	21 470	21 589	4 214	1 860	2 422
1978/79	85 348	71 789	25 582	25 361	22 974	4 404	2 349	2 305
Homicide:								
1976/77	314	171	136	57	39	11	33	4
1977/78	301	139	121	49	25	9	21	5
1978/79	303	183	167	65	39	8	18	1
Serious Assault:								
1976/77	895	1 277	544	251	429	42	58	42
1977/78	1 076	1 531	738	262	367	85	42	53
1978/79	1 134	1 775	968	351	292	89	258	56
Robbery:								
1976/77	1 353	965	282	265	127	38	19	21
1977/78	1 716	1 110	318	213	155	26	24	15
1978/79	1 699	1 170	281	328	127	51	13	14
Rape:								
1976/77	307	264	77	149	93	17	15	7
1977/78	365	233	72	172	98	16	17	10
1978/79	419	215	61	165	96	22	13	7
Breaking And Entering:								
1976/77	42 142	37 347	14 318	14 567	14 433	2 835	1 141	1 512
1977/78	49 392	45 573	16 366	15 258	14 550	3 145	1 111	1 746
1978/79	50 815	52 613	18 053	17 960	16 073	3 454	1 341	1 677
Motor Vehicle Theft:								
1976/77	23 443	13 067	5 189	4 496	5 499	858	675	481
1977/78	27 018	15 487	5 709	5 516	6 394	933	645	593
1978/79	30 978	15 833	6 052	6 492	6 347	780	706	550

Table 1.2

PERCENTAGE CHANGE IN OFFENCES REPORTED OR BECOMING KNOWN TO POLICE
1976-77 TO 1978-79

Offence Category	N.S.W.	VIC.	QLD.	S.A.	W.A.	TAS.	N.T.	A.C.T.
	Percentage Change							
Total Selected Offences:								
1977-78 over 1976-77	+6·86	+20·69	+13·52	+8·52	+4·70	+10·87	−4·36	+17·18
1978-79 over 1977-78	+16·67	+12·04	+9·68	+18·12	+6·42	+4·51	+26·29	−4·83
Homicide:								
1977-78 over 1976-77	−4·14	−18·71	−11·03	−14·04	−35·90	−18·18	−36·36	+25·00
1978-79 over 1977-78	+ ·67	+31·66	+38·02	+32·65	+56·00	−11·11	−14·29	−80·00
Serious Assault:								
1977-78 over 1976-77	+20·22	+19·89	+35·66	+4·38	−14·45	+102·38	−27·59	+26·19
1978-79 over 1977-78	+5·39	+15·94	+31·17	+33·97	−20·44	+4·71	+514·29	+5·66
Robbery:								
1977-78 over 1976-77	+26·83	+15·03	+12·77	−19·62	+22·05	−31·58	+26·32	−28·57
1978-79 over 1977-78	− ·01	+5·41	−11·64	+53·99	−18·07	+96·15	−45·83	−6·67
Breaking and Entering:								
1977-78 over 1976-77	+17·20	+22·03	+14·30	+4·74	+ ·81	+10·94	−2·63	+15·48
1978-79 over 1977-78	+2·88	+15·45	+10·31	+17·17	+10·47	+9·38	+20·70	−3·95
Motor Vehicle Theft:								
1977-78 over 1976-77	+15·25	+18·52	+10·02	+22·69	+16·28	+8·74	−4·44	+23·29
1978-79 over 1977-78	+14·66	+2·23	+6·01	+17·69	− ·01	−16·40	+9·46	−7·25
Rape:								
1977-78 over 1976-77	+18·89	−11·74	−6·49	+15·44	+5·38	−5·88	+13·33	+42·86
1979 over 1977-78	+14·80	−7·73	−15·28	−4·07	−2·04	+37·5	−23·53	−30·00

Table 2.1

OFFENCES REPORTED OR BECOMING KNOWN TO THE SOUTH AUSTRALIA POLICE DEPARTMENT 1976-77 TO 1979-80

Offence Category	1976-77	1977-78	1978-79	1979-80
*Total Offences	84 155	85 530	100 052	138 640
Murder and Attempted	28	36	36	42
Rape and Attempted	149	172	165	222
Serious Assault	251	262	351	482
Robbery	265	213	328	494
Breaking and Entering	14 567	15 258	17 960	23 867
Larceny	32 431	35 480	40 897	53 470
Motor Vehicle Theft	4 496	5 510	6 492	5 850
Drug Offences	1 905	2 230	1 445	3 202

*The total number of offences excludes offences committed under the Road Traffic Act (except Unlawfully Use Motor Vehicle and Procure Motor Vehicle by Fraud) and the Motor Vehicles Act.

Table 2.2

PERCENTAGE CHANGE IN OFFENCES REPORTED OR BECOMING KNOWN TO POLICE 1976-77 TO 1979-80

Offence Category	Per cent Change 1979-80 over 1978-79	Per cent Change 1978-79 over 1977-78	Per cent Change 1977-78 over 1976-77
Total Offences	+ 38·57	+ 13·01	+ 5·20
Murder and Attempted	+ 16·67	0	+ 28·57
Rape and Attempted	+ 34·55	− 4·07	+ 15·44
Serious Assault	+ 37·32	+ 33·97	+ 4·38
Robbery	+ 50·61	+ 53·99	− 19·62
Breaking and Entering	+ 32·89	+ 17·71	+ 4·74
Larceny	+ 30·74	+ 15·27	+ 9. 0
Motor Vehicle Theft	− 9·89	+ 17·82	+ 22·55
Drug Offences	121·59	− 35·20	+ 17·06

PAPERS TABLED

By the Premier (The Hon. D. O. Tonkin)—

Pursuant to Statute—

I. State Clothing Corporation—Report, 1979-80.

By the Treasurer (The Hon. D. O. Tonkin)—

Pursuant to Statute—

I South Australian Superannuation Board—Report, 1978-79.

MINISTERIAL STATEMENT: SOUTHERN VALES WINERY

The Hon. W. E. CHAPMAN (Minister of Agriculture): I seek leave to make a statement.

Leave granted.

The Hon. W. E. CHAPMAN: Following the statement by the Premier in this Chamber on 29 October that wine grapegrowers in the Southern Vales would be aided wherever possible by rural assistance funding administered by the Department of Agriculture subject to meeting the normal eligibility criteria, the Opposition's spokesman on rural affairs in another place stated that the Government had only a surface understanding on the deep-seated problems of Southern vales, in particular that funds were unlikely to be available because Riverland growers had had applications rejected because finds were insufficient.

I am at a loss to understand why some people should want to add unnecessarily and inaccurately to the concern held by those small wine grapegrowers in the Southern Vales area, who understandably have some degree of concern about their future. I now wish to put to this House the true picture on the availability of funds. A firm policy has always existed in the department's Rural Assistance Branch that decisions on recommendations would not be influenced by fund availability, and in the history of the branch an application has never been rejected through lack of funds. Any rejections which occur are decided on the basis of how the normal eligibility criteria are met.

The Commonwealth Government has provided $2 300 000 of new funds to South Australia to be advanced in 1980-81 for Part A of the Rural Adjustment Scheme, covering debt reconstruction, farm build-up, farm improvement and rehabilitation assistance. The agreed allocation is that not less than 50 per cent is to go to farm build-up and farm improvement.

An amount of $75 000 is available from the Commonwealth in 1980-81 subject to a matching amount from the State Government for Part B funding, which provides assistance in the way of low-interest rate carry-on loans for wine-grape growers. I repeat that funds will be available to Southern Vales growers either in the long term through farm improvement loans to assist in vineyard redevelopment or more immediately by wine-grape carry-on loans, subject to those applicants meeting the normal eligibility criteria.

MINISTERIAL STATEMENT: RAILWAY STRIKE

The Hon. M. M. WILSON (Minister of Transport): I seek leave to make a statement.

Leave granted.

The Hon. M. M. WILSON: Members will be aware that a rail strike by members of the Australian Railways Union has resulted in no metropolitan rail services being available to the public since 10.30 a.m. on Friday 31 October 1980.

At the request of the Australian Railways Union I met with its Executive and representatives of the State Transport Authority on Monday 3 November 1980 in an endeavour to settle the dispute. At the meeting, the A.R.U. presented me with its demands, which are as follows:

1. Collectors be provided on all three trains mentioned in the S.T.A. correspondence dated 28 October 1980.
2. Collectors be rostered on standby duties on all shifts, including weekend and public holidays.
3. Jumbo trains of up to three cars be provided with one collector.
4. Jumbo trains of over three cars be provided with two collectors.
5. "Red Hen" trains of up to five cars to be provided with one collector.
6. "Red Hen" trains of over five cars to be provided with two collectors.
7. Free passes be provided for use on all S.T.A. modes of transport.

The union stressed that, from its point of view, no good purpose would be served by referring the problem of staffing to a committee.

The Authority's trains are presently staffed in strict accordance with the principles laid down by a Joint S.T.A./A.R.U. working party in 1979. These principles were accepted by both parties at the time. In March 1980, a working party under the Chairmanship of Mr. H. Bachmann, Assistant Commissioner, Public Service Board, and comprising representatives of the A.R.U. and S.T.A. was established by me to report and make recommendations on the size and staffing of trains.

The working party submitted its report in July 1980, and recommended the criteria to be used for staffing for various classes of trains operating in the metropolitan area. The recommendations had been unanimously accepted by all members of the working party, including the representatives of the Australian Railways Union.

Because of the union's attitude in the present dispute, that staffing demands should not be referred to a committee, arrangements were made for the S.T.A. to call an emergency meeting to consider the above demands, including travel concessions. The union had requested me to refer to Cabinet the question of granting travel concessions to the "made available" staff employed by the State Transport Authority. I undertook to take it to Cabinet on Monday next.

The S.T.A. met this morning and has recommended that the union be informed that the Authority is prepared to negotiate with it on staffing of trains, notwithstanding that it does not necessarily acknowledge the need for any change. The Authority has also recommended that the union be informed that it is also prepared to negotiate on the question of stand-by staff.

On the question of travel concessions, the S.T.A. has made recommendations to me on the matter which I intend to take to Cabinet next Monday, as promised. Today I have written to the State Secretary of the Australian Railways Union again requesting that he urge his members to return to work, so as to avoid further hardship and inconvenience to the travelling public, many of whom are fellow workers, and that he immediately take advantage of the offer of the S.T.A. to negotiate directly with the union on the problem of staffing for the various classes of trains. Members may be interested to know the concessions that are now granted to direct employees of the S.T.A. and the concessions applying to the A.N.R.C. staff "made available" to the State Transport Authority. The employee travel concessions are as follows:

	A.N.R. Including Personnel 'Made Available' to S.T.A.	S.T.A. Direct Employees
Employee's Ticket/Pass	Unlimited travel on the metropolitan rail system at approximately half of the normal periodic ticket rate. Available to employees only.	Unlimited free travel on the metropolitan rail, bus and tram system. Available to the employee only.
Student Ticket	Children of "made available" employees are granted unlimited travel on the S.T.A. and A.N.R. rail systems at half the normal student concession rate.	N/A
Privilege Tickets (S.A. country and other A.N.R. lines)	Unlimited low-cost travel at any time on the S.T.A. and A.N.R. rail systems. Available to employee, spouse, dependent children and other dependents.	N/A
Vacation Travel (Interstate and Local)	Free travel to any location on the Government railway systems throughout Australia, during periods of annual leave. (If interstate, limited to one trip per year in each external State.) Available to employee, spouse and dependent children (not applicable to children in Queensland).	N/A
International Travel	Concession rail travel available to employees and their dependents in many overseas countries.	N/A

QUESTION TIME

SUPERANNUATION FUND

Mr. BANNON: Can the Premier say whether the detailed evaluation of the Superannuation Fund has been completed, and, if not, what stage has it reached, and when will the information be made available to the House? This matter was raised and discussed at some length on 2 October during the Estimates Committees' deliberations, and the Premier referred to a report that he had commissioned, a detailed evaluation of the fund, and he said that he hoped that the information would be available within a matter of weeks and that, when the information did come forward, he would be happy to undertake to present to the House a summary of that situation.

There has been concern about the investment policies of the trust and the rate of return on those investments, particularly bearing in mind two major shopping centres which have been acquired and developed by the trust, namely, the Bay Junction shopping centre and the North Adelaide Village, which are not very profitable areas of return, and also the acquisition of city properties such as Malltown and the mail exchange and, under the direction of the Government, the acquisition of the Moore's building and the associated tying up of capital funds there. In addition, it has been reported to me that there has been an adjustment in the unit values of recent months which was announced without prior consultation by the trustees of the fund, which means that some public servants who had expected to retire in the next few months and, in fact, who had been contributing at the higher rates, would have been about $3 000 better off if they had retired earlier, because of the adjustment. All of these matters of concern prompt my question.

The Hon. D. O. TONKIN: I refer the Leader of the Opposition to the fifty-third annual report of the South Australian Superannuation Board, which was tabled today. I am quite certain that he will find in there, as I have, the answer to the bulk of his questions.

Mr. Bannon: Is that the special report you commissioned? You said that your report would go much beyond the ordinary.

The Hon. D. O. TONKIN: This is the fifty-third annual report of the South Australian Superannuation Board, and I refer the Leader to that report for some of the answers to the questions he has asked. It was tabled only today, as he knows, and I would not expect that he would have seen it yet. Nevertheless, it covers a good deal of the ground he has covered already, particularly the matter of the investment policy of the fund, which is apparently a matter for concern. The report states, under the heading of "Investment Policy":

> The trust has previously indicated its intention to achieve a substantial increase in the proportion of its investments in the equity area. In pursuance of that policy, out of the $20 200 000 becoming available for investment or reinvestment during the year, $10 300 000 was allocated for such investments. During the year, $7 300 000 was actually invested in the equity area. The remainder of the allocation was placed in investments of a short-term nature which would be readily realisable. Such money will be transferred to the area of equity investment as appropriate opportunities arise.

It goes through the whole question of property investments in some detail, as well as public sector investments, and so on, and I am sure the Leader will find there the answers to his queries.

As to the actuarial investigation, that matter is still to be considered. It is not an easy investigation to make, as succeeding Public Actuaries have found. It is time consuming and detailed, and I understand that it is still proceeding.

The matter of the changing percentage rate on the unit value has been taken up with the Government by the Public Service Association. The Government has considered the matter. It has no jurisdiction in the matter, since it is entirely up to the trustees of the Superannuation Fund themselves, but the Government has intervened to the extent of requesting that the Public Actuary should delay the declaration of a new rate until, I think, the end of January.

The Hon. J. D. Corcoran: It is 1 February; it was to have been 1 September.

The Hon. D. O. TONKIN: We have delayed it from 1 September (I am grateful to the member for Hartley) until 1 February, in the expectation that people who might be contemplating early retirement will now be given an opportunity to make that decision.

NORMAC PROPRIETARY LIMITED

Mr. OSWALD: Has the Minister of Industrial Affairs had investigated the claim of the member for Mitchell in this House on Tuesday that the South Australian clothing company, Normac Proprietary Limited, was denied assistance by the South Australian Government and the South Australian Development Corporation to construct a factory at Regency Park as part of an expansion programme planned by that company? In his question, the honourable member suggested that the application had been refused because the Government wished to give unreasonable preference to a similar application from an overseas firm, the Danish pump company, Grundfos, to build a factory on the same site. Further, the honourable member suggested that, because Normac had not been granted assistance, it may be forced to close down in June 1981.

The Hon. D. C. BROWN: I thank the honourable member for his question. I have had this matter investigated since the member for Mitchell raised it in the House last Tuesday. The honourable member made a number of allegations, and I will deal with them separately. First, there was the accusation that the piece of land that Normac was after had now been allocated to Grundfos Pumps Proprietary Limited.

In investigating this, we find in departmental records that an application was made and Normac Proprietary Limited was after lot 970 at Regency Park, whereas the Grundfos factory was built on the adjacent lot 969, so the same piece of land was not involved, as was suggested by the member for Mitchell. His first accusation was entirely wrong. I add that Normac has now indicated that it saw a number of blocks. One of them could have been 969 on which the company would have liked the factory built, but the specific application was for lot 970.

The second point related to the rejection of the financial incentive under the establishment payments scheme. Under the guidelines laid down (which were drawn up not by my Government but by the previous Government), Mr. Arbon was not eligible for financial assistance under the establishment payments scheme. I can assure Mr. Arbon that the present Government has seen the inadequacies of those guidelines, and has therefore decided to review them. That review has been going on for some time and is almost finalised, and I believe that under the finalised and, I hope, new guidelines for the establishment payments scheme, companies such as Mr. Arbon's company that may wish to expand may be able to obtain financial assistance.

The Hon. R. G. Payne interjecting:

The Hon. D. C. BROWN: I assure the honourable member that the kinds of problems created by his Government certainly have been reviewed and overcome as quickly as possible.

Mr. Slater: Why weren't they eligible? What guidelines were used?

The SPEAKER: Order!

The Hon. D. C. BROWN: There is a series of guidelines under the establishment payments scheme.

Mr. Slater: Which one in this case?

The Hon. D. C. BROWN: To start with, Mr. Arbon was expanding an existing operation and was not specifically introducing new products and exporting, and the e.p.s. guidelines are quite specific as to the basis on which one can receive financial assistance. As I have said, and as the honourable member knows as a member of the Industries Development Committee, we are looking at those guidelines and removing the disincentives that were included by the previous Government.

Further discussions have been held between Mr. Arbon of Normac and my departmental officers. Mr. Arbon is considering several applications. We have asked him to come back to the department in regard to his future expansion and he has said he will do that. He was requested to supply further information to the Government, and that has never come through. There was considerable contact in the past, and he also wrote to the Premier. I can assure the House that there has been no discrimination against Normac and in favour of Grundfos Pumps. The guidelines are imposed evenly and equitably right across the board. The information of the member for Mitchell was quite inaccurate in certain respects. Normac has been back, and I am quite satisfied that we will be able to offer suitable assistance—

The Hon. R. G. Payne: It was justified.

The Hon. D. C. BROWN: (listen for a minute)—if Mr. Arbon comes back with a specific application. I point out that we have offered assistance, which was offered previously, in the form of consultancy grants under the Small Business Advisory Unit, and no specific application for those consultancy grants has yet been received. We believe that certain aspects of the company must be looked at before financial assistance is offered, and we will offer Mr. Arbon assistance, and, if he wishes to take it up, I am sure we can assist.

O'BAHN

The Hon. J. D. WRIGHT: Can the Minister of Transport explain how the Government can claim to have a mandate for the O'Bahn bus proposal when even the Minister himself acknowledges that the light rapid tram proposal enjoys greater public support than does O'Bahn, a factor which does not surprise the Minister, because he believes that people are less familiar with O'Bahn and therefore do not understand it? The Minister will be aware that the Liberal Party's own market researchers, Peter Gardner & Associates, have undertaken a public opinion survey on the public's response to the two main options for a new transportation system for the north-eastern suburbs. That survey shows that 47 per cent of the public are in favour of a light rapid tram operating along the Modbury corridor, whilst only 32 per cent favour the O'Bahn; 21 per cent were unsure. On his own admission, the Minister has claimed disagreement amongst senior transport department officers on the suitability of O'Bahn, and the Tea Tree Gully council recently expressed its preference for l.r.t. I am informed that the Government is planning a major public relations campaign on O'Bahn. But it is hard to see how the Government can claim a mandate for a proposal which the public does not support and which the Minister acknowledges the public does not even understand.

The Hon. M. M. WILSON: The answer to the question is very simply that this was the Government's election policy prior to September 1979, and it was overwhelmingly endorsed by the people of this State.

ROAD GRANTS

Mr. BLACKER: Can the Minister of Transport advise the House whether a decision has been made on the proposed route for the upgrading and sealing of a road between Cleve and Kimba and, if it has, whether that route will include the servicing of the Mangalo silo? The Minister will recall that, some months ago, he visited the Cowell, Cleve, Rudall and Kimba area to see at first hand the urgent need for roadworks in that area, particularly in relation to the heavy haulage from the Mangalo grain growing district. On that visit, the three district councils involved (Kimba, Cleve and Franklin Harbor) agreed that a road should be constructed on a route to be determined by the Highways Department, and that that decision be based on usage and construction costs according to the terrain. Last weekend, whilst in that area, I was confronted by many constituents who claimed that a decision had been made, and my question seeks confirmation or otherwise of that claim.

The Hon. M. M. WILSON: I remember very well the visit I made to the peninsula about last May, and the member for Flinders was present when we inspected that area. I also took the opportunity to visit other sections on the peninsula. The competing claims from various country areas for road funds have made the task of the Highways Department and me very difficult this year, because what we try to do is to be equitable and to show justice to each local governing body. I will get the honourable member a detailed report on the question he has raised, but I believe that the priority has been given to the ceiling of the direct route between Cleve and Kimba that goes up through the middle of the other two competing routes, and I will ascertain for him whether we will seal the connection to Mangalo as well.

I have mentioned the difficulties in allocating road funds to country areas. Members will recall that I was asked a question by, I think, the member for Brighton only two weeks ago which showed that metropolitan councils are also having difficulty in rationalising approaches to the Highways Department and me for road funds because, as I pointed out at that time, although metropolitan councils would like to see local road funds applied on a population basis, country councils would like to see them allocated on the basis of length of road. The road funds allocated by the Commonwealth this year, except for the category of national highways, are, I believe, far too low.

One of the important things we have to realise is that the Commonwealth has announced road funds for the next five years, and this State does not yet know what share it is to receive in the next five years. I can assure the member for Flinders that the position does not look at this stage as though it will get any easier.

WATER RESOURCES

The Hon. R. G. PAYNE: Will the Minister of Water Resources urgently seek talks with Mr. Gordon, the New South Wales Minister for Water Resources, on water

quality and salinity of the Murray system in that State and in South Australia? An article in today's *Advertiser* contains somewhat inflammatory assertions about salinity in the respective States. Additionally, South Australia has been attempting to appear as an objector at various Land Board hearings in New South Wales with, I think the Minister would agree, only varying success. This question of river water quality is so important that I believe that the best interests of both South Australia and New South Wales will best be served by discussion rather than the development of an adversary situation. This view is supported by Professor Sandford D. Clark, Australia's leading authority on these matters, who suggests in volume 4 of his work that compacts or agreements between States have the most weight and effect.

The Hon. P. B. ARNOLD: I agree with the honourable member that compacts between States certainly have the most effect, but unfortunately compacts have not been achieved inside Australia. The honourable member has asked whether I will have discussions with Mr. Gordon of New South Wales. On 27 November last year, I attempted, at a meeting of Ministers in Victoria (which comprised the Federal Minister, and the Ministers for New South Wales, Victoria and myself), to discuss the proposed amendments to the River Murray Waters Act Agreement. On that occasion I presented a paper to that meeting regarding further irrigation diversions, and calling for a moratorium on irrigation diversions in all States. As the former Minister well knows, there have not been any additional diversions in South Australia since 1968. However, at that meeting Mr. Gordon clearly indicated that he was not even prepared to discuss the matter and, in fact, stated that he would leave the meeting if the matter was pursued. That clearly indicates the difficulty of the situation with which we are faced.

I make one thing quite clear to the honourable member: this is not just an issue between South Australia and New South Wales. It is an issue between the lower river users and the upper river users, and the lower river area includes the Sunraysia district and also the lower reaches of the River Darling. In fact, I believe that the upper and lower regions of the total Murray-Darling system can be clearly identified in a way similar to that which applies in the United States in relation to the total Colorado system, where there is an upper river basin of the Colorado and a lower river basin. The upper river basin contains a number of States, as does the lower river basin, but a portion of the lower river basin States are also involved in a section of the upper river basin.

That is exactly the same situation as we have in Australia in relation to the Murray-Darling system. In fact, one can classify the lower basin section of the Murray-Darling system as being below the Menindie Lakes on the Darling and below Swan Hill on the Murray. If one looks at a map of the total river basin area, one will see that the area I have defined as being the lower basin was originally under the sea, and thus the salinity content in the soil and the ground waters beneath the river system are a historical factor.

The up-river basin section of the system has never had that salinity problem, because that catchment area has never been under the sea. That difficulty exists. From the point of view of the users of the upper basin, water flowing downstream and leaving that area is a lost resource. I can understand that approach but that does not help the situation of the down-river users. It is vital to South Australia that those excess flows that normally come from various tributaries in Victoria and New South Wales are allowed to continue and are not fully utilised.

Mr. Gordon is saying that those excess flows in high flow periods should be able to be diverted in New South Wales. We disagree totally, because the down-river users, including those in the parts of New South Wales and Victoria to which I have referred, are totally dependent on that additional flow. What is more, the people in those parts of Victoria and New South Wales are just as hotly opposed to what is happening as are the South Australian growers. Not just South Australian growers are opposed to this situation; people from within Mr. Gordon's own State are hotly opposed to the granting of further irrigation licences upstream.

As I have said before, it is not just a plain simple issue of South Australia versus New South Wales. It is indeed an issue of the down-river users versus the upper basin users, and it has to be sorted out on that basis. The honourable member referred to a compact. The Colorado River compact is a glorious example of what can be achieved when people are prepared to meet together in a sense of goodwill to try to achieve benefits for all concerned. As I have said, right from the word go when I have raised this matter with Mr. Gordon he has refused to discuss the matter.

The Hon. J. D. Corcoran: But you can't give it up.

The Hon. P. B. ARNOLD: I am not giving it up.

KESAB

Mr. RUSSACK: Is the Minister of Environment aware of recent statements by the Opposition concerning the Keep South Australia Beautiful organisation? I am given to understand that many people have been disturbed to read in the *Advertiser* recently claims by the Opposition spokesman on the environment that some large organisations producing items in the litter stream have substantial influence on the Keep South Australia Beautiful organisation because they make heavy contributions to that organisation. As most South Australians would believe that Kesab plays an important role in the control of litter in this State, I would like to hear the Minister's attitude towards that organisation.

The Hon. D. C. WOTTON: I want to say at the outset that the Government, and in particular the Department for the Environment, have a close liaison with the Keep South Australia Beautiful organisation. I take this opportunity to put my full support and that of the Government behind the Kesab organisation. I want to do that because I certainly believe, as does the Government, that Kesab plays a vital role in the control of litter in this State.

In fact, litter survey and analysis figures have shown that, in the past five years, there has been a reduction in litter of 79 per cent in volume and 61 per cent in items in South Australia. Figures such as those have helped to make South Australia the leader in litter control activities in Australia. I can assure members that it is generally considered by other States that the State of South Australia is by far the cleanest State in the country.

As for criticism that some large organisations have substantial influence on Kesab because of their contribution, as far as I am concerned that does not ring true when one looks at the figures which have been provided by Kesab and which we have been able to check. Contributions from organisations of that type total only 6·9 per cent of Kesab's funds compared with some 43·9 per cent from the Government and 49·2 per cent from the community. I suggest that the fact that the community supports Kesab so strongly indicates that it is a widely respected organisation. Recently, with other members

from this House, I attended the function at which the Kesab tidy town awards were presented, and judging from the response from towns all over the State—

An honourable member: It was absolutely wonderful.

The Hon. D. C. WOTTON: Yes, it was absolutely wonderful, and the enthusiasm that that competition has created throughout South Australia is due to the work that Kesab has put into litter control in South Australia. All local councils fully support the work of Kesab, and the competition to which I referred has proved to be an outstanding success. However, it is only one aspect of Kesab's work in South Australia. Kesab is constantly involved in the community and with schools through clean-up campaigns right across the State, promoting a cleaner environment for South Australia, which is what we want to see.

I suggest that one of the most successful areas in the organisation's activities has been in increasing public awareness through the use of the media, and Kesab's work in this area has been outstanding: I am sure all members of the House would fully support that. Although I could continue to speak further about what Kesab is doing in South Australia, it is unnecessary for me to justify its work, because that organisation has gained respect already from a widespread section of the community.

State and local government fully support the important work which Kesab has done in the past and which we know it will do in the future. I suggest that nit-picking about Kesab's being influenced by the large organisations is really wasting everyone's time. Members might be interested to know that, out of Kesab's governing council of 24 members, only three representatives are from the packaging industry. The governing council represents a wide cross-section with representation from local government organisations, the service groups, the State Government, of course, and particularly commerce. I repeat that the Government has a very strong desire to continue a close working relationship with Kesab, as this multi-interest approach of industry, the community and Government has succeeded. Accordingly, the Government will foster successful protection of the environment, not kill it, as suggested by the Opposition's spokesman. Again, I commend the work that Kesab is doing to keep South Australia beautiful.

INTERNATIONAL AIRPORT

Mr. SLATER: What action does the Premier now consider is necessary to ensure that Adelaide is given further consideration by the Federal Minister for Transport for international airport facilities? Earlier this year, I believe in April, the Premier made representations and lodged submissions to the Federal Minister for Transport, Mr. Hunt, for an international airport north of Adelaide. On that occasion the Premier said:

> We are the only mainland capital that does not have an international airport, and I see no reason why that should continue to be the case, particularly when I believe that South Australia is going to be the centre of Australia's development over the next 10 or 15 years.

Yesterday, the Federal Minister for Transport announced that Perth, Western Australia, would receive $46 000 000 for airport upgrading, most of which would be spent on existing international facilities. Therefore, does the Premier believe that his submissions to the Federal Minister, Mr. Hunt, have been disregarded, and that South Australia and the Premier have received shoddy treatment at the hands of the Federal Government? Does the Premier believe that it may be significant that Western Australia has—

The SPEAKER: Order! The honourable member is asked to state his question in the first instance and then give an explanation, but not then to ask a whole series of further questions.

The Hon. D. O. TONKIN: On a point of order, Mr. Speaker, I have been so overwhelmed by the progression of questions forthcoming that I must confess to having lost sight of the original question. I wonder whether the honourable member would repeat it.

The SPEAKER: Order! I ask the honourable member to restate his question.

Mr. SLATER: If the Premier is not able to understand—

The SPEAKER: Order! Restate the question.

Mr. SLATER: What action does the Premier consider necessary to ensure that Adelaide is given further consideration by the Federal Minister for Transport in relation to its having international airport facilities? If the Premier is to back South Australia, as he claims, what action does he intend to take on behalf of the interests of South Australian travellers and, indeed, of our tourist industry?

The Hon. D. O. TONKIN: I intend to take whatever action is necessary to maintain South Australia's representations for an international airport north of Adelaide. However, I believe one has to look at the possible and not at the potential chances of this. I must say that I find it rather interesting that the honourable member should have raised this subject again now. There is no doubt at all in my mind that there will come a time when we will have a full-scale international airport in South Australia, somewhere to the north of Adelaide, I would imagine, because that seems to be the geographical location which is best for it.

Mr. Millhouse: Why not upgrade the existing airport?

The Hon. D. O. TONKIN: The honourable member obviously has not looked at any of the studies or recommendations on that matter, or he would not have made such a ridiculous suggestion. What will happen in the meantime, however, is that there will be, we hope, certain flights into Adelaide operated by overseas operators and overseas services whereby, for instance, British Caledonian is very attracted to the proposition of flying wide-bodied aircraft—

Mr. Millhouse interjecting:

The Hon. D. O. TONKIN: I wish the member for Mitcham would cease being so rude, Mr. Speaker. We hope that overseas airlines—British Caledonian, for instance—will be able to fly wide-bodied aircraft into Adelaide via Darwin. This is a matter on which we have had a great deal of discussion with the Chief Minister of the Northern Territory, Mr. Everingham. He and I are both strong supporters of the scheme. The scheme has advantages in relation to noise problems, which obviously is a matter which concerns every member in this Chamber other than the member for Mitcham. It has the advantage of having a lower noise level than is currently shown by existing domestic jets. From the point of view of handling, the customs and immigration requirements would be dealt with in Darwin. The scheme has a lot to commend it.

Early next year, an inquiry will take place in London into the granting of a licence to British Caledonian Airways, and I intend to ensure that the strongest representations are made at that inquiry on behalf of the Government so that we can lend our support to the establishment of such a service. I must say that other attempts have been made, I believe, to involve the Laker organisation.

Mr. Mathwin: A good bloke.

The Hon. D. O. TONKIN: I understand he is, but my investigations show that the Laker organisation has no real interest in South Australia but is interested only in flying into Tullamarine and Sydney. As to the other steps that we can take, there will be a meeting in Adelaide within the next week or so of the present committee that is looking into domestic airfares and their structure, and I will be seeing members of that inquiry and will again put to them a proposition that I hope will be of benefit to international travellers who depart for overseas from Adelaide. I will put that proposition with all due strength and emphasis, and the honourable member can be absolutely sure that South Australia's point of view will be put quite adequately.

BUSH FIRES

Mr. GUNN: In view of the tragedy that occurred in New South Wales during recent bush fires, will the Minister of Environment say what precautions the Department for the Environment has taken to provide suitable access tracks through the national parks in this State, as well as ensuring that adequate fire breaks are cut? Having visited a number of the national parks in South Australia, the Minister is no doubt aware that the parks are potential bush fire hazards. When bush fires break out in national parks, it is often very difficult to control them, because there is often no suitable access to the area and, therefore, in order to ensure that firefighters are not put at risk, I ask the Minister to give urgent consideration to my request.

The Hon. D. C. WOTTON: I am very much aware of the concern of the member for Eyre, who has spoken to me about this matter previously. He is quite right in saying that I have had the opportunity to visit a number of parks throughout the State and in his district. I have been very anxious to know what is being done in regard to fire protection throughout the State in our national parks. As I mentioned last Tuesday in answer to a question, I have been pleased with what is being done at present. We now have a programme of controlled burning, and we are looking closely at the need for adequate access into these areas.

Last Tuesday I attended a presentation at which I had the opportunity, as did members of the public and officers of the Country Fire Service, to examine the equipment that the National Parks and Wildlife Service now has to protect the parks and the community from fires. In the past, the service has contributed a great deal in this regard and has worked closely with the C.F.S., and I intend, as the Minister responsible, that that should continue and that there be a close working relationship between those areas. As I have said, I am aware of the honourable member's concern, and I am examining the matter closely. I recognise that the fire season is not very far away, and I can assure the honourable member that we are doing everything possible in regard to adequate access to ensure that the parks will be protected during the fire season this year.

I.M.V.S.

Mr. HEMMINGS: Will the Minister of Health assure the House that those persons employed at the I.M.V.S. who wish to give evidence to the Committee of Inquiry into the I.M.V.S. will be assured of confidentiality by that committee and that they will, in no way, be under the threat of victimisation by senior officers of the I.M.V.S.? I have been given to understand that the four young employees at the Specific Pathogen Free Unit at Northfield were told some weeks ago not to talk to any person outside the I.M.V.S. about the situation at Northfield. I also understand that, since the committee of inquiry has been set up, that order still applies.

The Hon. JENNIFER ADAMSON: Yes.

MOORE'S BUILDING

Mr. OLSEN: My question to the Minister of Public Works is subsequent to the question asked by the member for Brighton last Tuesday concerning the Central Market area. Can the Minister indicate whether the Central Market has been taken into account in the development of Moore's building for courts and, if it has not, why not; if it has, what planning has taken place?

The Hon. D. C. BROWN: The answer is "Yes". We have taken into account the Central Market area when considering the development of Moore's building. It has been decided not to include retail shops specifically within Moore's building. However, on land owned by the Superannuation Fund, on the northern facade of Moore's building and adjacent to Page Street, it is proposed, in a preliminary estimate, to establish retail development. We have made a preliminary application to the City of Adelaide Planning Commission and the Adelaide City Council to be allowed to use Page Street as an open shopping mall.

I believe that a shopping mall, with shops on the northern facade of Moore's and linking with the new international hotel, will pick up what is currently almost a tradesmen's-like entrance to the market, enhance that significantly, and create a grand entrance to the market area. We have certainly taken into account the views of traders in wanting to upgrade the Central Market area. The plans that we have show imagination, and they will add significantly to the development of the area and to the other matters raised by the Premier earlier this week.

PETROL DISCOUNTING

Mr. MILLHOUSE: I should like to ask a question of the Premier, if I can have his attention.

The SPEAKER: Order! The honourable member will ask his question.

Mr. MILLHOUSE: Yes, indeed. What, if anything, is the Government going to do to halt discrimination in petrol pricing by the big oil companies? I remind the Premier that, just after the end of the last session of Parliament, when your casting vote, Mr. Speaker, saved the Government from defeat on an amendment that I had moved, which would have obliged the Government to introduce legislation in the State if the Federal Government did not introduce legislation to give effect to the Fife package, the Premier said:

> If the Federal Government did not pass laws to give effect to the Fife Report on petrol reselling, South Australia would do what it could at Federal level.

That was in June. I have had a letter from one oil company, Southern Cross Petroleum, dated yesterday, and I quote a couple of sentences from it, as follows:

> Petrol retailers are about to pressure the State Government because Federal legislation in the area of price discrimination has been quickly circumvented by oil companies, and now retailers are demanding that Burdett—

that is the Minister of Consumer Affairs, I think—

> acts on his January 1980 promise.

That was an earlier promise given by this Government to do something about the matter. He enclosed an extract from the *Advertiser,* the effect of which is that the State Government may take administrative or legislative action to stop South Australia's petrol price discount war to halt the price discrimination that is crucifying dealers across the State. The letter continues:

> The S.A.A.C.C. submission is the retailers' answer to the problem, and though we do not claim it to be perfect, at least it is better than no answer at all.

That seems to be the Government's alternative. With that letter is enclosed a letter from the Minister of Industrial Affairs written, apparently, to all petrol companies suggesting the repeal of the Motor Fuel Distribution Act. That, I am told, will be bitterly opposed by the companies. On that matter, he says:

> To contemplate the repeal of the Motor Fuel Distribution Act over such a lame and false guise is incredible . . . As weak as it may be, the Motor Fuel Distribution Act is the only protection we have against site and rationalisation manipulations of multi-nationals.

I was also (and this is the last part of the explanation) sent, with that letter, a copy of the South Australain Automobile Chamber of Commerce submission, and the key sentences in that submission are as follows:

> It is etimated that in excess of 90 per cent of all motor spirit sold in the metropolitan area of Adelaide is currently being sold at retail for up to 3½c per litre below the wholesale price set by the Prices Justification Tribunal . . . This low retail price is being controlled by the oil companies at the expense of retailers by using and eroding their retail margin of profit. The S.A.A.C.C. urges the State Government to act now in order to prevent this continued exploitation of the small businessman.

We all know (and this is the last point I make) of the unrest amongst petrol resellers; I did not have to get the letter to know that. I guess even the Premier knows about it. I therefore ask him whether he is going to honour his promises or not.

The Hon. D. O. TONKIN: It is a measure of the degree to which the honourable member for Mitcham is out of touch with the affairs of this Parliament that he is in fact not sure who is the Minister of Consumer Affairs.

Mr. Millhouse: Oh, come on!

The Hon. D. O. TONKIN: Well, the honourable member for Mitcham made the comment; I did not. The Government is extremely concerned about the position in which petrol resellers find themselves.

Mr. Millhouse: Well, take some action.

The SPEAKER: Order!

The Hon. D. O. TONKIN: We have made that quite clear to them, and I think demonstrated to them quite clearly that that is so, for a number of months. The honourable member for Mitcham, not being in any position to do anything about it, obviously has not been in touch with them in that time. The S.A.A.C.C. submission, which obviously has been received by, I think, all members of this House, and certainly by the Government, has been examined very carefully indeed by the Government. The recommendations of that examination are being examined at this stage by the Minister of Consumer Affairs, and he will be submitting those recommendations to Cabinet, in all probability next Monday.

I must say something else about the comments about the Minister of Industrial Affairs' letter suggesting repeal. It is again unfortunate that the member for Mitcham seeks to exaggerate. The letter from the Minister pointed out that there was conflict between Commonwealth legislation, as it had been enacted in implementing the Fife package, and local legislation, asked therefore whether any changes in their opinion should be made or needed to be made, and suggested that there may even be a case for repeal and that that may be one of the alternatives. For the member for Mitcham to stand in this House and say that the Minister of Industrial Affairs wrote to all and sundry suggesting that the legislation be repealed without qualification is ridiculous.

Mr. Millhouse: Have a look at the letter.

The SPEAKER: Order!

The Hon. D. O. TONKIN: If I may, I will just very briefly comment on the Fife package. There are two areas involved, the first relating to a total divorcement, and the other to price control. The Petroleum Retail Marketing Sites Act, which was proclaimed on 19 September 1980, provides for partial divorcement. Certainly, this is partial rather than total divorcement, but, nevertheless, it is considered to have gone a good deal of the way towards implementing the spirit of the Fife package. In relation to the pricing, the Commonwealth legislation, which is the Petroleum Retail Marketing Franchise Act, also proclaimed on 19 September 1980, achieves what was foreshadowed by the Hon. Wal Fife in his speech to the Automobile Chamber of Commerce in Sydney on 30 October 1978. It is a matter—

Mr. Millhouse interjecting:

The SPEAKER: Order! I warn the honourable member for Mitcham.

The Hon. D. O. TONKIN: It is a matter for great regret that it took so long for that legislation to be prepared and introduced into the Federal Parliament. Nevertheless, the legislation has been introduced. We are very conscious that, as it is presently operating, it is not fulfilling all of the demands that some of the resellers have, and it is for that reason that the matter is being investigated at the present time.

CAMEL TRACK RAILS

Mr. LEWIS: Can the Minister of Industrial Affairs give the House more details about an event which appears to have captured Australia-wide publicity—that is, the sale of camel track rails to Dubai by the Murray Bridge firm Steriline Distributors Pty. Ltd.? Dubai is one of the seven states on the south-west shores of the Persian Gulf: that is, on the north-east coastline of the Arabian peninsula. It is an oil-rich State in the Middle East. The firm Steriline has been in existence in Murray Bridge for a long time, the Sims family having established it. The member for Murray reminds me that it is in an excellent electorate and in a town which is being promoted by this Government.

The SPEAKER: The honourable member is asked not to comment.

Mr. LEWIS: That firm has been engaged in the manufacture of a wide range of metal products and has shown its expertise in creating those products to meet market demand over the years in which it has been in business.

The Hon. D. C. BROWN: I was delighted with the way yet another South Australian company has been able to receive a significant export order from overseas, despite the unusual nature of this order (and I think that we would all agree that it is unusual) for 21 kilometres of camel racing track. This company, despite the very rigid time constraints imposed upon it, is able to meet that demand. The order is worth about $250 000. I should point out to the House that I had the privilege of visiting this company in Murray Bridge only about four weeks ago, and it shows what South Australian companies can do if they get out and promote their products and strive after export orders.

I understand that the Minister of Agriculture is hoping to be in Dubai for the camel race. It is going to be a race as to whether he can get there. Having had some experience of camels, I will be giving him some tuition in the next couple of weeks. One thing I point out to the Minister of Agriculture is that I found camels have a foul breath at both ends and can do so at the same time, so I advise him to stay well clear of the running rails during the race. Seriously, I think it is a tribute to a South Australian company and to this State, particularly due to our decentralisation and financial incentives, that an order like this can be met and has been achieved for South Australia.

KANGAROO ISLAND LAND

The Hon. PETER DUNCAN: Will the Minister of Environment give the House and the people of South Australia an assurance that he will prepare a submission for Cabinet strongly supporting the environmental case against any development of the unallotted Crown lands on Kangaroo Island east of the Flinders Chase National Park? This question is partly prompted by the letter in this morning's press (indeed, it was a very good letter) written by Mr. Derek Robertson. In the course of that particular excellent letter he made the following comment:

> Let us not forget that the land is Crown Land, vested in the State and people of South Australia. It is our land and we are charged with the decision as to how the land should be best used . . . when it comes, the decision will be irrevocable and the land and its animals will be lost.

Mr. Robertson, with 47 others, visited the Crown land in question last Sunday, and from answers given in this House and in another place it has become fairly clear that the Minister of Lands has put an information paper, so called, to Cabinet—

The SPEAKER: Order! The honourable the member is now commenting.

The Hon. PETER DUNCAN: —on the future of the land. From press reports it is clear that the Minister of Agriculture is determined that the land be cleared and sown to pasture. Environmentalists, including Mr. Robertson, have declared their opposition to this course of action. My question is whether the Minister, who has charge of the environment portfolio, will put before Cabinet, before anything unfortunate happens, the environmental view of the best possible use of the land—to leave it alone in its natural state.

The Hon. D. C. WOTTON: I am pleased to be able to say that this morning I met with the Minister of Lands and the Minister of Agriculture, with our officers, and it has been decided that the three departments responsible should formulate a working party and look at this matter closely. We should be able to study the future use of the land and, following that, the matter should be put before the Land Settlement Committee.

MOORE'S BUILDING

Mr. MATHWIN: Can the Minister of Industrial Affairs indicate whether the cost stated by the Leader of the Opposition for the development of the Moore's site as law courts is more or less accurate than the claim by Mr. Jack Weinert, that the cost of the project to the Government would be $830 000 000 over the 40-year period of the lease. In an article yesterday, the *News* quoted the Leader of the Opposition as saying:

> The cost of the Moore's project was outrageous.

The article also quoted the Leader of the Opposition as saying:

> It is nonsense to suggest, as did Mr. Brown, that the cost compares favourably with court buildings in other States.

Similarly, on radio 5AD this morning, Mr. Jack Weinert claimed:

> The project could cost the Government $830 000 000 over the 40-year period of the lease.

The Hon. D. C. BROWN: I saw the reported statement of the Leader of the Opposition in the *News* yesterday. I find it astounding. I announced the details of the Moore's project on Sunday, and I have sat in this House throughout the entire Question Time for three days and we are now on the last question of the week, and no questions have been asked by the Opposition, especially by the Leader of the Opposition, about the cost of Moore's. Instead of asking questions in this place, the Leader of the Opposition has gone outside and made his statements. He is too scared to come into this place and make statements; he is too scared to stand up in this place and ask questions, and so he ran off to the news media and made his statements outside this place.

The statement attributed to the Leader of the Opposition in yesterday's *News* is quite incorrect. He claims that it will cost $30 000 000 simply to construct and furnish the Moore's building. A member of his staff came up and obtained a press statement from me that states clearly in paragraph 3:

> The actual building and fitting out costs at present day prices will be $19 200 000.

That is the usual way in which construction figures are announced. I also indicated in the press statement that the overall cost would total $30 000 000, and that included holding charges, purchase price and everything else.

I also pointed out in that press statement that the cost of the Moore's project compared with the cost of other new court buildings going up elsewhere in Australia is the lowest of those I quoted. I quoted $860 per square metre for Moore's, compared with $900 per square metre for the A.C.T.U. court building in Canberra; $920 for the State Supreme Court in Hobart; $980 per square metre for the Federal court in Hobart; and $1 250 per square metre for the Sydney courts. Not only that, but the cost of the Moore's project per square metre is cheaper than the equivalent cost of the new S.G.I.C. building which has been completed recently. The Opposition, especially its Leader, knows that Moore's is a cheap building for what we are getting—a very cheap building indeed for 27 courts and significant accommodation for judges. I also find it interesting that people supporting the Leader of the Opposition should make such claims that the Moore's complex will cost $830 000 000 over the next 40 years.

At 3.15 p.m., the bells having been rung:

The SPEAKER: Call on the business of the day.

PERSONAL EXPLANATION: MOORE'S BUILDING

Mr. BANNON (Leader of the Opposition): I seek leave to make a personal explanation.

Leave granted.

Mr. BANNON: I have been misrepresented in the answer just given by the Minister of Industrial Affairs to a question, in particular in respect of his statement that I was not prepared to ask questions on or discuss this matter in the House but I took it outside. First, I believe that is an

extraordinary comment coming from the Minister, who, particularly, when in Opposition, chose to make his statements here in the Chamber so that action could not be taken outside about it. In fact, there was the case—

Members interjecting:

The SPEAKER: Order! Leave has been granted to the Leader to give a personal explanation. I require that he be heard in silence. I ask him to recognise the limitations of a personal explanation.

Mr. BANNON: My point was that, if indeed I made statements outside the House, I see absolutely nothing wrong with that in any way that should be seen as a slur. On the contrary, by making such statements without the protection of privilege, as was so often done by the Minister when in Opposition—

The SPEAKER: Order! The honourable Leader is now beyond a personal explanation when he attributes motives to other members.

Mr. BANNON: Thank you, Mr. Speaker. Let me just say that in any case the statement is totally untrue. I have asked questions consistently over a period of 12 months about the Moore's issue and one can find reference to those questions throughout *Hansard.* I have devoted quite recently a major speech in this place to that subject and canvassed it fully indeed, and a number of other activities have been engaged in by me and my colleagues in relation to this scandalous decision of the Government.

STAMP DUTIES ACT AMENDMENT BILL

The Hon. D. O. TONKIN (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Stamp Duties Act, 1923-1979. Read a first time.

The Hon. D. O. TONKIN: I move:

That this Bill be now read a second time.

It makes provision for a number of significant amendments to the principal Act, the Stamp Duties Act, 1923-1979. The Bill provides for the repeal of those sections of the principal Act that require the payment of duty on bank notes issued and in circulation pursuant to the Bank Companies Act. That Act was repealed in 1946. Although, by virtue of the Commonwealth Reserve Bank Act, bank notes are no longer issued, the Bank of Adelaide still pays duty of $65 each quarter on bank notes issued many years ago but still in circulation. This head of duty is being removed in consultation with that bank.

The Bill proposes an amendment to the provision in the second schedule to the principal Act that provides for the rate of duty payable on leases. This amendment is designed to overcome a difficulty that arose recently as a result of an objection to an assessment of duty under this head. The present provision imposes *ad valorem* duty on one year's rent under a lease where a rate of rent per annum can be ascertained or estimated under the lease, but otherwise nominal duty only. The long-standing practice of the commissioners has been to interpret this as authorising the assessment of *ad valorem* duty on the highest rent payable in any year under a lease. However, on the objection referred to, the Crown Solicitor advised that duty should be assessed on the average yearly rental.

This interpretation could have significant effect on revenue, as it is quite common for the rental under leases to be expressed in such a way that, although one year's rental can be ascertained, an average yearly rental cannot. Accordingly, the Bill amends the schedule so that *ad valorem* duty on leases is charged on the rate of rent per annum or the average rate of rent per annum if an average can be ascertained or estimated. The Bill proposes amendments to the principal Act designed to give some measure of taxation relief in the area of stamp duty on life insurance policies.

These amendments are a first step in fulfilling the pre-election promise that a Liberal Government would bring the rates for stamp duty on insurance premiums down to a level that accords with the pattern in the other States. The amendments remove the duty on that portion of any premium that is not related to any insurance risk or general policy administration charges but is of a specified or ascertainable amount and declared to be for investment purposes only or administration charges in respect of investment. In effect, these amendments would eliminate duty on the investment portion of the premiums for deposit administration insurance business and the investment portion of premiums for "unbundled policies", that is, policies similar to conventional whole of life or endowment policies but under which the investment and temporary life cover elements are clearly separated.

The Bill provides an exemption in respect of duty on any life or personal accident insurance policy where the policy owner's principal place of residence is in the Northern Territory and the policy is registered by the insurer in a registry kept in the Northern Territory pursuant to the Life Insurance Act 1945 of the Commonwealth. This exemption is designed to ensure that duty is not payable both under the principal Act and under the corresponding legislation of the Northern Territory. This problem has arisen as a result of the application of the Northern Territory Stamp Duties Ordinance to life and personal accident insurance business carried on in the Northern Territory but managed from offices situated in South Australia.

The Bill makes provision for a stamp duty concession designed to encourage investment at the high risk stage of mineral and petroleum exploration operations. This matter arose most recently in relation to undertakings given by the previous Government and subsequently confirmed by this Government that the assignment to British Petroleum of portion of Western Mining Corporation's interest in certain exploration licences in respect of the Stuart Shelf would be exempt from stamp duty or subject to nominal duty only. The amendment is designed to provide a standing stamp duty concession for every case under which the holder of an exploration tenement assigns its interest enabling another body to carry on the exploration work or assigns portion of its interest in order to obtain additional risk money for the next phase of exploration or investigation.

The Bill proposes a substantial reduction in the rate of duty charged on the sale of any fixed interest security from the present maximum of 0·6 per cent to a flat rate of 0·1 per cent of the consideration for the sale. This proposal is designed to encourage the growth of a secondary market in such securities, there having been very little market activity in this area up to the present. Any increase in market activity would, of course, reduce the effect on revenue of reduction in the rate of duty in this area.

Finally, the Bill proposes a number of amendments designed to counter avoidance schemes that are mainly in the area of stamp duty on conveyances. The Bill proposes the insertion of a provision designed to make it clear that duty is chargeable in respect of an instrument that is outside the State but relates to property situated in the State or any matter or thing done or to be done in the State. This provision is related to another proposed new section which is designed to make a copy of an instrument chargeable with the duty with which the original instrument is chargeable. These two provisions are directed at schemes under which the original instruments conveying South Australian property are retained outside

the State and instead the parties rely upon copies held within the State for stamp duty and other purposes.

The Bill proposes an amendment increasing the penalty for late stamping to a minimum of $50 or an amount of 10 per cent of the unpaid duty for each month that the instrument remains unstamped or insufficiently stamped until the penalty equals the amount of the unpaid duty. At the same time, this amendment fixes a maximum period of six months within which an instrument executed outside the State must be stamped in order to avoid liability to a penalty for late stamping.

The Bill proposes an amendment designed to counter a scheme whereby separate conveyances related to a single transaction are used to avoid stamp duty on conveyances operating as voluntary dispositions *inter vivos,* that is, conveyances between living persons that are not made pursuant to sale. This is done by extending the application of section 66ab to such conveyances. Section 66ab, which presently applies only to conveyances on sale, eliminates any advantage from effecting one transaction by a number of separate conveyances by providing for the aggregation of the consideration shown in each separate conveyance. Under the amendments, where separate voluntary conveyances *inter vivos* are used to effect one transaction, the values of the properties separately conveyed will be aggregated for the purposes of calculating the stamp duty payable.

The Bill proposes amendments to section 71 of the principal Act which presently deals with instruments chargeable as conveyances operating as voluntary dispositions *inter vivos.* The Bill makes a number of amendments to this section designed to counter avoidance schemes which make use of ordinary trusts, unit trusts, discretionary trusts or equitable mortgages. In general terms, the effect of these amendments is to make any transfer of property into trust chargeable with full *ad valorem* duty whether or not there is any change in beneficial ownership of the property affected. Any transfer of the beneficial ownership in property subject to a trust is also to be subject to *ad valorem* duty, as is any transfer of property to a beneficiary under a trust who does not have the beneficial interest by virtue of an instrument that is duly stamped. These provisions differ from the present approach in that, in general terms, under the present provisions, *ad valorem* duty is chargeable only in respect of instruments that transfer beneficial ownership.

The amendments propose several necessary exceptions. The first retains the present exemption for any transfer of property for nominal consideration for the purpose of securing the repayment of an advance or loan, but not in relation to land subject to the provisions of the Real Property Act. The second exception relates to the transfer of shares or other marketable securities that are listed or dealt with on any prescribed stock exchange, where the transferor retains beneficial ownership. This exception will enable the existing practice to continue whereby overseas purchasers of shares commonly vest legal ownership of the shares in nominee companies. The present exemption for any transfer made for the purpose of effectuating the retirement of a trustee or the appointment of a new trustee is also retained, but only where, in the case of a discretionary trust, the transfer is necessitated by the death or inability to act of the former trustee. In the case of any other trust, this exemption is to apply if the commissioner is satisfied that the transfer is not part of an arrangement under which the property is to be held, managed or disposed of for the benefit of a person who does not have a beneficial interest in the property by virtue of an instrument that is duly stamped.

The amendments propose that instruments that merely acknowledge, evidence or record a transfer of property to a person as trustee, a declaration of trust or a transfer of a beneficial interest in property subject to a trust will also be dutiable as conveyances operating as voluntary dispositions *inter vivos,* in addition to instruments that effect such transactions. This is necessary in order to counter schemes such as those used in relation to unit trusts whereby the units are not transferred by instruments but by the process of cancelling units and issuing new units. With respect to discretionary trusts, the Bill proposes that a transfer of the potential beneficial interest of an object of a discretionary trust will also attract full *ad valorem* duty calculated by reference to the value of the interest that the object would have if the discretion under the trust were so exercised as to confer maximum benefit upon that object. Finally, the Bill proposes that the Commissioner have a discretion, where he has stamped any instrument related to a trust, to stamp any other instrument that he is satisfied relates to the same transaction with a stamp denoting that it is duly stamped. Clause 1 of the Bill is formal. Clause 2 provides that the measure shall be deemed to have come into operation on the day on which the Bill was introduced in the Parliament. Of course, that is as of today. As the remainder of the clauses are formal, I seek leave to have the explanation of them inserted in *Hansard* without my reading it.

Remainder of Explanation of Clauses

Clause 3 amends the definition section, section 4, by including in the definition of "marketable security" any interest in a deed approved for the purposes of Division V of Part IV of the Companies Act. This is designed to ensure that any transfer of a unit under a public unit trust scheme attracts marketable security conveyance rates of duty only. Clause 4 inserts new sections 5a and 5b. New section 5a is a transitional provision relating the application of the amending measure to the time at which instruments are executed. New section 5b deals with the liability to duty of instruments that are outside South Australia. The proposed new section provides that any instrument that is outside South Australia shall, subject to any other relevant provision, be liable to duty if it relates to property situated, or any matter or thing to be done, in South Australia whether the instrument was executed in South Australia or elsewhere. Clause 5 proposes the repeal of section 17 of the principal Act. This amendment is related to the amendment proposed by clause 6.

Clause 6 inserts a new section 19a dealing with the liability to duty of copies of instruments. Under the principal Act in its present form only original instruments, or, by virtue of section 17, duplicates or counterparts of original instruments, are dutiable. New section 19a provides that any copy of an original instrument, including a duplicate or counterpart, shall be chargeable with duty and any penalty as if it were the original and had been executed by the person or persons who executed the original at the time at which the original was executed. This proposed new section together with proposed new section 5b are designed to ensure that, where an original instrument is kept outside the State, a copy cannot be used to prove for stamp duty purposes the effect of the original instrument without itself being liable to duty.

Clause 7 amends section 20 of the principal Act which fixes a penalty for late stamping. The clause increases the penalty from a minimum of $20 to a minimum $50 and, while it retains the maximum of an amount equal to the amount of the unpaid duty, it provides that this is to accrue at the rate of ten per cent per month instead of the present

ten per cent per annum. The clause also amends the section so that it provides that an instrument executed in the State must be stamped within two months after execution, instead of the present period of one month, while an instrument executed outside the State must be stamped within two months after its receipt in the State or within six months after execution, whichever period first expires. Under the section, in its present form, there is no limit upon the period for which an instrument that relates to South Australian property, or any matter or thing to be done in South Australia, may, if it was executed outside South Australia, be kept outside the State without attracting a penalty for late stamping.

Clause 8 provides for the repeal of sections 43, 44, 45 and 45a of the principal Act. These provisions deal with the duty presently charged on bank notes. Amendments to the second schedule, proposed by clause 13, remove this head of duty. Clause 9 amends section 66ab of the principal Act. This section aggregates the consideration for separate conveyances that relate to the same transaction or series of transactions for the purposes of calculating the duty payable on those conveyances. This principle of aggregation applies only to conveyances on sale and the clause amends the section by extending its application to separate conveyances operating as voluntary dispositions *inter vivos* that relate to the same transaction or series of transactions.

Clause 10 amends section 71 of the principal Act which sets out those conveyances that are to be chargeable with duty as conveyances operating as voluntary dispositions *inter vivos*. Under the amendments, the present position is continued whereby any conveyance that is not a conveyance on sale is to be treated as a conveyance operating as a voluntary disposition *inter vivos*. However, the clause also provides that certain trust related instruments are to be deemed to be conveyances operating as voluntary dispositions *inter vivos*, whether or not consideration is given for the transaction to which the instrument relates. Under proposed new subsection (3) *(a)*, any instrument that effects or acknowledges, evidences or records a transfer of property to a person as trustee or a declaration of trust or a transfer of a beneficial interest or potential beneficial interest in property is deemed to be a conveyance operating as a voluntary disposition *inter vivos*.

A potential beneficial interest is, by proposed new subsection (9), defined as the rights, expectancies or possibilities that the object of a discretionary trust has in the property subject to the discretionary trust before the exercise of the discretion under the trust. Proposed new subsection (5) provides that a transfer of such a potential beneficial interest is to be chargeable with duty as if it transferred the beneficial interest in the property that the object would have had if the discretion under the discretionary trust had been so exercised as to confer upon him the greatest benefit that could have been conferred upon him under the trust.

Proposed new subsection (6) provides that duty is chargeable upon an instrument that merely acknowledges, evidences or records a transfer, but does not effect the transfer, as if it did in fact effect the transfer. Proposed new subsection (7) provides that, for the purposes of determining the value of property transferred, no regard shall be had to the fact that the person to whom the property is transferred takes or is to hold the property subject to a trust or to the fact that such person already has the beneficial interest in the property. These provisions together would have the effect of making any instrument that either effects or merely relates to a transfer of property into trust or a transfer of property subject to trust (including a potential beneficial interest in property) chargeable with *ad valorem* duty based upon the full market value of the property affected. This differs from the present position under which only those instruments which transfer the beneficial interest in property are subject to such duty. Proposed new subsections (4) and (8) provide exceptions designed to ensure that such *ad valorem* duty is not payable in appropriate cases.

Under paragraph *(a)* of proposed new subsection (4), *ad valorem* conveyance duty would not be payable in respect of an equitable mortgage unless it relates to land subject to the Real Property Act. Under paragraph *(b)* of that subsection, *ad valorem* conveyance duty would not be payable on a transfer of marketable securities that are listed or dealt with on any prescribed stock exchange where the transferor retains the beneficial interest in the property and the transfer is not in pursuance of a sale.

Under paragraph *(c)* of that subsection, *ad valorem* conveyance duty would not be payable on a transfer made for the purpose of effectuating the retirement of a trustee or the appointment of a new trustee where, in the case of a discretionary trust, the transfer is necessitated by the death or incapacity of a former trustee or, in any other case, the transfer is not part of an arrangement under which the property is to be held for the benefit of a person who does not have a beneficial interest in the property by virtue of an instrument that is duly stamped.

Paragraph *(d)* provides that such duty would not be payable in respect of a transfer of property to a person who has a beneficial interest in the property by virtue of an instrument that is duly stamped. Paragraph *(e)* provides that *ad valorem* conveyance duty would not be payable on transfers related to deceased estates. Paragraph *(f)* exempts transfers that are wholly for charitable or religious purposes. Paragraph *(g)* exempts transfers of a class prescribed by regulation. Proposed new subsection (8) is designed to ensure that *ad valorem* conveyance duty is not payable under these provisions in respect of more than one instrument, where the Commissioner is satisfied that the instruments relate to the same transaction.

Clause 11 amends section 71a of the principal Act which provides an exemption from *ad valorem* conveyance duty where property subject to a trust under which it is to be converted into money is instead transferred *in specie* to the beneficiary. The clause amends this section so that the exemption applies only if the beneficiary is beneficiary by virtue of an instrument that is duly stamped.

Clause 12 inserts a new section 71d under which nominal duty is payable upon any transfer of an exploration tenement or interest in an exploration tenement where, upon application, the Treasurer, after consultation with the Minister of Mines and Energy, is satisfied that commercially exploitable mineral or petroleum deposits have not yet been found in the area subject to the tenement or further substantial exploration and investigatory operations are required in order to determine the nature or extent of any discovered deposits or whether they are commercially exploitable or whether further deposits exist in the area.

Clause 13 proposes various amendments to the second schedule to the principal Act which fixes the various rates of duty and provides various exemptions from duty. Paragraph *(a)* of this clause inserts two exemptions related to duty on life insurance policies. The first exemption relates to the investment portion of premiums for deposit administration insurance policies or "unbundled" endowment policies. The second exemption relates to premiums for life or personal accident insurance policies where the policy owners reside in the Northern Territory and the policies are registered in the Northern Territory.

Paragraph *(b)* of the clause removes the head of duty relating to bank notes.

Paragraphs *(c) (d)* and *(h)* of the clause effect a reduction in the rate of duty on the sale of fixed interest securities from a maximum of 0·6 per cent of the consideration for such sales to a flat rate of 0·1 per cent. Paragraph *(e)* of the clause makes an amendment to the item dealing with conveyance duty that is consequential on the amendments to section 71 of the principal Act. Paragraph *(f)* provides that the duty for any conveyance to which proposed new section 71d applies is to be fifty dollars. Paragraph *(g)* amends the head of duty relating to leases by providing that the amount of duty on a lease is to be ascertained by reference to the average rate of rent per annum, if that can be ascertained or estimated, or, if not, by reference to the rate of rent for any year. Paragraph (i) makes an amendment to the first general exemption that is consequential on the amendments to section 71 of the principal Act.

Mr. BANNON secured the adjournment of the debate.

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 2)

Received from the Legislative Council and read a first time.

The Hon. D. C. WOTTON (Minister of Environment): I move:

That this Bill be now read a second time.

It proposes amendments to the Local Government Act that fall generally into three categories.

First, there is a small number of amendments of a minor administrative nature. For example, amendments are proposed updating the penalty for fishing in the Torrens River, simplifying administrative arrangements concerning the granting or transfer of leases of Crown land, and delegating to authorised officers of a council the power to sign certificates setting details of rates and other charges outstanding on a property.

Secondly, there are amendments designed to correct some minor errors in the Act. For example, amendments are proposed changing existing references from ratepayers to electors, providing that a memorial addressed to a council requesting particular works must be signed by a majority of the electors affected, and empowering councils to subscribe to life-saving clubs within their area. Thirdly, there are amendments upgrading the provisions of the Act to meet present day requirements. In this category are some amendments which give effect to the local government policies of this Government as enumerated in the August 1979 statement of Liberal Party local government policy. The general upgrading proposals include:

(a) amendments relating to postal voting procedures and the appointment of returning officers, deputy returning officers and presiding officers, designed to bring the Act into line with the provisions of the Electoral Act, including an amendment to make it quite clear that a candidate for a local government election may appoint a number of scrutineers to act on his or her behalf, but that only one may be present in a polling booth at any one time;

(b) an amendment empowering councils to operate community bus services;

(c) an amendment enabling councils entering into schemes for the establishment of aged cottage homes to have some flexibility in the use of reserve funds to cover any future needs;

(d) an amendment making it quite clear that a council may expend its revenue on provision of a community bus service;

(e) an amendment empowering a council to contribute from its revenue to the operation of a community school library;

(f) an amendment permitting a council which supplies electricity to charge a security deposit in the same way as the Electricity Trust of South Australia;

(g) an amendment removing the obligation for a council to collect all types of refuse from within its municipality, when, according to the nature of the refuse, specialist firms may be better suited for the purpose;

(h) an amendment enabling councils to control the drainage of water from land on which any works have been carried out;

(i) an amendment which, subject to the council complying with other existing provisions of the Act, would enable the Adelaide City Council to enter into a lease with the South Australian Jockey Club specifying an area to which admission can be charged and from which any person can be ejected. The Act presently limits the council to specifying an area of not more than 5 acres, whereas the present position is that 6·78 acres is devoted to entry by admission and from which any person can be ejected, excluding the grandstand and other buildings. Taken together, some 9·88 acres or four hectares is presently under restricted access and this amendment formalises the long-standing position without increasing it. It should be said that this proposal does not mean the question of a lease has been settled. It merely means that the articles of any future lease can reflect existing usage and practice.

The Bill proposes amendments designed to clearly provide for portability of sick leave entitlements for council employees in the same way as applies in the case of long service leave entitlements, thereby further enhancing the mobility of employees between councils.

Finally, and most significantly, the Bill proposes amendments to change the time for council elections to October in each year. In its policy statement of August 1979, the Government undertook to investigate the practicability of conducting annual local government elections at a time which is more convenient for the voters and elected representatives. For several years there has been general dissatisfaction where new councillors elected to office in July who have had no previous exposure to the workings of a council find amongst their first duties the determination of a budget and the declaration of rates. The Government proposes in this Bill that the day of nomination be changed to the first Friday in September, with elections to be held on the first Saturday in October each year. The Bill proposes several other significant amendments consequential to this change.

The Local Goverment Association has been consulted on the general provisions of the Bill and has raised no objection to the proposals.

The provisions of the Bill are formal, and I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides that the measure is to come into operation on a day to be fixed by

proclamation. Subclause (2) provides that the operation of any specified provision may be suspended. Clause 3 amends the definition section of the principal Act, section 5. The clause inserts new definitions of the terms "returning officer", "deputy returning officer" and "presiding officer". These new definitions reflect a rearrangement of the titles and functions of local government electoral officers proposed by subsequent clauses of the Bill. Essentially, the returning officer of a council is to continue to have the same powers and functions with respect to elections, but these powers and functions are also to be exercisable by one or more standing deputy returning officers. At present, the position of deputy returning officer under the Local Government Act corresponds to the position of presiding officer under the Electoral Act. This has caused some confusion and so it is proposed that local government deputy returning officers are to have the wider powers referred to, while the more limited function of superintending polling places is to be exercisable by presiding officers. The clause also inserts a transitional provision designed to make it clear that any member of a council in office at the commencement of this measure who would have been required to retire on the first Saturday in July may continue in office until the first Saturday in October. This provision is consequential on the amendments proposed by clause 16 under which annual elections are to be held on the first Saturday in October instead of the first Saturday in July.

Clause 4 amends section 8 of the principal Act which makes provision for borrowing by a council in order to satisfy a liability arising from any alteration of council areas whether or not the consent of the ratepayers is obtained. This reference to the consent of ratepayers was overlooked when the local government franchise was extended in 1976 to electors and, accordingly, the clause amends the section by removing the term "ratepayers" and substituting the term "electors".

Clause 5 amends section 57 of the principal Act which provides that a supplementary election is not necessary to fill a vacancy in the office of a member of a council where the vacancy occurs within three months before the first Saturday in July in the year in which his term of office would expire by effluxion of time. The clause amends this section by removing the reference to the first Saturday in July. The amendment is consequential on the amendments proposed by clause 16 under which annual elections are to be held on the first Saturday in October.

Clause 6 makes an amendment to section 65 of the principal Act which is also consequential on the proposed change in the time for the holding of annual elections. Clause 7 amends section 77 of the principal Act which relates to the election of aldermen. This amendment is consequential on the proposed change in the time for the holding of annual elections. Clause 8 amends section 79 of the principal Act which relates to the mode of retirement of aldermen. This amendment is also consequential on the proposed change in the time for the holding of annual elections. Clause 9 amends section 84 of the principal Act which relates to the appointment of auditors. The clause amends this section so that each council is required to appoint an auditor at the first meeting of the council after each annual election rather than in August in each alternate year. This amendment is also consequential on the proposed change in time for the holding of annual elections. Clause 10 is consequential on the amendments proposed by clause 9.

Clause 11 inserts a new section 87 designed to ensure that an auditor may complete an annual audit although he has failed to complete it before the expiration of his term of office. Clause 12 amends section 102 of the principal Act which relates to the appointment of returning officers. The clause amends this section so that each council is required to appoint a returning officer at the first meeting of the council after each annual election. The council is also, under this clause, required to appoint one or more deputy returning officers at the same time. Clause 13 substitutes a new section 103 providing that a deputy returning officer may exercise any of the powers or functions of the returning officer, but that in doing so he is to be subject to the general direction of the returning officer. Clause 14 amends section 104 of the principal Act which fixes the second Friday in May as the nomination day for annual elections. Under the clause the first Friday in September is to be the new nomination day for the proposed October annual elections. Clause 15 proposes an amendment to section 105 that is consequential on the expanded powers of deputy returning officers proposed by clause 13.

Clause 16 amends section 106 which provides that annual elections are held on the first Saturday in July. The clause amends this section so that it provides that annual elections are to be held on the first Saturday in October. Clauses 17 and 18 are consequential on clause 13. Clause 19 amends section 111 of the principal Act which presently provides that the returning officer for a council may appoint a deputy returning officer to preside at a polling place. The clause amends this section so that this function is to be performed by presiding officers, as is the case in relation to State elections under the provisions of the Electoral Act. Returning officers and deputy returning officers may by virtue of the proposed definiton of "presiding officer" also act as presiding officers. Clause 20 is consequential on the proposed allocation of powers and functions between returning officers, deputy returning officers and presiding officers.

Clause 21 substitutes a new section 113 providing that candidates at local government elections may appoint more than one scrutineer for each polling place but that not more than one of the scrutineers may be present in the polling-booth at any one time. Clauses 22 to 30 (inclusive) are all consequential on the proposed allocation of powers and functions between returning officers, deputy returning officers and presiding officers. Clause 31 is consequential on the proposed change in the time for the holding of annual elections. Clause 32 corrects a cross-reference in section 156. Clause 33 amends section 157 of the principal Act in relation to the qualifications and leave entitlements of council officers. The clause inserts a new subsection empowering the Minister, at his discretion, to waive the requirements as to educational and professional qualification for appointment to any council office. The clause amends subsection (9) to make is clear that sick leave entitlements are portable under the section in the same way as long service leave entitlements. The clause amends subsection (9b) so that employment will not be continuous for the purposes of the section if non-council employment is entered into between the respective periods of council employment. The clause also amends subsection (10) so that the amount of the contribution in respect of transferred leave entitlements which a previous employing council is liable to make is determined in accordance with a formula to be prescribed by regulation.

Clause 34 amends section 167 of the principal Act so that variable fees prescribed by regulation may be charged for extracts from the assessment book of a council instead of the present fixed fee of ten cents for each extract. Clause 35 proposes an amendment to section 173 that is consequential on the proposed change in the time for the holding of annual elections. Clause 36 proposes an

amendment to section 214 that fixes a date before which rates must be declared in each year. Clauses 37 and 38 amend sections 218 and 220, respectively, so that a memorial addressed to a council requesting that specific works be carried out for the benefit of a specified portion of the council area must be signed by a majority of the electors for that portion. At present a memorial of this kind need only be signed by one or more electors for the portion. Clause 39 proposes various amendments to section 287 which lists the matters with respect to which council revenue may be expended. The clause amends the section to authorise financial assistance to life-saving clubs and libraries situated within the council area or outside the council area if the services of such bodies directly or indirectly provide for the needs of the inhabitants of the area. The clause also authorises contribution towards the provision of bus passenger transport services.

Clause 40 inserts a new section 344b designed to enable councils to bear part of the cost of constructing or repairing private streets or roads. Clause 41 amends section 383 which lists various activities which councils may undertake as permanent works and undertakings. The clause includes in this list the provision of bus passenger transport services. Clause 42 amends section 435 of the principal Act which empowers the Minister to approve special schemes for the performance of specified works or undertakings by councils and provides councils with special borrowing powers to carry out such schemes. The clause amends this section so that it is clear that services or facilities already being provided by a council under any other provision of the principal Act may be continued and maintained under such a scheme. This amendment will enable the provision of services and facilities for the aged, handicapped or infirm already being provided under section 287b of the principal Act to become the subject of such a scheme thereby providing greater financial flexibility. With this particular application in mind, the clause also amends the section so that a scheme may authorise the council to impose charges or receive donations in respect of services or facilities provided under the scheme and regulate the manner in which the council deals with such moneys and to make it clear that, where such a scheme is in force, the provisions of section 287b shall not apply or shall cease to apply in relation to the services or facilities provided under the scheme.

Clause 43 amends section 468 of the principal Act so that the Minister of Lands and not the Governor is responsible for confirming Orders for Exchange of council land. Clause 44 is consequential on clause 43. Clause 45 amends section 500 of the principal Act which relates to the recovery of charges for gas or electricity supplied by a council. The clause inserts a new subsection authorising a council to require a person to whom it is supplying or about to supply gas or electricity to pay an amount not exceeding an amount fixed by regulation as security for payment of the charges for supplying the gas or electricity. Clause 46 inserts a new section 536b requiring the occupier, or if unoccupied, the owner of any private street, road, square, lane, footway, court, alley or thoroughfare that the public are allowed to use and that is situated in any municipality or township to keep the area clean.

Clause 47 proposes the repeal of sections 542 and 543 of the principal Act. Section 542 imposes on a municipal council a duty to keep public places in the municipality clean and to carry away at convenient times the ashes, filth and rubbish from dwellinghouses and other buildings in the municipality. The clause proposes the repeal of this section for the reason that the duty to carry away household rubbish, if construed literally, would be quite onerous on councils. Instead, the removal of such rubbish will be authorised by sections 533 and 534 of the principal Act, while the clause substitutes a new section 542 retaining the duty to keep public places in municipalities clean. Section 543 provides that only council employees or persons contracting with a council shall remove rubbish from dwellinghouses and other buildings in the municipality. This section is not enforced and its repeal will remove the threat of prosecution for the private contractors currently providing a service of this kind.

Clause 48 amends section 665 of the principal Act which empowers a council to require the owner of a building to construct a drain to conduct into the street drainage system any water that would otherwise drain from the roof of the building across any public footway. The clause amends this section so that it applies not only to water draining across a footway as a result of the construction of a building but also to water draining across a footway as a result of any other works carried out on land, such as the paving of land for use as a parking area. Clause 49 amends section 721 of the principal Act which establishes a procedure under which the Minister may settle disputes between councils. The clause amends this section so that the Minister may delegate the exercise of this power.

Clause 50 amends section 778a of the principal Act which prohibits improper interference with council property. The clause increases the maximum penalty for this offence from ten dollars to two hundred dollars. Clauses 51 to 62 (inclusive) make amendments to the provisions of Part XLIII relating to the conduct of polls of electors that are consequential on the proposed allocation of powers and functions between returning officers, deputy returning officers and presiding officers. Clause 63 amends section 835 of the principal Act which regulates the issue of postal voting papers. The clause amends this section so that a returning officer, upon receiving an application for a postal vote, is authorised to deliver the postal voting papers to the applicant. At present returning officers are required to post postal voting papers to the applicants in all cases.

Clause 64 amends section 841 of the principal Act which in its present form requires postal voters to post their voting papers to the returning officers in all cases. The clause amends this section so that an elector who will be absent on polling day may, having applied for a postal vote and received the postal voting papers over the counter, mark his vote on the paper and then deliver the papers back over the counter. Clause 65 is consequential on clause 64. Clause 66 amends section 854 of the principal Act which authorises the Corporation of the City of Adelaide to lease certain parklands for use as a racecourse. The clause amends the section by marginally increasing the areas that may under such lease be made subject to restricted access.

Clause 67 amends section 858 which relates to borrowing by the Corporation of the City of Adelaide. The clause amends this section to make it consistent with the corresponding provision in relation to other councils under which a demand for a poll on the question of borrowing must be signed by not less than ten per cent of the electors for the area. Clause 68 amends section 866 which regulates fishing in the Torrens River by increasing the maximum penalty for an offence against the section from ten dollars to two hundred dollars. Clause 69 amends section 875 of the principal Act so that a certificate setting out details of rates and other charges outstanding on the property may be signed by any officer authorised by the council. At present the section provides that such certificates must be signed by the clerk of the council. Clause 70 amends section 881 of the principal Act to

provide that, where a lease of any Crown lands is granted or transferred, the Registrar-General shall furnish the council for the area with particulars of the lease. At present the Registrar-General is required by the section to provide unnecessary information relating to the terms of such leases. Clauses 71 to 73 (inclusive) make amendments to the schedules to the principal Act that are of a consequential nature only.

Mr. HEMMINGS secured the adjournment of the debate.

PLANNING AND DEVELOPMENT ACT AMENDMENT BILL (No. 3)

Returned from the Legislative Council without amendment.

POLICE REGULATION ACT AMENDMENT BILL

The Hon. W. A. RODDA (Chief Secretary) obtained leave and introduced a Bill for an Act to amend the Police Regulation Act, 1952-1978. Read a first time.

The Hon. W. A. RODDA: I move:

That this Bill be now read a second time.

It proposes various amendments to the principal Act, the Police Regulation Act, 1952-1978, that are of a disparate nature. The amendments proposed result from a review of the operation of the principal Act. Although the principal Act has been amended from time to time, the review referred to is the first comprehensive review of the principal Act undertaken by the Police Force since the Act was enacted in 1952. This review has also led to the preparation of a new set of Police Regulations which deal in detail with administrative procedures within the Police Department, including a revised promotional structure. A number of the amendments proposed are designed to reflect and authorise procedures proposed in those new regulations.

The Bill proposes amendments to the principal Act designed to more clearly distinguish between commissioned officers and other members of the Police Force. New provisions giving statutory recognition to the processes of appointment and regulation of police cadets are included in the Bill.

Provision is made for the senior assistant Commissioner of Police to act as Deputy Commissioner during any absence of the Deputy Commissioner. The provision would also cater for situations where the Commissioner and the Deputy Commissioner of Police are both absent. The Bill proposes a new provision dealing with probationary service on first appointment to the Police Force. The new provision is designed to enable probationary service to be terminated before the end of the probationary period. This is not possible under the present provision but is clearly desirable since it sometimes becomes apparent at an early stage that a probationer is not suitable for permanent appointment.

The principal Act does not at present make any provision for termination of the services of a member of the Police Force on the grounds of physical or mental incapacity to perform his duties. The power is, however, impliedly conferred under the provisions of the Police Pensions Act. This is clearly unsatisfactory and, accordingly, the Bill proposes the insertion of a new provision expressly providing for this matter and at the same time extends the right of appeal on termination to any termination on these grounds.

The Bill proposes a new provision designed to make it clear that a member of the Police Force ceases to have the powers of a member of the Police Force or a constable on termination or suspension of his services as a member of the Police Force. The Bill proposes amendments to the regulation-making power to authorise regulations enlarging the Commissioner's disciplinary powers to include suspension without pay and a formal reprimand and to authorise regulations dealing with police cadets.

The Bill proposes various amendments designed to rationalise and extend rights of appeal by members of the Police Force against decisions affecting their employment. The right of appeal to the Police Appeal Board is, under these provisions, extended to all the various forms of discipline that may be imposed by the Commissioner and to termination for physical or mental incapacity. The Police Appeal Board, under the present provisions, is empowered only to recommend to the Chief Secretary a course of action with respect to a matter subject to appeal. The Commissioner is at the same time authorised to append to the recommendation any observations he may wish to make on the Appeal Board's recommendation. The Chief Secretary then, under the present scheme, determines the appeal. This scheme is now thought to be inappropriate since it means that the decisions of the Appeal Board which result from proper judicial hearings may be overridden by administrative decision.

Accordingly, the Bill proposes that the decision of the Chief Secretary, after receiving the recommendation of the Appeal Board, should not be less favourable to the appellant than that recommended by the Appeal Board. The Bill, at the same time, proposes the repeal of section 54 of the principal Act which appears to be designed to preserve the prerogative of the Crown to dismiss at pleasure. This provision, if it does have that effect at law, is clearly inconsistent with any scheme providing for a right of appeal against dismissal. Finally, the Bill revises penalties for offences against the Act and removes certain obsolete provisions.

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

Leave granted.

Explanation of Clauses

Clause 1 is formal. Clause 2 provides that the measure is to come into operation on a day to be fixed by proclamation. Clause 3 provides for definitions of the terms "commissioned officer", "member of the police force", "police force" and "police cadet". Clause 4 provides for the insertion of a new section 9c providing that the senior assistant commissioner of police shall have all the powers and duties of the Deputy Commissioner during any period during which the Deputy Commissioner is absent from duty or during which there is any vacancy in the office of Deputy Commissioner. These powers would include the power of the Deputy Commissioner to act in the place of the Commissioner pursuant to section 9 of the principal Act.

Clause 5 provides for the insertion of a new section 11a providing for the appointment of police cadets. Clause 6 provides for the substitution of a new section 13 dealing with probationary service. Under the proposed new section 13, any first appointment to the Police Force is to be probationary for a period, not exceeding two years, determined by the Commissioner. The period of probation may be extended by the Commissioner, subject to the maximum period of two years. The Commissioner is empowered to confirm or terminate the appointment at any time during the period of probation. An appointment

is deemed to be confirmed at the end of the probationary period if not previously confirmed or terminated. Any period during which a probationer is absent without pay is to be ignored in determining the period of probation, unless the Commissioner determines otherwise.

Clause 7 amends section 15 of the principal Act which provides that it shall be an offence to make a false statement if any application for admission to the police force. The clause amends this section by extending the application of the provisions to applications for appointment as a police cadet and by increasing the penalty from $200 to $400. Clause 8 amends section 19 of the principal Act which provides that it shall be an offence for a member of the police force to resign or relinquish his duties except with the Commissioner's authorization or by giving one month's notice. The clause amends this provision by extending its application to police cadets, by reducing the period of notice to fourteen days and by increasing the penalty from $100 to $200.

Clause 9 provides for the insertion of new sections 19a and 19b. New section 19a provides for termination, after due inquiry, of the services of a member of the police force on the grounds of physical or mental incapacity to perform the duties of the office. New section 19b provides that a member of the police force shall cease to have the powers of a member of the police force or a constable if he ceases to be a member of the police force or during any period during which he is suspended from duty. Clause 10 amends section 20 of the principal Act which provides that it shall be an offence for a member of the police force to fail to deliver up all property of the Crown upon termination of his employment. The clause amends the section by extending its application to police cadets.

Clause 11 amends section 22 of the principal Act which provides that the Governor may make regulations with respect to certain matters. The clause amends the section by removing the power to make regulations with respect to the division of the police force and the creation of police districts, matters which are to be left to the Commissioner's administrative powers. Provision is made for regulations empowering the Commissioner to suspend a member pending determination of any charge against him and to punish by dismissal, suspension without pay, reduction in rank or seniority, temporary reduction in pay, or reprimand any member guilty of an offence against the principal Act or any other Act or any breach of the regulations under the principal Act. The clause also empowers regulations dealing with police cadets.

Clause 12 amends section 23 of the principal Act which empowers the Commissioner to issue administrative orders. The clause extends the application of these orders to matters relating to police cadets. Clause 13 amends section 26 which provides for the payment of allowances to members of the police force. The clause amends this section by extending its application to police cadets. Clause 14 amends section 27 of the principal Act which provides that it shall be an offence to impersonate a member of any police force or to have any official property of a member of any police force without lawful excuse. The clause amends this section so that it applies in relation to police cadets and by increasing the penalties.

Clause 15 provides for the repeal of section 28 of the principal Act which provides that it shall be an offence to encourage a member of the police force to remain in any premises while he should be on duty. This offence is now considered to be antiquated. Clause 16 amends section 29 of the principal Act which provides that it is an offence for a member of the police force to take bribes. The clause amends this section so that it also applies in relation to police cadets.

Clause 17 substitutes a new section 44, providing for rights of appeal to the Police Appeal Board. The new section provides for a right of appeal with respect to promotions, termination of a probationer's services, termination for physical or mental incapacity and any form of punishment inflicted by the Commissioner. Clause 18 amends section 47 of the principal Act and is consequential to amendments made by clause 17.

Clause 19 amends section 48 of the principal Act so that the Chief Secretary, when acting upon a recommendation made by the Police Appeal Board on any matter upon which it has heard an appeal, may not make any decision less favourable to the appellant than that recommended by the Police Appeal Board. Clause 20 provides for the repeal of sections 53 and 54 of the principal Act. Section 53 which provides for special procedural requirements with respect to any action against any member of the police force is inconsistent with current legal policies as reflected in the Crown Proceedings Act. Section 54 which preserves any power of the Crown to dispense with the services of a member of the police force is inconsistent with the provisions of the principal Act providing a right of appeal against dismissal.

Mr. McRAE secured the adjournment of the debate.

STOCK EXCHANGE PLAZA (REPEAL OF SPECIAL PROVISIONS) BILL

The Hon. D. C. WOTTON (Minister of Planning) obtained leave and introduced a Bill for an Act to repeal the Stock Exchange Plaza (Special Provisions) Act, 1970. Read a first time.

The Hon. D. C. WOTTON: I move:

That this Bill be now read a second time.

The Stock Exchange Plaza (Special Provisions) Act was enacted in 1970 with a particular development in view. The major purpose of the Act was to provide an "open plaza" development with pedestrian access, and to permit the erection of a building of greater height than was permissible under legislation then in force. The development has, of course, now been carried out, and it is felt that the City of Adelaide Development Control Act provides a more flexible and adequate control of any future development that might conceivably take place on the site. The Adelaide city council has asked that the Act be repealed, and the Government concurs in the view that no useful purpose is now served by preserving it in operation. Clause 1 is formal. Clause 2 repeals the Stock Exchange Plaza (Special Provisions) Act.

Mr. BANNON (Leader of the Opposition): The Opposition supports the Bill.

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

SOUTH-EASTERN DRAINAGE ACT AMENDMENT BILL (No. 2), 1980

The Hon. P. B. ARNOLD (Minister of Water Resources) obtained leave and introduced a Bill for an Act to amend the South-Eastern Drainage Act, 1931-1980. Read a first time.

The Hon. P. B. ARNOLD: 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 object of this Bill is to effect several further amendments of a minor nature to the South-Eastern Drainage Act which was extensively amended earlier this year. Since the passing of that earlier amending Act, departmental officers have been involved in the preparation of the plans of the South-East area, the Millicent council area and the Eight Mile Creek area required by the amending Act, and this work has brought to light several points relating to those areas, and the drains and drainage works within them, that require further amendment. It is proposed that the earlier amending Act and this Bill will be brought into operation at the same time.

Clause 1 is formal. Clause 2 provides for the commencement of the Act. Clause 3 amends the definition of "the Millicent area", as it has been discovered that a small portion of the council area is, for the purposes of the Act, part of the South-Eastern Drainage Board's area. The definition of "the Eight Mile Creek area" is amended to take account of alterations to section numbers resulting from the subdivision of sections in the hundreds of McDonnell and Caroline.

Clause 4 provides for the preparation of a plan of the Eight Mile Creek area for the purposes of vesting in the Minister the drains and drainage works delineated on the plan. This vesting mechanism was provided by the earlier amending Act for the South-East area and the Millicent area. Departmental officers now believe that there is sufficient uncertainty in the Eight Mile Creek as to which drains and drainage works are Crown drains and works, and which are private drains and works, to warrant such a vesting plan for this area as well.

Clauses 5 and 6 repeal a section and re-enact it in a form that has general application to all provisions of the Act and the regulations. The repealed section applied only in respect of Division IV of Part III. The new section provides that an authority may, on the default of any person, cause work to be carried out on any land in its area for the purpose of ensuring compliance with any requirement made of that person by or under the Act. The costs incurred by the authority in causing such work to be carried out may be recovered by the authority from the defaulting person.

Mr. BANNON secured the adjournment of the debate.

WORKERS COMPENSATION (INSURANCE) BILL

Adjourned debate on second reading.
(Continued from 5 November. Page 1825.)

Mr. BANNON (Leader of the Opposition): The Opposition supports the intention of this Bill and welcomes its introduction, although we believe that it could have been introduced a long time ago. Those people who have been awaiting assistance from the Government in their plight following the collapse of Palmdale Insurance Company, including employers and employees, will benefit from this Bill and will appreciate that its passage is being expedited. However, amendments will be moved at a later stage that we believe will improve the measure.

Regarding the history and background of this measure, I think that we are fortunate that such a measure is before us. Those people who will benefit from it are fortunate that there is an effective Opposition in this State, and a number of people who were affected by the Palmdale collapse were able to exert themselves, and, with the assistance of the press, which played a constructive and helpful role in this matter, were able to force the Government to take the action that it clearly did not want to take. The way in which the Minister has handled this matter has been a further chapter in the bungling that one has seen so constantly from him. We know that his style is aggressive and combative, but we do not object to that, except when it begins to affect seriously the rights of ordinary people in the community, and this is just such a case. The Minister's arrogance, up until one month ago, was still insisting that those who were insured with Palmdale and who were in a dreadful plight were at fault and that the Government would not bail them out.

Fortunately, saner counsels have prevailed, and the Minister's Cabinet colleagues have forced him to reverse his attitude. When one couples the Minister's mishandling of this issue with the shopping hours fiasco that has been continuing throughout this year and a number of other things in which the Minister has been involved, such as his failed employment scheme and one or two other issues, one begins to question seriously the competence of the Minister of Industrial Affairs and his ability to operate properly in this State. I will mention in some detail the statements made by the Minister in the course of the controversy surrounding Palmdale to indicate what I mean.

While the Opposition has been extremely critical of the bungling and incompetent performance of the Chief Secretary in a number of areas, at least the Chief Secretary can take refuge in the fact that he is a fairly pleasant person and that he does not indulge in the arrogant histrionics that we have seen from the Minister of Industrial Affairs, which is typified by his handling of this issue. It is interesting that, in regard to this vital measure, the Minister so far has not graced the House with his presence to hear the progress of the Bill that he has promoted, but no doubt he can read my strictures in *Hansard* and, knowing his style, I believe that he will certainly be very willing to respond. What I have said is very soundly based.

There has been total inactivity for a number of months on the part of the Government in regard to this matter: certainly, negotiations have taken place, but they have taken place intermittently and without the speed and direction that was necessary to alleviate the suffering and financial disaster that confronted people who were affected by the collapse of the Palmdale Insurance Company.

It is just not good enough for a Government or a Minister to behave in the arrogant way that has characterised the Minister's handling of this issue. I will outline the history of attempts to provide some sort of protection for this case. One of the things about which I remind the House firmly and clearly is that this Palmdale situation need never have arisen in the way it has arisen if the former Labor Government's Bill, sponsored by the Deputy Leader, in his capacity as Minister of Labour and Industry in 1976, had not been blocked in the Upper House.

In 1976, we tried to provide cover for workers in the event of an insurance company or exempted company being unable to meet its liabilities. One of the provisions of the Workmen's Compensation Act Amendment Bill (No. 2) of 1976 proposed a nominal insurer scheme. Claims against the nominal insurer were to be met by contributions from approved insurers and exempted companies. The fund, which would be created and administered in much the same way as this Bill provides, would have ensured that, where a company could not meet its obligations, there was still a fund that could be drawn

on to ensure that employees received the compensation to which they were entitled, and that employers did not go bankrupt, in consequence.

Both of those situations have arisen in this case, and this legislation has been introduced none too soon. Now, at least, there is an assurance, made clear by my indication of the Opposition's support for this measure that, when it finally passes both Houses and comes into law, those people will be protected. All of this could have been fixed up four years ago. The then Opposition, by opposing and blocking that provision in another place, has created the hardship and problems that have occurred during this year. At the beginning of this year, when Palmdale was first getting into difficulties, and it looked clear that the company was about to go into liquidation, and had a large workers compensation portfolio, we were approached by a number of employers and employees who had found that they were going to be affected by that collapse.

In the case of the employees, some of them knew that they would not be able to recover the amounts of their claim from their employer, small employers with no great capital resources, and those small employers, in turn, had become personally liable for the compensation claims. They were faced with the reality of being sued by the worker. If such action was successful, and the award was made against them, they, themselves, faced going into liquidation. This involved many, many people, and it involved large sums of money. So, given our attempt in 1976 to provide for this type of situation, we promised that we would take what action we could to assist people in this area. After discussions with people in the industry, we were assured that the Government was organising a rescue operation amongst the industry. Contact with the Minister's office indicated that some activity was taking place and that the Government intended to do something about the situation.

Wrongly reassured by those statements from the industry and from the Government, we took no further action. We went back to the people who had approached us and said, "We believe that the matter will be fixed up within the near future." On 1 April, in this place, the Minister answered a question from the member for Glenelg. The Minister confirmed that he had been negotiating with the Insurance Council of Australia for eight or nine weeks and with insurance brokers in South Australia on this issue. He went on to say that he would be having further discussions with the Insurance Council of Australia on 3 April and, after that, with employer bodies to work out as quickly as possible what action should be taken to help to try to protect the employers who were exposed to the new risk and also their employees who could suffer if the employer was forced into liquidation or receivership because of the large claims that could be made against the employer for workers compensation.

He went on to say that there were technical difficulties, but that the Government was looking at every possibility, including some form of legislation. There, on the public record, was the sort of reassurance that action was taking place and that something would be forthcoming. That was 1 April. In the intervening weeks and months little more was heard from the Government about that action.

We see, from the Minister's second reading explanation, that he is trying to indicate some kind of frenetic negotiation and activity taking place throughout the whole of that period. Close examination of the speech would point out that what was really happening was, in a sense, a refusal by the Government to face up to the facts of the ever-growing problem of the collapse of Palmdale. At one stage, it was thought that perhaps the matter could best wait on the report of the tripartite committee on the rehabilitation and compensation of persons injured at work. The committee was due to report on 30 June. So, as the Minister said in his second reading explanation, he decided to await that committee's report prior to making any firm decision in this area. That is an extraordinary thing to do.

That committee has embarked on a long-term wide-ranging examination of the whole area of workers compensation. Its recommendations were expected to lead to recommendations resulting in a wide-scale reorganisation of workers compensation—complex measures. It was not dealing with individuals and particular problems of that nature. So, whether or not the committee reported on 30 June, it was still clear that it would be months before that committee's recommendations could be properly assessed, acted on and put into legislation in this House. Indeed, that has proven to be the case. The report is circulating for discussion at the moment. There is no indication of any early legislative action to be taken on the basis of it.

Meanwhile, what were the workers, waiting for their compensation payments, meant to do? What were the employers, who were going to go broke because of that situation, going to do—go out of business over those intervening months waiting for a large-scale reorganisation of the Workers Compensation Act? To say that a lack of activity was due to waiting on this report is absolute nonsense. It is a cover-up for the fact that the Minister had decided in his own mind that he had no sympathy for the plight of the victims and was going to do nothing.

That report was not received on 30 June; it was subsequently presented in September. Further months were going by whilst the Government still did not decide and while more small employers went broke, and others, from their own funds, were forced to make payments to alleviate the distress of workers with legitimate claims. All that delay was scandalous, and the reason for it was totally wrong and irrelevant. The tripartite committee could not have dealt with this matter with the urgency that was needed.

Let us look at similar situations in other States, particularly New South Wales, with the collapse of the Northumberland Insurance Company, when special legislation was introduced immediately to deal with that problem. Those States, such as Victoria and Tasmania, that have schemes, have had those schemes operating. In this case, we had nothing—an absolute vacuum. There was no way of helping these people, and the Minister sat around waiting for a tripartite committee to report to him on the whole field. It was pretty rough on those people, and they began to get nervous. There are reams of correspondence from various solicitors who were acting for people involved in the Palmdale collapse.

These letters, in fact, went to the Minister's office as well as to insurance companies and brokers seeking assistance. They date from about the time that the realisation began to seep through that nothing was going to be done about the Palmdale situation. The numbers of these letters increased right through this year into August and September, and they were met with a fairly deafening and stony silence from the Government. There was the problem that was faced by people attempting to act for those caught up in the Palmdale collapse. Through until about June or July there was a hope, a belief, that the Government was going to do something, and then a dawning realisation that it had no intention of acting at all and that, if it was to take any action, that would not include looking after the Palmdale collapse, the particular source of the problem. We are talking about many people, many companies and millions of dollars.

By October, finally people's patience was exhausted and they were demanding something from the Government. Publicity was given to a number of the more dramatic cases, and again we found, from about the end of September into October, that we were being contacted by people who were asking, "What has happened? Why isn't the Government acting? What can you do about the situation?" On 3 October, an article appeared in the *Advertiser* which reported that there had been no action because of a disagreement among the various business groups, and that was preventing a settlement. The following day a particular case was highlighted, that of Mr. Donnelly, a Waikerie man, who was in the dreadful position of not receiving compensation and the only way he could do so would be to sue his own family company, his parents, in other words, and put them into bankruptcy as a result. That was just one of the many dreadful cases of personal hardship and financial ruin which were building up and which this Bill will fortunately avert. By 3 and 4 October it began to be clear that this would be a thorny political issue and the Government had better make some statement about it. So the Minister launched right into it. On 6 October in an *Advertiser* report he said that he was considering legislation. Under the heading, "South Australia considering new compo laws", it was stated:

> The South Australian Government is considering legislation to help protect workers from the collapse of insurance companies involved in workers compensation. The Minister of Industrial Affairs, Mr. Brown, said last night legislation could be introduced into Parliament next year.

That was the first awful warning to the people involved in the Palmdale collapse. The Minister was talking about next year, and that would be far too late to be of any assistance to them. They would be through the bankruptcy courts and into ruin long before next year. The report then quotes the Minister, as follows:

> "One way or the other, the Government must make sure that people are protected," he said. But he said any legislation would not cover people affected by the Palmdale insurance company.

There it was in black and white. The real reason for the months of delay was that the Government, having promised action, had backed away from it, and had decided not to act. That was the first definite information people had had in the community that the Government was not going to do anything to help them—an outrageous situation.

The Minister's arrogant tone then finally ran away from him. He had decided that he was not going to help them, and he thought he had better explain that decision in terms they could understand, that is, he would blame them for their misfortune, and he would say it was their fault and the Government could therefore wash its hands of the situation. He said that people could be helped only if employer associations and the insurance industry agreed to do this voluntarily. He knew very well that there would be no hope of a voluntary agreement, because this had been discussed at some length among those groups. He knew that that was no answer to the Palmdale situation. He went on to say that companies owed money by Palmdale were partly responsible for their dilemma because they had taken advantage of cut-rate premiums, and that in itself should have warned employers that they were taking a risk in insuring with Palmdale.

In other words, the fact that Palmdale premiums were at a special rate or cheaper did not mean that in some way they were offering a more efficient insurance service or some special way of getting their benefits to people; it meant it was a company at risk. I will bet there was some hollow laughter and some raised eyebrows in the insurance industry over that. A Government meant to be reducing costs and cutting red tape is saying to the insurance companies, "If you provide something at a lower and more competitive rate, what you are signalling to your clients is that you are about to go broke and are in financial difficulties." What an extraordinary statement! So, he said, they were warned that they were taking a risk in insuring with Palmdale. This is where his complete arrogance in the matter came to the fore. Listen to this preaching statement:

> It's important that people understand that their employer is liable to pay for workers compensation payments that otherwise would have been made by Palmdale.

Indeed, people understood that only too well. The unfortunate Mr. Donnelly understood it only too well. His employer had to pay; he knew that; he was liable. His employer happened to be his parents whom he would bankrupt if he made the claim, and if he did not make the claim and left them solvent he himself would remain in destitution because of his incapacity. What an arrogant and preaching attitude to take to people in trouble! The Minister said that the Government had no obligation to intervene and act as a benevolent fund.

The Hon. D. C. Brown: That's right, too.

Mr. BANNON: The Minister repeats that that is right, and indeed that is his attitude to hardship and to stress in our community. The Government has no responsibility; it cannot be involved. If you cannot fix something up for yourselves in a voluntary fashion, bad luck, don't come whining to us. That is what he said to the victims of the Palmdale insurance collapse. Those statements about cheap premiums, about the non-viability of the company and about its being their fault were all wrong, were all nonsense, but nonetheless he made them and he said, "We intend to do nothing." How is it that now we have in Parliament before us a measure to do something about Palmdale, when the Minister quite clearly said there was no intention to do anything for these people? The answer to that probably only lies with the Minister and his Cabinet colleagues in a discussion that took place when some more sane and sensible elements in the Cabinet said, "If we don't do something, somebody else will. There will be a riot in the community. There will be opposition amongst the employer groups and insurance groups, and the Opposition itself will be moving to do something, so we had better get in there first, and help these people." So, the Minister was forced to retract. He was forced to retract in part by the way in which the full facts of this issue were brought before the public by the press, and I congratulate the *Advertiser* in particular and also *Nationwide* on the A.B.C. for taking up this issue on behalf of people in the community. Without that, there would not have been the turnaround or change of mind by the Government which has brought this measure in.

The Hon. D. C. Brown: I announced on *Nationwide,* in fact, that there was a fair hope that resolution would be achieved. How can you say it was a turnaround, when I actually said on *Nationwide* that there was a fair chance of settlement?

Mr. BANNON: The Minister is allowing me to rest my voice.

The DEPUTY SPEAKER: Interjections are not in order.

Mr. BANNON: On 6 October we heard the Minister saying that the Government had no obligation and that the legislation would not assist Palmdale. On 7 October the *Advertiser* called on the Government to arrange compensation for people affected by the Palmdale failure, and it editorialised on the matter and said that it really thought this was not a good attitude of the Government, that it ought to do something about it. Then we had a

series of letters to the Editor of the *Advertiser* which made very clear to people what the human interest element of this was. I will refer to just two of those letters, I think, which are worth looking at. Two letters were published on 8 October 1980, one from a Grahame Smith of Salisbury East and the other from a Malcolm S. Elliott of Adelaide, and they took issue very forthrightly and very directly with what the Minister had said. Mr. Smith said:

> I take strong objection to comments reported to have been made by the Minister of Industrial Affairs, Mr. Brown, regarding the involvement of companies with Palmdale. According to his statement, Mr. Brown believes companies owed money by Palmdale were partly responsible for their dilemma because they had taken advantage of cut-rate premiums. My company's insurance was placed with Palmdale several years ago by a reputable insurance broker whom we engaged to ensure that we were adequately covered in this area.

I pause at that point to say that many of those who had insured with Palmdale had insured with it through a broker charged with arranging their insurance, who looked around the field to find an insurance company able to provide at the right premium the insurance coverage its client wanted. These brokers operate under ethical standards; they operate under approved rules. Any employer who chooses to get his insurance arranged through a reputable broker thereby has confidence that the placing of that insurance will be in sound hands. It was that, of course, which really cut a lot of the employers to the quick, by the Minister's suggesting that it was their fault, because what they were doing was accepted commercial practice (and the Minister has not had much experience of commercial practice), which was to place their insurance needs in the hands of a broker and get him to arrange it. They knew nothing about Palmdale as such; they were trusting in the professional advice they received from the broker. Mr. Smith's letter continued:

> The South Australian Government is responsible for the criteria used to gauge the financial capability of an insurance company to operate in this State, and, in fact, it issues a licence to this effect.

The Minister made much of that point in his second reading explanation. He has attempted to debunk it by saying licences for insurance companies are issued at the Commonwealth level, by tests applied by the Commonwealth Government, and that is true. The Minister also pointed out that, while a separate licence has to be issued at the State level, it is usual for an insurance company, which has gained that recognition from the Federal Commissioner, to be licensed in South Australia to carry out workers compensation business. However, the fact is that that licence to do workers compensation must be issued at the State level so, while certainly past practice does not in any way indict the Minister, it is still extraordinary that he is not prepared to acknowledge any responsibility in this area.

If, in fact, there is a problem with the provisions at Federal level for registration of insurers, that is where the representations should be made but, once again, people would have reasonable confidence in the fact that this insurance company in particular was a properly licensed one. Indeed, I am told that the assets that Palmdale had exceeded by three times the amount the Commissioner of Insurance required, so that there was no reason at all to suspect—and that is why brokers were still placing insurance with it—that Palmdale would go into liquidation until very shortly before the collapse occurred. Let us not allow the Minister to shelter behind that point.

Having dealt with some of the claims made by the Minister in which he talked about the fact that Palmdale's assets exceeded its liabilities by 42 per cent (the point I have just made) in 1978, to demonstrate that Palmdale was a viable insurance company at that time, Mr. Smith went on to say:

> It would also appear we must in future treat cut-rate premiums with the utmost caution because they are not being offered as a result of improved business efficiency and productivity but rather as a sign that the particular organisation concerned is a risk.

An extraordinary suggestion! Mr. Smith finished his letter by saying:

> It's no good trying to attract new industries to a State which will not assist and support those already here and struggling to survive. Thanks for nothing, Mr. Brown.

Mr. Elliott, who has had some major claims affected by the particular matter, also made those points. He pointed out that there was an obligation under the Workers Compensation Act for employers to insure and that his insurance was placed in accordance with that Act by a reputable broking company with a reputable insurance company. Mr. Elliott said:

> Surely Mr. Brown is not so naive as to believe claims under the Workmen's Compensation Act are settled as quickly as, say, burglary claims. My company insured with Palmdale in 1978, yet we have only recently paid out more than $25 000, and face a further substantial claim for the same accident which is yet to go before the courts.
>
> What should I have done, Mr. Brown? Break the law and not insure, and by so doing have saved the premiums which could have gone some way to paying out these claims? Perhaps the risk of prosecution is less than the risk of the financial disaster many are now facing.

The following day a letter appeared in the *Advertiser* from Mrs. C. A. Birchmore of Enfield which commented on the Minister's statements. The final paragraph of the letter states:

> One further comment: Mr. Brown's remark about "cut-rate premiums" is incorrect. We have re-insured with The Chamber of Manufactures Insurance Limited for $400 a year less than Palmdale's charges—hardly "cut-rate". In fact, our overall insurance is about $2 000 a year cheaper.

So much for that claim based on ignorance and arrogance. No wonder those people reacted in the vigorous and hostile way they did. Thank goodness they did, because without that reaction I am sure the Government would not have done this about face and produced this legislation.

On 9 October, the *Advertiser* reported that various companies and individuals were going to approach the Minister. How far they would have got is questionable. We decided then as an Opposition that, in view of this lack of activity and the parlous situation facing these people, that we would, in the absence of Government activity, move to legislate along the lines of the 1976 scheme and make that scheme retrospective in order to do something by way of private members' business to rescue the unfortunates caught up in the Palmdale insurance collapse. Our intention to do that was publicised on 14 October in the *News,* where I was reported as saying that I would introduce a private member's Bill to provide for such a scheme but I pointed out this could take considerable time to pass through Parliament. I said that I still felt it was up to the Government to take over the matter and to do something. I believed that the proposals that Minister had suggested would be introduced next year because they did not apply retrospectively would be useless to those hit by the collapse of the Palmdale Insurance Company.

So the Government was faced with clear evidence that in Parliament a Bill would be moved, so it would have to decide its attitude one way or the other. In the community

and the media there was massive agitation over the arrogant and unfortunate statements of the Minister and the reaction to his declaration that the Government was going to do nothing about Palmdale, and so it hastily cobbled together some action.

I was very surprised, at the Master Builders Association dinner on Friday 17 October, three days after my statement had appeared in the paper, to hear the Premier announce that he had some good news for those in the Master Builders Association—we know that many builders have been involved in the Palmdale collapse and are going out of business because of it. The announcement that the Premier made was that the Government now did intend to do something and there would be a scheme. He did not give any details: he could not tell us what precisely was being done. That is the significant point because the reason he could not give any details, I suggest, was that those details really had not been got together; the change of mind had occurred only a week or so or perhaps a couple of days before and the hasty announcement was made in the absence of details, because there were none.

The Hon. J. D. Wright: Probably the 15th.

Mr. BANNON: Yes, probably 15 October. Cabinet had decided it just had to do something in the face of what was growing concern in the community, so it had better make an announcement to that effect.

That was confirmed in this place on 21 October, the following Tuesday, which was the first available opportunity, and I asked the Premier about his statement to the Master Builders Association and about what details he could give us on the scheme. This was some days later and the Premier was unable to give us any details. On 23 October, two days later, the member for Playford asked the Premier for details specifically on the subject of common law damages, and again the Premier could not assist us, despite his grand announcement on the Friday before. Now, late last night the Bill was introduced by the Minister. We are fortunate indeed that it has been introduced, but it does not go far enough and there seem to be one or two gaps in it. These matters will be considered in Committee.

Although the Opposition welcomes this Bill, the mishandling of it, this example of the style in which the Government approaches matters, its lack of consultation, its lack of humanity and its refusal to take responsibility unless it is forced to do so typifies its performance in many other fields. It is difficult to work out why it took so long for agreement to be reached among the parties. There are examples of experience in other States where similar situations were grappled with and dealt with quickly. It may be that it was difficult to come to a consensus, that a sort of lowest common denominator principle was applying, but meanwhile while the industry groups haggled among themselves, people were getting into serious difficulties and in that situation a Government must act, it must intervene and must show some leadership. However, clearly that did not happen until the Government was finally forced to. Thus, we have the Bill before us as described, and I say again that we will support it at the second reading stage.

The Hon. J. D. WRIGHT (Adelaide): I support the Bill. The Leader of the Opposition has covered most of the aspects that need to be covered, and the events leading up to the introduction of this legislation. I support the Bill in principle, as I think it is proper and should have been brought in much sooner that is the case. I recall that in 1976 I introduced similar legislation (certainly embodied in a much larger Bill) for amending the Workmen's Compensation Act. I want to remind members of the House exactly what that piece of legislation would have done had it been passed at that stage. I quote from *Hansard* of 21 October 1976 what I said:

> Clause 20 inserts new sections 123a to 123p in the principal Act. New sections 123a to 123d provide for the establishment of a scheme for the satisfaction by a "nominal insurer", to be appointed under the scheme, of any claims by an employer where his workmen's compensation insurer fails financially, or by a workman where his employer is uninsured, or, in the case of an employer who is a self-insurer, fails financially. The scheme is substantially the same as the "nominal defendant scheme" under the Motor Vehicles Act, 1959-1976, in respect of compulsory third party insurance under that Act. New section 123e regulates the fee that insurance brokers may charge for effecting workmen's compensation insurance coverage for employers. New section 123f prohibits approved insurers from making any payment to an insurance broker for effecting such coverage.

The legislation that is now before the House is not an original piece of legislation; it is a belated piece of legislation, as the Government should have acted much more promptly than it has done, particularly when the collapse of Palmdale occurred. The legislation that was introduced previously was destroyed by the then (as it is now) Liberal-dominated Legislative Council which was not prepared at the conference of managers at that time to debate the issues of the Bill other than that section of the amendments which the Liberal Party had moved in this House and in the other place concerning the reduction of weekly payments.

It was there that the legislation bogged down, so that the rest of the major amendments could not be enacted at that time. Clearly, if that legislation had passed through both Houses in 1976, we would not have had the human concern and the human tragedy that has occurred now with the collapse of Palmdale, because the Government would have had established a scheme which would adequately have catered for employers and employees affected by the collapse.

The responsibility for there not being such a provision in the Workers Compensation Act to protect working people and employers must lie, without question, with the Liberal Party. The opportunity was there in 1976 for us to have proceeded with legislation which would have ensured that protection. The Liberal Party at that time was out to embarrass the Dunstan Government, especially in relation to workers compensation. The present Minister was a part of that embarrassment although, to his credit, he did not oppose the Bill in his second reading speech. Nevertheless, he was responsible in this House for amendments similar to those which were moved in the Upper House and which brought about the defeat of the Bill.

South Australia should have had on record for the past four years the protection that we are about to give by this measure. However, we are here now to ensure that legislation is enacted to provide the protection to which people are entitled. Similar legislation has operated for some time in New South Wales and in Victoria. The Palmdale organisation must have a poor record, especially in New South Wales, where it has not been able to operate in the workers compensation sphere since 1977. Obviously, the New South Wales Government was suspicious of the conduct of the organisation and did not issue a licence to it in that State. This suggests that the record of the company has been under close scrutiny in New South Wales over the past three years.

The Government stands clearly condemned for not having given this matter urgent consideration. The collapse of Palmdale was notified not later than January of this year, and there is some indication that it occurred in

November 1979. Even if we allow the Government the latitude of saying that it was not until 1980 that the State was affected, that still does not justify its actions in allowing itself to be nursing this matter, trying to dodge the issue, trying to wave away solutions which were not there, hoping the matter would go away, for nearly 10 months. That situation has prevailed since January last.

The collapse of Palmdale in Canberra came in January 1980, and it is important to examine the attitude of the Liberal Party in Canberra. About 120 workers were affected, and total claims and liabilities amounted to $1 400 000. I am quoting from extracts supplied by the Parliamentary Library. The Government in Canberra acted as quickly as possible under the Workmen's Compensation Supplementation Fund Ordinance of 1980 to allow the House to carry this legislation. The legislation in principle was dated 28 July 1980. So, we see that the Liberal Party, in South Australia and in Canberra, has taken a vastly different view of the situation.

We find that this Government has taken some eight or nine months. I am not suggesting that the Minister is responsible for what goes on in Canberra, but I place the example before the House that in one circumstance, irrespective of the political colour of the Party, the Federal Government has foreseen that this action needed to be taken quickly, whereas the Minister here, and therefore the Government, hedged about this legislation for some eight or nine months. It caused untold tragedy for many people within the State, and many workers and employers have been affected by the delay. I put it to the Minister that he had plenty of time to act, and he should have acted much more quickly than he did. If the Liberal Party in Canberra saw fit and considered it proper to intervene in the circumstances and give a guarantee to those people affected by the claims, surely the responsibility here was on the Minister to do exactly the same.

We now have before us legislation which, as I described earlier, is a belated piece of legislation. It contains some afterthoughts by the Government, and it has not done the Government any good within the community. There has been strong community criticism of it. I personally have interviewed some 20 or 30 people about the matter and was responsible, with my Leader, for deciding on a course if the Government was not prepared to act in this area. There was plenty of evidence that the Government had no intention of acting, and if it had been left to the Minister's own decision I do not believe we would have had this legislation before the House today.

Once the Opposition decided to pull on the Government on this, which was necessary if the Government was not going to do it, the Opposition would have had no option but to do it. We were hastily trying to get some legislation together, but we do not have the facilities and officers to draw up legislation for us. However, we were able to make a public announcement much earlier than the Government was. It is my view that it was that announcement by the Leader that forced the Government to take the action that it is taking. Whether or not the Opposition is responsible for forcing the Government into doing something, whether the community is responsible or whether Cabinet has been able finally to take control of this arrogant Minister and force him to take action in this area, I do not care.

The facts of the matter are that those people who have been affected by this legislation and who have been allowed to remain affected for some 10 months are now going to get some protection. It is for that reason, and for the reason that in future there will be something definite and permanent on the Statute Book that, if this situation develops again, anybody affected by it will receive compensation, which is the proper thing in the circumstances.

I support this legislation. There are some anomalies in it to which my Leader has indicated we will be moving amendments at the appropriate time. I want to see the legislation go through as quickly as possible, as I believe that it is important for the benefit of the State. There are people who work in the State who should have been given attention much earlier by the Minister.

The Hon. D. C. BROWN (Minister of Industrial Affairs): There are a number of matters that I would like to take up in responding to the Leader and Deputy Leader of the Opposition. We had this afternoon yet another classic speech by the Leader of the Opposition which is full of his fantasy. I find that the Leader of the Opposition is a man with a furtive imagination. He likes to put one and one together and end up with about 2 000. That reflects in his costing on the Moore's building, on which he has been exposed today, and it appears to be reflected again in his assumptions on this Bill.

I will go through and deal with the main issues raised by the Leader of the Opposition. The first fundamental issue he brought forward was that—to quote his very words—"Small employers went broke because of the delay of the Government."

I challenge the Leader to give any details as to which employers went into liquidation because of the Government's delay. I do not believe that he can cite one case—not the thousands of cases that he implied throughout his speech. I challenge him to cite one case of a small employer who went broke.

Mr. Bannon: That is debatable.

The Hon. D. C. BROWN: Now he says that it is debatable. The Leader spoke for a full hour this afternoon, went through the entire history of the case, and the whole theme of his speech was that small employers had gone broke because of the Government's delay, but when I challenge him to cite one example of a small employer who has gone broke, he says that it is debatable and he cannot cite an example.

The Deputy Leader, like a parrot, reiterated what his Leader said, blindly following, and his behaviour reminded me more of the behavioural characteristics of a sheep. The fundamental point of the Leader's speech was that much personal hardship was caused to small employers, who went broke, because of the delay of the Government.

I will outline the reason for the delay. This legislation is retrospective, because we are asking employers around the State to contribute to a fund to cover a situation in which an insurance company has already gone into liquidation. We were asking them to cover not a future situation but a situation in which the liability has already been incurred and, therefore, this legislation is retrospective.

It is not the characteristic of this Liberal Government to introduce retrospective legislation unless it has the support of the various sectors of the community that it directly affects, and in this case the people directly affected are those who will come forward with the finance to cover this retrospective situation. So, quite obviously, it was the Government's responsibility to negotiate with the Employers Federation, the Chamber of Commerce and Industry, the Master Builders Association and other major employer bodies in this State to ensure that we had their concurrence.

I believe that it is responsible Government to ensure that there is agreement between those parties that will be asked retrospectively to raise the money to cover the

situation of, in this case, an insurance company going into liquidation. I point out that it has taken months to negotiate adequately to the satisfaction of the various parties involved and to ensure that they were happy with the scheme. As I said in the second reading explanation, in April this year I set up a working party, which came forward with a proposed scheme, but I point out that a significant representative on that working party indicated disagreement to the recommendation of the working party and, therefore, the Government, until it was able to achieve the satisfaction and agreement of all parties to that working party, was not prepared to proceed with the legislation.

This afternoon the Opposition has echoed in this House (and I hope the voters keep this in mind in the future) that it is prepared to introduce retrospective legislation without the necessary consultation between or agreement of the parties involved, and it is prepared to impose a levy on employers to cover a situation that has already passed without first obtaining the agreement of those involved. Frankly, that is a horrifying factor which should be taken into account when the performance of the Opposition is considered.

The Leader of the Opposition stated that the Government did nothing from April until now, but that is not the case: the Government continued negotiations with the parties involved to see whether it was possible to obtain agreement.

If the Leader of the Opposition would like to know, I will spell out some of the different schemes that we put forward as alternatives to the scheme contained in the working party report. We looked at the possibility of insurance companies taking out insurance against insolvency. This procedure is followed by companies that trade overseas with large contracts: they take out this insurance against insolvency. We looked at the feasibility of that, and sought advice from the best reinsurers in Australia. Their advice was that it would appear to be an impractical method of covering insurance companies.

We also looked at the possibility of requiring insurance companies to take out re-insurance, another scheme whereby we could ensure that employers who had insured with reputable insurance companies that had not gone into liquidation were not asked to cover the entire burden of any insurance company going into liquidation. Again, for some months we looked at that reinsurance scheme. Although it was workable, its cost to all companies would have been very substantial and, we believe, far more costly than such a scheme as that put forward in this Bill.

The Government also looked at the possibility of making interest-free loans to employers. We looked at how, having made an interest-free loan to an employer, we could recover those funds. It took some months to do that, and it was found that we could not recover those finances adequately. There was no way in which we could adequately amend the Companies Act, the Workers Compensation Act and the Australian Insurance Act to ensure that we got back those moneys that we would have lent out free of interest. I do not think the Government should be put in a position where it lends out money in good faith thinking that it will be repaid simply to find that, because of deficiencies in the legislation, it cannot be repaid.

So, the Leader of the Opposition is quite wrong when he says that the Government did nothing from April onwards. The Government continued negotiations with the parties involved. It put up a multitude of different schemes, which were thoroughly examined, and finally came to an agreement on the scheme that is contained in this Bill. I also take up the point made by the Leader of the Opposition that there was (and I use his words exactly) "riot in the community".

Mr. Bannon: I said that there would be.

The Hon. D. C. BROWN: The Leader said that there was riot in the community. I suggest that the Leader look at *Hansard,* because I wrote it down as he said it. In fact, the Leader said, "Small employers went broke and there was riot in the community." Of course there was not, and there was not going to be, riot in the community. This shows the extent to which the Leader of the Opposition not just exaggerates but, one could almost say, deliberately lies to this House. I am not accusing—

The SPEAKER: Order! I ask the honourable Minister immediately to withdraw unconditionally the word "lies".

The Hon. D. C. BROWN: I certainly withdraw it. I was pointing out there was gross exaggeration.

The SPEAKER: "Unconditionally" does not require an explanation.

The Hon. D. C. BROWN: I unconditionally withdraw that word. I was pointing out that the Leader of the Opposition tends grossly to exaggerate on numerous occasions. The Leader also pointed out that the *Advertiser* editorial criticised the Government for its stand. I challenged the Leader across the Chamber by way of interjection to read the editorial, but he did not do so. Of course, he did not do so because, again, it would have shown that, unfortunately, he was not quite accurate in the statements that he was making. I will read that editorial to the House, as follows:

> The sentiments of the Minister of Industrial Affairs, Mr. Brown, that one way or another people must be protected can only be endorsed.

So, the editorial supported me. It continued, as follows:

> Mr. Brown rightly points out that the Government has no obligation to intervene and act as a benevolent fund.

I point out that the Leader of the Opposition was criticising me for making that statement, yet the *Advertiser* editorial came out and said that I was quite right in making that statement. The editorial continued:

> Employer bodies who represent employers who did not opt for cut-rate cover ask, and reasonably, why they should now subsidise those who took only the short view.

The editorial continued:

> And insurance companies which have remained solvent in the field are, understandably, reluctant now to take responsibility for the failings of one which took business from them.

The editorial, to be completely fair to it, went on to say:

> Surely there is reason on humanitarian grounds alone for a concerted effort to be made by those able to help these people to do so. If they were the victims of a bushfire or a flood, that help would doubtless be available. Workers' compensation insurance is a complex field. The fortunes of companies fluctuate, claims can take years and escalate alarmingly, warnings of impending trouble often come late and even then a new company does not take on the liabilities of the old. A lifeboat is needed.

Indeed, the Government, the insurance council of this State and the various employer bodies in this State have supplied such a lifeboat, before any victim has been drowned. The accusation of the Leader of the Opposition that companies have failed and have gone into liquidation is wrong, as is his claim that the *Advertiser* editorial is critical of the Government. The Leader's claim is grossly wrong and grossly inaccurate, as I pointed out by reading the editorial. I continually find it interesting that the Leader, when challenged across the House on these points, having made an outrageously incorrect statement, will not quote his source. We saw an example this afternoon.

Mr. Bannon: I agree with you on that. I am sorry. I did misrepresent the editorial's contents. I have had a look at it.

The Hon. D. C. BROWN: No doubt, the Leader also agrees that no companies have gone into liquidation because of the collapse of Palmdale. Does the Leader agree with me on that?

Mr. Bannon: I am not sure that I said what you're saying.

The Hon. D. C. BROWN: The Leader's exact words were "Small employers went broke." I challenge the Leader across the House this afternoon to tell me whether or not he also agrees with me on that statement. Silence from the Leader.

Mr. Bannon: You won't get an answer.

The Hon. D. C. BROWN: Having agreed that he was wrong on another matter, the Leader now agrees that he was also no doubt wrong on this point as well. I challenge him. He has his files with him. Before the debate is ended, I challenge the Leader to name those small companies that have gone into liquidation.

I will deal now with other matters raised by the Leader. They contain as much fiction as do the other statements that I have already covered. He said that there was a provision for the State to insure insurance companies in South Australia under the Workers Compensation Act. That is not the case. I again challenge the Leader to point out where I, as Minister of Industrial Affairs, have power to license insurance companies in South Australia. Again, this is another challenge I throw to him because, in his speech this afternoon, he claimed that I had such a power. He admitted, quite rightly, that there were powers for the Federal Commissioner, and I ask him whether he was right on that. I challenge him to point out where I have that licensing power. Again, I find the Leader absolutely dumbfounded, because he knows that I do not have such a power, even though (and this is what I find ironic) he was supposed to be an expert in his field of industrial relations and workers compensation, and it was his Government that introduced the legislation currently operating in South Australia. Despite that background, we had a statement this afternoon that was blatantly incorrect, and the Leader knew it. He was again trying to mislead the House and the public. Again I challenge the Leader to produce that information.

I move:

> That the time for moving the adjournment of the House be extended beyond 5 p.m.

Motioned carried.

The Hon. D. C. BROWN: The point is that I have no power to license specifically and reject the applications of insurance companies here in South Australia. Let me deal with several of the points raised by the Leader. He suggested that it was outrageous, or "scandalous" I think was the word he used, that I waited for the Tripartite Committee Report on Rehabilitation and Compensation to be brought down. I think he almost tried to imply that I was responsible for the 2½-month delay in the bringing down of that report. Nothing could be further from the truth; I was not responsible for the delay. As soon as that report was available I made it public. The report was delayed in being handed to me as Minister, but that does not reflect on the Government, or on the committee, and for the Leader to try to make a point of that reflects again the level to which the Leader had to stoop this afternoon in his speech.

The other major point that the Leader made in his speech was that, if the Liberal Party had not opposed the concept of a nominal insurer, the concept contained in this legislation, it would already be operating because the former Government put it forward in the 1976 workmen's compensation amendments. I point out that the then Opposition, the Liberal Party, did not oppose that amendment in that part of the Bill. We did not oppose that concept. How the Leader stands here, or how he could make a statement on *Nationwide,* saying that the Liberal Party was responsible for the defeat of the nominal insurer, when there was no real difference between the Government and Opposition on that particular aspect, I do not know. I would like to read to the House portion of my speech in a debate on this matter on 3 November 1976, because I led that debate for the then Opposition.

Mr. Bannon: I said "in another place".

The Hon. D. C. BROWN: Our debate was constant in this House, and in the other place, I stated:

> I realise that, and I believe it should be amended slightly—

talking about the nominal insurer—

> so that it does not counter anything in the Commonwealth Act, and the Liberal Party will make sure that it does not. First, I do not disagree with requiring approval for insurance. Secondly, I do not disagree with the concept of a nominal insurer.

It was not the Liberal Party that in 1976 defeated that concept of the nominal insurer.

Mr. Bannon: The Liberal Party did not defeat the concept; it defeated the Bill that contained it.

The Hon. D. C. BROWN: It is interesting to hear that, because the Leader was not present at the deadlock conference between the two Houses of Parliament, a privilege I had. I can point out to the House what happened at that deadlock conference. There were other aspects of the Bill not involving the nominal insurer where there was disagreement between the Parties involved and the two Houses of Parliament. It was the then Minister of Labour and Industry, the now Deputy Leader of the Opposition, who, in a fit of pique, walked out of that deadlock conference within eight minutes of its starting. It was not the Liberal Party, or the Upper House, that walked out of the deadlock conference; it was the Deputy Leader of the Opposition, then Minister of Labour and Industry.

If anyone has on his head the fact that there was no nominal insurer operating in this State at the time of Palmdale going into liquidation it must truly fall on the head of the Deputy Leader. I again challenge the Opposition to refute this statement because, if the Leader likes to check with the people who were present at that deadlock conference, I am sure that they will agree that it was the then Minister of Labour and Industry who got up and walked out of that conference.

The other point that was raised by the Leader of the Opposition was criticism of the Premier for the fact that he would not announce specific details after the M.B.A. dinner announcement. I believe it is grossly improper for details of legislation, or partial details of legislation, to be outlined when that legislation has not yet been presented to Parliament, particularly in a complex matter like this in which giving some details may lead people to misunderstand what has been said and therefore to misunderstand what sort of coverage they have—particularly, I might add, as negotiations were still proceeding on that detail.

There was a working party, and a report was prepared back in April. Certain aspects in that report were unsatisfactory to the parties involved. I believe it is to the credit of the Government, and particularly of the departmental officers involved, who went to the bother of continually negotiating with the employer associations and the insurance industry to make sure that there was eventual agreement on this measure. I do not believe that reflects badly on the Government at all. I think it is to the

credit of the Government. The point that the Leader of the Opposition tried to make as a failing of the Government is, I believe, an achievement, and something that any responsible Government should be attempting to achieve.

I think I have covered most of the points raised. A number of minor points were raised by the Leader of the Opposition. The Deputy Leader simply repeated the arguments used by the Leader of the Opposition, and I do not think they are worth going into in any detail.

Mr. Bannon: You had better concede about people going broke. I have checked the record, and you were wrong.

The Hon. D. C. BROWN: I wrote it down: "small employers went broke".

Mr. Bannon: That's not what it says here.

The Hon. D. C. BROWN: What does it say there? I sat down and wrote it down: "small employers went broke".

Mr. Bannon: The word "broke" occurs: "What are the employers who were going to go broke going to do? Go out of business over those intervening months during which they have been waiting for the large scale reorganisation of the Act?"

The Hon. D. C. BROWN: That is not the point at which—

Mr. Bannon: That's the point—they were at risk—

The Hon. D. C. BROWN: The suggestion throughout the Deputy Leader's speech was that small employers had gone broke.

Mr. Bannon: It was not the suggestion at all.

The Hon. D. C. BROWN: I challenged him to produce that evidence, and he obviously cannot do so.

I thank honourable members for assisting this debate through the House in a speedy manner. I am disappointed that the debate will now have to be referred to the Upper House for consideration in two weeks time. I had hoped to get it through this House last night, and I believe that was quite reasonable. I believe we could have had the scheme operating two weeks earlier.

Mr. Bannon: But you introduced amendments yourself.

The Hon. D. C. BROWN: The amendments were available last night. There were only two very minor technical points due to printing mistakes, and they affect only the nomenclature and the numbering of clauses. That is the only significant part.

Mr. Bannon: That is the significance of "corporate" or "unincorporate"?

The Hon. D. C. BROWN: Yes.

Mr. Bannon: Really?

The Hon. D. C. BROWN: We cannot discuss it, but I will come to it shortly. Minor amendments are proposed by the Government, and there is no reason why these should not have been debated in the House last night. I will tell you the real reason it was not; that the Leader of the Opposition wanted to go to the presentation of the Walkley awards rather than help all these people he claimed were going broke in this State.

Mr. BANNON: On a point of order, Mr. Speaker. I must object to this outrageous suggestion being made by the Minister. I ask for your protection.

The SPEAKER: There is no point of order. The Leader has the opportunity to make a personal explanation at the appropriate time.

The Hon. D. C. BROWN: I ask all members of the House to support this legislation to get it through as quickly as possible. I again repeat that I am disappointed that we will not be able to have a scheme operating next week, which would have been feasible if it had been debated by the House of Assembly last night rather than the Leader of the Opposition going out to attend the Walkley awards.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

MINISTERIAL STATEMENT: INSTITUTE OF MEDICAL AND VETERINARY SCIENCE

The Hon. JENNIFER ADAMSON (Minister of Health): I seek leave to make a statement.

Leave granted.

The Hon. JENNIFER ADAMSON: Following allegations in Parliament and the press in relation to research funds at the Institute of Medical and Veterinary Science, I wrote to the Chief Secretary on 16 October pursuant to section 41 of the Audit Act asking him to arrange for the Auditor-General to conduct an inquiry at the institute. I stress that this request was made to the Auditor-General prior to my announcement of a committee of inquiry into the institute. The terms of reference of the Auditor-General's inquiry were as follows:

1. To identify the amounts which have been received over the past 10 years by the institute or personnel of the institute in research grants.
2. To identify the purposes for which these grants were made and the uses to which they were applied.
3. To establish whether equipment and services procurement procedures were adequate and in line with Government and statutory requirements.
4. To determine whether the existing procedures for control of research grants by the council of the institute are satisfactory and, if not, to make suggestions to the Minister as to appropriate procedures to be established.

I have received from the Chief Secretary and the Auditor-General's report which I now table. In summary, the audit showed:

Research and rights of private practice funds of $1 497 000 were received from all sources over the past 10 years.

The funds have been expended for the purposes provided.

The services of the Supply and Tender Board are being utilised for the purchase of equipment and proper authorities are obtained for expenditure.

A suggestion has been made to improve control over assessing the need for equipment, and the evaluation of suitability and meeting of specifications of tenders by the appointment of an advisory committee.

Satisfactory control exists over the conduct of the research and the approval of the Overseas Travel Committee is being obtained for overseas travel involving institute expense.

Some aspects over financial control and reporting are weak. The institute has recently reviewed these procedures (that is, prior to the request for the Auditor-General to conduct this audit) and, when their proposals are fully implemented, satisfactory control will exist.

The assurance by the Auditor-General that the requirements of the Supply and Tender Board in respect of the purchase of equipment have been adhered to by the institute and that the controls over overseas travel are and have been satisfactory, refute allegations and insinuations which have been made in this Parliament and in the media in recent weeks. I had intended to table this report and respond to those allegations during debate on the motion on the Notice Paper regarding the I.M.V.S. in private members' time yesterday. However, as the motion did not go forward for debate I am taking action by way of Ministerial statement today rather than allowing any further time to elapse.

As a further development from the allegations made in the House, on Monday night, during a segment on the I.M.V.S. in the A.B.C. programme *Nationwide* the allegations regarding the overseas travel undertaken by Dr. R. Edwards, Deputy Director of the Institute, were repeated, together with the insinuation that there was some impropriety attached to the fact that Dr. Edwards had made 17 trips overseas in 10 years.

In addition to the information which I have tabled today I should like to place on record information relating to Dr. Edwards's role and the benefits which have been derived both by the institute, and indeed by this State, from his overseas trips.

To place this matter in perspective, the House should be aware that grants for overseas travel are not uncommon in scientific and academic circles. It is an honour and a mark of professional recognition to be a recipient of such awards. Dr. Edwards has received numerous invitations and travel grants to visit and give public lectures in North and South America, Europe, the Middle East, South-East Asia and Japan. Many of these visits have been undertaken by Dr. Edwards in his capacity as Treasurer and Vice-President of the Executive Board of the International Federation of Clinical Chemistry. A position of this kind on an international and professional body is an honour rarely accorded to an Australian, and in attending conferences Dr. Edwards is considered to be representing not only the I.M.V.S. but also Australian and, indeed South-East Asian professional bodies. I should also point out that, during the 10-year period under review, Dr. Edwards has interviewed at South Australia House, and elsewhere in Europe, many staff who were seeking appointments to both the I.M.V.S. and other medical institutions within South Australia.

He has arranged for a number of I.M.V.S. staff to undertake extended post-graduate training at prestigious institutions both within Europe and America. In many cases, the staff member received a substantial allowance from the host organisation. This has been of material advantage to this State.

As part of Dr. Edwards's official brief at the institute, he has monitored the development of high technology for both the analytical aspects of laboratory work and data processing. This has enabled the institute to adjust its development programmes to optimise the introduction of new technology as it became available. He has presented a variety of research seminars covering parenteral nutrition, general metabolism, organisation and automation within laboratories, quality control, data processing, and the regionalisation and rationalisation of laboratory services. Because of the unique character of the institute as a test bed for many new developments, he has attracted financial support for these programmes of development.

Dr. Edwards has been an invited lecturer at many international symposia where he has spoken on behalf of the staff of the institute. As a result of these presentations, the institute has been privileged to have a number of eminent scientists from other countries spend periods of sabbatical leave at the institute.

I believe that the information I have just given indicates the considerable benefits which have been derived by this State as a result of Dr. Edwards's overseas trips, and illustrates the professional recognition and international stature of Dr. Edwards. He has recently been subject to allegations and insinuations about events which took place during the life of the previous Government, matters which the previous Government chose not to pursue while in Government, but now in Opposition has sought to raise as part of an overall campaign to discredit the institute and its staff for reasons best known to themselves.

LOANS TO PRODUCERS ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

PERSONAL EXPLANATION: WORKERS COMPENSATION (INSURANCE) BILL

Mr. BANNON (Leader of the Opposition): I seek leave to make a personal explanation.

Leave granted.

Mr. BANNON: At the conclusion of his remarks on this Bill, the Minister stated that the reason why the Bill was not considered and put through all stages in this House last evening was that I wished to attend the W. G. Walkley Award Dinner. I did attend that dinner, and I was paired with the Premier, who was also present at that dinner and had undertaken to attend it. I point out that the Minister, who was making that stricture to me, also attended a dinner last evening at the Elton Mayo School of Management (and I was aware that he was going to go to that), and he was paired.

I make clear also that, if the Bill was to be considered last night, I would not having been attending the dinner but would have been, as I always do, performing my duties in the House. The reason why the Bill was not considered yesterday was that I had reached agreement with the Minister in discussion with him (it was an agreement in which he readily concurred) in regard to the technical nature of the Bill and the fact that a number of persons who were to be affected by it were not aware of its provisions. We had confirmed this in my office and I advised the Minister of it. Those groups included the Chamber of Manufactures, the Chamber of Commerce and Industry, and a number of solicitors who had been involved in this case. The Insurance Council of Australia itself had not seen the exact form in which the measure was introduced and we wished to consult a number of people who had made representations to us.

The very fact that, as a result of those consultations, we have amendments to move on this matter indicates, I believe, the substance in my suggestion to the Minister that we needed at least 24 hours to consider it. In fact, I raised with him one preliminary matter that I thought was necessary for amendment. That had been mentioned to me by a solicitor who was handling some $1 000 000-worth of Palmdale Insurance Company claims. As a result of my representations, the Minister readily agreed that the matter should be held over. To make that aspersion and that statement is outrageous and I will henceforth treat him with the contempt that I think he deserves.

The SPEAKER: Order!

The Hon. D. C. BROWN (Minister of Industrial Affairs): I seek leave to make a personal explanation.

Leave granted.

The Hon. D. C. BROWN: I withdraw my allegation against the Leader of the Opposition; I apologise for making it. I think it probably was an unfortunate remark.

Mr. Keneally: You made it twice.

The SPEAKER: Order! The honourable Minister has been given leave to make a personal explanation.

The Hon. D. C. BROWN: I apologise and withdraw the allegation. I point out to the House, because there was some question of whether I was paired, that I had arranged to cancel that pair with the people organising the dinner if the Bill was to proceed last night. When it was notified that the Bill would not proceed through the second reading debate, I gave the second reading explanation, as members know, and left, on the pair,

arranged through the Opposition, to go to the dinner, about 8 p.m. I apologise to the Leader of the Opposition.

WORKERS COMPENSATION (INSURANCE) BILL

Adjourned debate in committee (resumed on motion).
(Continued from page 1882.)

Clause 2 passed.

Clause 3—"Interpretation."

The Hon. D. C. BROWN: I move:

Page 1—line 15—Leave out "corporate" and insert "(whether corporate or unincorporate)".

The effect of the amendment is to alter the definition of "insurance company" to ensure that it is sufficiently wide to also embrace Lloyd Underwriters, which is generally regarded (and this is where it is a minor technicality) as an unincorporated body.

Amendment carried; clause as amended passed.

Clause 4 passed.

Clause 5—"Claims against the fund."

Mr. BANNON: I move:

Page 3—After line 43 insert paragraph as follows:

(c) in respect of costs—

(i) that were reasonably incurred in attempting to recover moneys from an insurance company in respect of liabilities arising under a policy workers compensation insurance, or from an employer in respect of workers compensation liabilities;

and

(ii) that are, by reason of the insolvency of the insurance company or the employer, not recoverabe from the insurance company or employer.

The purpose of this amendment, which has been prepared in light of legal advice that we have obtained from people involved in handling claims in the Palmdale Insurance Company matter, is to ensure that those employers who are going to be reimbursed through the fund get reimbursed comprehensively. The problem is that because there is no fund, many employers have had to incur expenses from their own pockets which normally would have been catered for by the insurer, that is, legal fees, fees for the obtaining of preliminary medical reports, and things of that nature. Our advice is that as the Act stands it will not allow employers to recover these amounts. In many cases they will be not large amounts being, for instance, costs for such things as solicitor's expenses for taking out a writ or some other proceeding in order to protect his client because of the personal nature of the claim as a result of the collapse of the insurance company.

Normally such costs would not be a workers compensation expense, because the insurance fund would pick that up, but in this instance, because of the peculiar circumstances, these extra small expenses have been incurred and the legislation as it stands does not provide reimbursement for them. When I say, small, I am talking in terms of hundreds of dollars. An example of this is that of an employer who was forced to take out some preliminary proceedings which incurred legal charges and who also had to obtain a medical report which, again, had to be paid for by the employer from his own pocket. The total of these transactions was about $500, an amount that will not be recovered in the normal way by workers compensation, because they were pre-emptive activities. On the other hand, there is benefit in obtaining those things because when the claim is finally settled I imagine that the medical report, for instance, would be taken into account, and made available to the insurer, S.G.I.C., as agent for the fund. So, there is some direct benefit to be gained; in other words, if reimbursement occurs it is not a complete loss situation.

I think it is important, in protecting these people, that they be protected not only in terms of the direct workers compensation claim that they have, but also in terms of the ancillary expenses that they have had to incur because of the collapse of the insurance company. That is the intention of the legislation. I suggest that this amendment more fully expresses that intention, and I commend it to the Government.

The Hon. D. C. BROWN: I intend to oppose this amendment. First, the Bill as presented to Parliament has been a negotiated Bill between all parties involved. It is not correct to say that certain parties were not given a copy of the Bill or were not told what was in it. In fact, they have been given not only the original draft, but subsequent amendments to that draft and the final draft. What the Leader has just said, namely, that they were not consulted, is not correct.

I am prepared to go back to the parties during the week that Parliament is not sitting (I would have done so this morning if the Bill had gone through last night) and negotiate with them on this matter. As the Bill is an undertaking between all the parties involved, it is only fair that there be negotiations again between the parties on any amendments. If the parties agree and if the Government agrees to the amendments, I will make an offer to move those amendments in the Upper House and accept them when they come back to the Lower House. For this to be a tidy arrangement, it is necessary for me (as we do not always command the numbers in the Upper House) to oppose the amendment at this stage, but I do so on the clear understanding that the Government will look at these amendments in more detail during the week that Parliament is not sitting, and then, if necessary, move them in the Upper House.

I can assure the Leader of the Opposition that if they have our support they will get our support in the Upper House. As long as the Leader is quite clear on the basis on which this is being done, in the interim I will go back and negotiate with the Insurance Council of Australia and the various employer associations with which we have been negotiating the Bill.

Mr. BANNON: I appreciate the undertaking given, and I will persist with this amendment, because I think it is a reasonable amendment and expresses the intention of the Act. However, I understand the Minister's undertaking and we will not be pressing this matter at this stage, in view of his remarks.

Amendment negatived.

Mr. BANNON: I move:

Page 4, before line 1—Insert subclause as follows:

(1a) Where a liability referred to in subsection (1) is a liability in respect of weekly payments, the liability shall be regarded as being unsatisfied when any one of the weekly payments is not paid in full on the day on which it falls due, and a claim may then be made under this section in respect of weekly payments whether, at the date of the claim, they have fallen due or are to be made in the future.

This amendment deals with liability in relation to weekly payments, and it is moved because we believe that there is a gap in the Bill as presented, and I think that is further evidence for having some time to consider the matter. Clause 5 uses the term "liabilities which are unsatisfied" (and that word "unsatisfied" appears twice in subclause (1), for instance), and doubt could be thrown on the concept of weekly payments which, in some legal views, is

regarded as being a weekly incurring liability which is satisfied on payment each week. A number of employers, from their own pockets, have been making weekly payments. An interpretation of this Act could suggest that those who have made such payments—and they have been doing the right thing in doing so—would not be entitled to reimbursement because they had satisfied that aspect of the claim. Any further payments and any residual liabilities would be covered by the Act, but the payments actually made in the form of weekly payments might not be.

In order to clarify that and put it beyond doubt, I move this amendment. Whereas the first amendment moves the Act into a wider scope, in this case I suggest that this amendment does not. It simply makes completely clear that any voluntary weekly payments made by employers to date are to be covered under the reimbursement formula.

The Hon. D. C. BROWN: I give the same undertaking on this amendment. I will negotiate with the parties involved and, again, if they are agreeable to this amendment, and if the Government is agreeable, we will move it in the Upper House and give due credit to the Opposition for having moved it here.

Amendment negatived.

Mr. BANNON: I move:

Page 4, lines 26 to 28—Leave out subclause (8) and insert subclause as follows:

(8) The Treasurer shall pay out of the fund the amount of a claim, or any part of a claim, that has been allowed under this section.

My final amendment substitutes a new subclause for the one as printed. This is indeed an important matter of principle in relation to the reimbursement which would be due to people from the fund. The present provision allows a payment of only 80 per cent of the amount of any claim or part of a claim to be reimbursed to someone. Incidentally, from the way in which it is worded, the Treasurer may prescribe by regulation a lesser amount than 80 per cent; in other words, limitation can be imposed on these pay-outs by regulation.

So, while 80 per cent seems to be the general intention of the Act, the clause leaves it open as to whether in fact that amount could be reduced by some regulatory provision. We do not believe that that is good enough, nor does it give effect to the intent of the Act. It is for that reason that I move the amendment so that subclause 8 will read:

The Treasurer shall pay out of the fund the amount of the claim, or any part of the claim, that has been allowed under this section.

That means that reimbursement can occur to the full extent. The argument in favour of the 80 per cent provision, as I understand it (and perhaps the Minister will elaborate if he opposes the amendment), is that to provide full payment means that there is no incentive on the part of the insurance industry to cover properly the liabilities that they enter into, and that in fact, in a competitive situation, lower premiums than are actuarilly responsible might be awarded with the knowledge that, if the insurance company goes out of business, there is a safety net through the fund and that that is undesirable. I agree that it would be most undesirable if this Act and this fund were regarded as a safety net which meant that proper care should not be taken by insurance companies. However, I do not believe that the existence of an 80 per cent provision will really influence that in any way at all. As a matter of policy, full reimbursement should be given to people caught in this unfortunate situation.

After all, as has been demonstrated, their insurance has been placed, either through brokers or directly, with properly licensed insurance companies. One would hope that the Insurance Act itself and the national regulations would ensure the viability of insurance companies, and it is only in extreme circumstances that they go out of business. Therefore, there seems to be no reason why full payment should not be made. One could possibly distinguish between future situations in which the fund is involved and the situation of Palmdale itself. So, I suggest that if the Minister is opposed (and perhaps it might be useful if the Minister listens) to a blanket provision of full payment, he may well look at a situation which gives full payment to the unfortunate people caught up in the Palmdale situation and from then on allows the 80 per cent provision to operate.

My amendment contemplates the fund paying the full amount of any claim—full stop. However, I suggest that a fall-back position may well be to allow the 80 per cent for future situations but to get full coverage for the Palmdale people. I cannot stress too strongly that those caught up in the Palmdale situation are the victims of the collapse of a major insurance company with sound asset backing which has gone to the wall for other reasons—some more nefarious reasons which we do not have to canvass in this debate, because that is not an issue.

Those brokers who placed insurance with Palmdale by and large were placing it with a company that was financially strong and had sound backing in the market place, as was indicated by its annual reports. It is a bit rough that people caught up in this situation through no fault of their own should have to make up the difference of 20 per cent of the claims. Some of the firms are so small that 20 per cent could be quite crucial and could cause major problems for them. That aside, as a matter of principle, full compensation and full payment under the fund is justified.

The Hon. D. C. BROWN: I cannot accept the arguments put forward by the Leader of the Opposition—not just for the possible reasons he outlined this afternoon but also for other reasons. If we remove all liabilities from the employers (not from the insurance companies—it is the employers who decided which company they will place their insurance with even though it might be on the advice of an insurance broker), then we are completely removing any future liability from an employer to insure with anyone but the cheapest of insurance companies.

We would be encouraging employers to say, "Reject any assessment of the value of insurance companies, whether or not you think that that insurance company will be able to cover its liabilities; go out and insure with them provided they are cheap." The obvious consequence would be that we will simply end up with a series of insurance companies that continually go into liquidation, because they will have cut-rate premiums. They will undercut any responsible insurance company, knowing that, if they collapse, this fund will have to pick up the liability.

I am prepared to negotiate again with the parties involved in the Palmdale situation whether or not, because the situation is retrospective, they are prepared to cover 100 per cent and I will give an undertaking that, if that is agreed to by the Insurance Council, the employers and this Government, I will ensure that that provision is moved on our behalf in the Upper House. I could not accept the proposal put forward in the amendment by the Leader. I believe that there must be some obligation on employers and insurance brokers to select carefully the company with which they place insurance and, if this does not happen, we will find that a cut-throat business will result.

I do not necessarily accuse Palmdale of always cutting premiums, but it cannot be denied that there has been a

cut-throat race between the insurance companies throughout Australia in regard to premiums, which have been decreasing for a number of years in real terms. If the inflation factor is considered, it will be seen that premiums have been decreasing per employee.

Mr. Bannon: They were artifically high a few years ago. They panicked under the impact of the new Workers Compensation Act and hoisted their premiums too high.

The HON. D. C. BROWN: There are a number of reasons why premiums may be falling, but it is true that they are falling at present, and that is why a war is being waged between a number of insurance companies. Members must understand the basis on which some of those insurance companies keep going: they probably do not have the assets to cover their existing liabilities, but they ensure that they have a sufficient cash flow to keep going for a few more years. If they were fully assessed at present, they may be regarded as insolvent.

I would hate to see the number of claims against this fund significantly increased simply because a further war was waged between the parties and because employers had the only incentive removed as to why they should choose a responsible insurance company with which to place their workers compensation insurance. I cannot accept this amendment but, if all parties agree that there be 100 per cent coverage for the Palmdale Insurance Co., which involves retrospectivity, I will ensure that such a provision is moved in the Upper House.

Mr. BANNON: Is the Minister aware of the situation in New South Wales where, under equivalent provisions, full payment is provided? How would he distinguish that situation from this situation, or does he suggest that in New South Wales there is no incentive for companies to take appropriate steps?

The Hon. D. C. BROWN: The New South Wales legislation is different, since it provides the power to register and license insurance companies. I do not believe that that power has proved to be very effective and, as an example, I indicate that, even though Palmdale Insurance Co. came under question and although that company was finally suspended, its liabilities in that State were some $6 000 000. The New South Wales authorities have chosen a different mechanism by which to scrutinise insurance companies, and we have decided that that mechanism is not satisfactory. I, did not save the company despite the fact that it existed, and therefore we believe that the best method is to put the responsibility back on to the employer to choose carefully an appropriate company.

As I said in my second reading explanation, we are making representations to the Insurance Commission in Canberra to ensure that there is better scrutiny of insurance companies in Australia. A certain amount of responsibility and obligation lies with the commission to do a more thorough job, although I understand how difficult the task is.

I am sure that members would appreciate that, if a Commissioner steps in and even questions an insurance company, because he may interrupt the flow of funds for that company, he could do the same thing that the New South Wales Government did to F.C.A. in questioning its debenture issue or documentation. The people of this State know the consequences of that. We know that, because of that, there were problems with F.C.A. and then with the Bank of Adelaide.

That is why it is most inappropriate for a State Minister to be responsible for licensing insurance companies. If he is not careful, a State Minister can precipitate a run on insurance companies or the termination of their flow of funds and therefore the collapse of the insurance company by refusing a licence. Some of the responsibility needs to be taken up by the Commissioner in Canberra. However, I am not prepared completely to remove the liability from the employer, who has certain responsibilities.

Mr. BANNON: I must persist in this amendment, because in principle, and in this case, it is sound. I refer the Minister to the New South Wales legislation that has covered the Palmdale Insurance collapse. That legislation was before the New South Wales Parliament in April, which indicates how quickly they moved there. The company involved was not called Palmdale because Palmdale Insurance as such was refused a licence in 1977 by the New South Wales Compensation Commission. However, a subsidiary company, known as Associated General Contractors Insurance Company, was granted a licence and operated from September 1977. Because Palmdale was its parent company, it collapsed.

In April, the New South Wales Government, showing remarkable speed and effective action in this instance, in sharp contrast to what has happened here, moved to protect those people faced with the collapse of Associated General Contractors Insurance Company, and through it Palmdale. That Act certainly provided for full compensation for all those with claims. It is that example that I particularly commend to the Committee's attention.

The Committee divided on the amendment:

Ayes (18)—Messrs. Abbott, L. M. F. Arnold, Bannon (teller), M. J. Brown, Corcoran, Crafter, Duncan, Hamilton, Hemmings, Hopgood, Keneally, Langley, O'Neill, Payne, Plunkett, Slater, Trainer, and Wright.

Noes (21)—Mrs. Adamson, Messrs. Allison, P. B. Arnold, Ashenden, Becker, Billard, D. C. Brown (teller), Chapman, Eastick, Evans, Glazbrook, Lewis, Olsen, Oswald, Randall, Rodda, Russack, Schmidt, Tonkin, Wilson, and Wotton.

Pairs—Ayes—Messrs. McRae, Peterson, and Whitten. Noes—Messrs. Blacker, Goldsworthy, and Mathwin.

Majority of 3 for the Noes.

Amendment thus negatived.

The Hon. D. C. BROWN: I move:

Page 4—Line 33—Leave out "and"

After line 37 insert paragraph as follows:

and

(c) where the claim relates to an employer who has rights of indemnity in respect of the claim against a third party—to those rights of indemnity.

Amendment carried; clause as amended passed.

Remaining clauses (6 and 7) and title passed.

Bill read a third time and passed.

ADJOURNMENT

At 5.46 p.m. the House adjourned until Tuesday 18 November at 2 p.m.