HOUSE OF ASSEMBLY

Thursday 19 February 1987

The SPEAKER (Hon. J.P. Trainer) took the Chair at 11 a.m. and read prayers.

AGRICULTURE POLICIES

Mr GUNN (Eyre): I move:

That in the opinion of the House both the State and Federal Governments should adopt policies which recognise the importance of agriculture to the economy of South Australia and the nation as a whole and which will assist agriculture to continue to play an important role in producing jobs and export earnings.

This motion is an attempt to sheet home to the Government of this State, to the Parliament, and hopefully to Federal members of Parliament, the crisis that is developing in agriculture across this State and this nation. Members of the House should recall that it was the agricultural and mining industries which built this State and nation and, if given a fair go, they will provide the export income to maintain our standard of living. However, if current policies remain in force, I have grave doubts about the future of many of our primary producers.

I will attempt today to explain in some detail the problems facing agriculture in this State and to point out how our agricultural economy is linked with the general economy of this State and nation. If agriculture is booming then it has a great effect on the economy of South Australia. It is one of the factors which creates jobs and which leads the Government to be in a better position to look after the underprivileged.

The September quarter CPI rise of 2.6 per cent was the highest since this Government took office and made the rise for the year 8.9 per cent. Prospects are for continued high inflation. Overseas inflation figures for the year to August include the UK, 2.4 per cent; France, 2 per cent; USA, 1.6 per cent; Japan, minus 0.2 per cent; and Germany, minus 0.4 per cent. With higher interest charges, home loans are reported to be taking 38 per cent of average gross income, compared with 33 per cent a year ago.

Recently released new motor vehicle registration figures from the Australian Bureau of Statistics dramatically emphasise the current downturn in the economy which is reflected across the country. Registrations of new motor vehicles during December 1986 was the lowest December figure since 1968. Seasonally adjusted, the December 1986 figure is 1.9 per cent lower than that for December 1985, and represents the lowest monthly seasonally adjusted December figure since 1967. Australia's new motor vehicle registrations have declined steadily due to the impact of FBT, which has severely affected the car industry. Actual motor vehicle sales on average were nearly 20 per cent below the level in the September quarter 1986 compared with the corresponding period in 1985.

Australian portfolio investment abroad in corporate equities at market value rose from $1 199 million at 30 June 1984 to $2 483 million at June 1985 and $6 916 million at 30 June 1986. This, however, is now taxable and is not a viable alternative for investors. The gross value of rural production is estimated to rise by 3 per cent in 1986-87 to $15 750 million and the net value 5 per cent to $3 100 million. Rural exports are expected to fall slightly in volume by 8 per cent in value to $10 700 million. Grain exports are forecast to fall 32 per cent to $2 700 million, wool exports to rise 4 per cent to $3 175 million, and beef exports to rise 9 per cent to $1 400 million.

Largely due to poor manufacturing performance, Australia's share of the rapidly growing western Pacific region import market is less than half that of 15 years ago. Australian manufacturers export only 12 per cent of their output compared to NZ's 25 per cent. Australia's balance of payments current account deficit as at January 1987 was $1 293 million, more than double the unexpected low result for December last year of $598 million? (I quote that comment from the *Advertiser* of 17 February 1987.) The market is expected to tolerate heavy deficits for another few months, but it will require a marked improvement if the Australian dollar's value is to hold through 1987. I quote from the South Australian Economic Report of November 1986:

'The trade weighted index of the value of the Australian dollar reached a dismal 49.3 cents at the end of July 1986. However, by the end of October in the same year it was 54.0 cents'.

Currently it stands at 66.0 cents. A low US55c for the Australian dollar is forecast by the middle of the year, according to Ms Carol Austin, Chief Economist of the Australian Industry Development Corporation, as reported in the *Advertiser* on 29 January last. The Reserve Bank is artificially propping up the Australian dollar, and this has forced interest rates higher. Rural Australian would benefit greatly from a fall in interest rates, which will only come when the Reserve Bank stops the propping up of the Australian dollar.

Employment growth was quite small for Australia during the latest three month period in contrast with surprisingly high growth in 1985-86. Unemployment has risen sharply in the latest three months both in this State and nationally, so that it is higher than a year earlier. The South Australian figure rose from 9.4 per cent to 9.6 per cent between September and October 1986. As of December 1986 it stood at 8.5 per cent, with South Australia having the third highest unemployment rate of 9.1 per cent.

Private dwelling approvals improved somewhat in September both in South Australia and nationally after dismal levels in previous months. The quarterly results are quite depressed and need substantially lower mortgage interest rates before there will be a recovery to healthy levels. In rural cases, housing loans are in excess of 20 per cent, but it is tax deductible. However, many farmers are in a negative income situation yet they are still paying some 20 per cent for their homes as opposed to normal housing loans which range between 13 per cent and 14 per cent. In this instance the rural sector is being penalised without any relief in sight.

Retail sales remained weak in the September quarter, with an estimated 0.2 per cent sales volume increase only. South Australia's share of Australian (less Northern Territory) sales, after recovering somewhat in the June quarter, fell sharply in the September quarter to reach our worst ratio since the June quarter 1982. The ANZ and ABS both recorded falling job vacancies nationally between August 1985 and 1986—by 7 per cent and 10 per cent respectively.

There are many facts revolving around agriculture of which the community is unaware. The value of agricultural exports remains significant. In the three years ending 30 June 1985 it represented 37 per cent of Australia's export income. Agriculture in Australia contributes about $15 billion to the Australian economy, or roughly 5 per cent of our gross domestic product (ABS). Farming earns $10 billion a year from overseas exports, or about 40 per cent in gross terms and 60 per cent in net terms of Australia's export earnings. We are the world's sixth largest farm trading nation. Australia has some 170 000 farms, 89 per cent of which are run as family enterprises; I will be discussing the family farm in more detail in a moment. However, the number of farms is declining at an average rate of 2 500 a

year—or seven each day. One million jobs are generated by the farm sector throughout the national economy. To indicate the value of rural products, I seek leave to insert a statistical table in *Hansard*.

The SPEAKER: Does the honourable member assure the Chair that it is purely statistical?

Mr GUNN: Yes, Mr Speaker.

Leave granted.

VALUE OF RURAL EXPORTS (fob). Excludes re-exports and ship's stores

Commodity	Record year to 1981-82 *a*	Value in record year	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87 *s*
Selected crops								
Cereals for grain		$m	$m	$m	$m	$m	$m	$m
Wheat (including flour)	1979-80	2 190	1 735	1 396	1 828	2 881	2 953	2 200
Barley (including malt)	1979-80	407	340	225	583	662	609	290
Oats	1979-80	44	24	13	41	49	25	40
Sorghum	1976-77	76	153	54	111	242	178	119
Rice	1979-80	130	195	120	92	117	183	129
Fruit								
Apples, fresh	1965-66	26	19	16	14	12	18	17
Pears, fresh	1980-81	18	14	18	16	21	28	22
Pears, canned	1980-81	21	14	16	11	18	18	18
Peaches, canned	1967-68	22	15	14	13	12	19	18
Citrus, fresh	1979-80	15	12	16	13	17	24	30
Dried vine fruit *s*	1980-81	75	49	50	48	35	63	72
Other crops								
Sugar	1980-81	1 146	764	557	621	574	602	657
Oilseeds *b*	1979-80	27	7	1	10	23	45	25
Lupins	1975-76	6	5	10	39	46	55	68
Raw cotton *c*	1980-81	92	117	198	148	260	382	356
Total	1979-80	3 740	3 463	2 704	3 588	4 969	5 202	4 061
Selected livestock products								
Wool								
Greasy	1980-81	1 462	1 470	1 466	1 573	2 018 *s*	2 226	2 560
Other	1980-81	473	447	418	481	592	826	850
Total	1980-81	1 935	1 917	1 884	2 054	2 610 s	3 052	3 410
Meat and live animals								
Beef and veal	1978-79	1 331 d	1 037	1 227	1 089	1 086	1 300	1 470
Mutton	1980-81	227 d	175	158	82	101	130	155
Lamb	1980-81	71 d	53	58	54	60	90	92
Pig meat	1972-73	18	4	7	8	13	10	13
Poultry meat	1980-81	12	7	4	2	2	3	4
Canned meat	1952-53	64	33	37	35	37	41	50
Live sheep *e*	1980-81	167 *g*	168	176	218	201	171	174
Total	1979-80	1 761	1 477	1 667	1 488	1 500	1 745	1 958
Dairy products								
Butter	1964-65	67	19	41	58	76 *r*	78	68
Cheese	1980-81	104	123	132	141	163	165	163
Condensed milk	1980-81	14	11	12	8	7	10	12
Casein	1979-80	26	22	30	25	16	14	16
Skim milk powder	1975-76	44	26	34	54	79	78	74
Wholemilk powder	1979-80	77	82	72	58 *r*	57	62	85
Other dried powders	1980-81	30	26	23	32	25	32	40
Total	1980-81	281	309	344	376 *r*	423 *r*	439	458
Eggs (in shell and otherwise)	1953-54	17	10	7	11	6	5	9
Total of above commodities	1979-80	7 530	7 176	6 606	7 519	9 508 *r*	10 443	9 896
Other rural exports	1979-80	831	731	801	864	1 011	1 177	1 304
Total rural exports	1979-80	8 361	7 907	7 407	8 381 *r*	10 519 *r*	11 620	11 200

a From 1949-50. *b* Includes cottonseed but excludes peanuts, meals and oils. *c* Includes cotton waste and linters. *d* Based on data collected by the Australian Meat and Live-stock Corporation. *e* Includes animals for breeding. *g* Based on data collected by the Department of Primary Industry. *r* Revised. *s* Estimated by the BAE.
Sources: Australian Bureau of Statistics: Bureau of Agricultural Economics.

Mr GUNN: Australian farmers are the least subsidised and least protected of any country in the developed world, from which they can fairly lay claim to be the most economically efficient. With this thought in mind, I have moved this motion in Parliament, calling on both State and Federal Governments to adopt policies which recognise the importance of agriculture to the economy and call on them to adopt policies which will assist agriculture to expand and develop in order to continue to play an important role in creating job opportunities and export earnings.

The average farm receives about $4 500 a year in total subsidies for research, superphosphate, domestic price schemes, tax concessions, drought relief, etc., but it is disadvantaged by some $9 000 in subsidies to manufacturing industry alone. I will be discussing the overseas subsidising schemes and their influence on our farmers in more detail at a later stage. During the 1980s the cost of Government rates and taxes on farmers has increased by 87 per cent—some six times faster than farmgate commodity prices.

The actual cost of servicing interest on farm debts has risen by 151 per cent over the past five years. Farm debt

itself has more than doubled, from $3.7 billion to $8.5 billion. However, Government debts have more than tripled in the same time. Since the start of the 1980s, Australia's farm production has increased by 17 per cent but, because of cost pressures, that rate of growth is slowing rapidly. It is estimated that during the 1970s the rate of growth of farming slowed by two-thirds on its previous level, depriving the nation of potentially valuable export income. This year Australia's farmers will pay more than $12.2 billion in farm costs or 81 per cent of everything they earn.

Australian food is cheap in world terms. A recent survey showed a shopping basket in Australia was 23 per cent less expensive than the average prices paid in 15 other major cities around the world. Australians spend only 19 per cent of their disposable income on food, compared with 23 per cent on income tax. Every dollar which agriculture generates creates an estimated $3 to $4 in the wider community. Every job created in farming generates two jobs in our towns and cities, having a multiplier effect on our nation.

The effect of the Hawke Government's taxation package on the rural sector is forecast by the Bureau of Agricultural Economics to be a 26 per cent cut in real terms in farm incomes. The Government is quarantining farm losses. In restricting the amount of off-farm income that can be offset against farm losses, the Government is seeking to regulate what constitutes a business for taxation purposes in a way that severely discriminates against the farming sector. It inhibits the inflow of capital into that sector and, combined with the capital gains tax, has a depressing effect on the value of rural properties.

Negative gearing has been attacked by the Government as a prime method of tax evasion. However, the fact is that in today's economic climate many people have little choice but to have their properties negatively geared. Moreover, the elimination of negative gearing is a way of converting income into untaxed capital gains and is, therefore, inconsistent with the introduction of a capital gains tax. The combination of capital gains tax and the elimination of negative gearing will have a long-term damaging effect on future investment potential by Australians whereby we will end up encouraging investors from overseas.

The effect of the capital gains tax will have a particularly adverse effect on the rural community. It penalises long-term and often low return investment such as farming and discourages risk taking and incentive. The impact of the tax on the leasing of expensive farm equipment is of particular concern because, should the value of leased equipment at the time of trade-in be greater than its residual value, capital gains tax will be levied. This is a major disincentive to upgrading existing plant and machinery in an area where the capital gains tax should not apply at all.

Just briefly, I would like to touch on the effect of Labor's policies on the rural industry. Interest rates are the highest in 50 years. Labor has pursued a high interest rate policy to prop up the falling dollar brought about by its own wages and budget policy. The interest rate bill of farmers rose by $350 million in 1985 alone. The Liberal Party has fought Labor's high interest rate policy.

Each percentage point of interest costs the rural sector about $80 million, while a 1 per cent increase in inflation costs about $110 million. Also, the accord continues to ignore the plight of the farmers and the small business sector when wage determinations are being considered.

As oil prices fell, unfortunately the Labor Government refused to pass on the full benefit of the falling price of oil. The fuel bill of farmers rose by $50 million in 1985. I believe that there should be a full flow on when the world price of oil drops. In February 1986 fuel excise was levied at the rate of 10c per litre on petrol and diesel, and currently the excise is 18.72c per litre.

Obviously, as mentioned previously, the Government's tax packages discriminate against farm investment and increase taxes through capital gains and FBT. Under the Hawke Labor Government there have been cuts which affect the farmers in many areas: for example, the cut in depreciation allowances; the abandoned investment allowance; the abolition of the in and out provisions of tax averaging; and increased export inspection charges. The package also froze the diesel rebate for 18 months; gutted income equalisation deposits; cut the petroleum products freight subsidy; and cut outlays for rural and debt adjustment. So the list goes on.

As mentioned earlier, I wish to briefly take a look at family farming, an area in which I have had a long involvement. Australia's family farm units have proven to be very resilient, withstanding droughts, low prices, slumps and changes in world demand for agricultural products. It has suffered and made losses. However, it will survive. It has increased production and become more efficient. At this current rural crisis time, the family farm faces its greatest challenge and, with a little commonsense, the family farm will retain its strength and survive. Unfortunately, farmgate prices are declining to a level which is below the cost of production. For example, Riverland oranges are selling for less than 3c per orange, yet retail they are selling for approximately 25c each. This is another area of concern which is seriously affecting our family farms today. The most urgent help to the family farm will be the reduction of interest rates, the removal of capital gains tax and FBT, and realistic fuel prices.

Earlier this month we called on the State Government and the Minister of Agriculture to support a recent call by the National Farmers Federation for a reduction in interest rates. For the first time in Australia, both pig and poultry meat production exceed that of lamb. This has occurred while lamb consumption has remained relatively static because of its depressed price. The Australian livestock sector continues to turn in a good performance, despite the general downturn in farm incomes and a sharp uplift in the farm inflation rate. Wool has again topped the rural export stakes with forecast earnings of $3.2 billion this year and production of 846 000 tonnes, the biggest clip in 15 years. Wool prices are tipped to average 7 per cent higher than last year—at 570c/kg clean.

Overall, the BAE states that grain will earn Australia 32 per cent less this year than it did last year—a total of $2.7 billion. The typical farm will earn around $6 400 after cash costs in 1986-87, giving an average income per farm member of only $3 650, or $70 a week. While total production has increased by 18 per cent in six years, its real value has dropped by more than half. I seek leave to insert in *Hansard* a table indicating the prices paid for major commodities in the current year and last year.

The SPEAKER: Do I have the usual assurance from the honourable member?

Mr GUNN: Yes.

Leave granted.

AVERAGE GROSS RETURNS FOR VARIOUS FARM COMMODITIES 1986-87
(last year's figure in brackets)

Wheat/T	$145	($175)
Barley/T	$115	($126)
Rice/T	$104	($116)
Apples/T	$509	($546)
Peaches/T	$544	($472)
Sugarcane/T	$22	($19)
Cotton/kg	175c	(174c)
Sunflower/T	$227	(284c)
Beef/kg	200c	(168c)
Lamb/kg	140c	(92c)
Pigs/kg	184c	(177c)
Wool/kg	570c	(533c)
Butterfat/kg	16.4c	(14.5c)
Market milk/L	34.5c	(32.7c)

(Source: BAE forecasts)

Mr GUNN: Our cereal crop has fared well this season, except for patches of frost (which the Government did absolutely nothing about). Current estimates are for a total cereal crop (wheat, barley and oats) of 3.8 million tonnes. The average of the past 10 seasons is 3.2 million tonnes, with the record production for South Australia 4.9 million tonnes in 1983-84.

It is obvious from the above table that cereal prices have dropped, and I shall quote from the October *National Farmer* an article titled 'Surviving the wheat crash'. Mr Peter Finlayson, a consultant with McGowan International at Swan Hill, advised the following as a general guide to farmers:

- not to change enterprise unless they are sure the alternative is more profitable than the 'old' activity (that is, sheep).
- update farm budgets as soon as the coming harvest is more or less certain and on that basis.
- use the 'favourable' 1986 season's returns, which will almost certainly be better than 1987, to reduce liabilities rather than spend up on a new car or machinery.

Our South Australian Department of Agriculture is a well structured department, aware of the predicament of the farming/rural industry, particularly where the Rural Assistance Branch is concerned. The provision of State Government sponsored agricultural services to the farming community dates back to the late nineteenth century, when advisory services were developed through the Agricultural Bureau. About 1 300 people work in the Department of Agriculture, of whom about one-third are professional agricultural scientists or veterinarians. Research is conducted at research centres and laboratories and on farmers' properties.

I personally believe that the department is one of the more experienced and knowledgeable departments in our Government. It is well prepared and equipped to handle changes and/or disasters in the industry. It also has the foresight to know what to expect in the coming 12 months. I believe it is necessary for the department to closely monitor the sale of agricultural land and clearing sales to ascertain the number of farmers who have been placed in the position of having to sell because of financial difficulties. The Rural Assistance Branch in the next 12 months will have to estimate how many further applications it will be considering.

I believe that the Government should have minimal interference in and control over the operations of statutory boards or committees. I support a competitive and commercially oriented marketing system for primary products where it is sought and supported by producers. Such authorities must be accountable to Parliament and have commercial flexibility. I believe that we should ensure that the people on statutory marketing boards have the expertise in marketing, management and finance to ensure that boards operate efficiently and that the producers receive fair returns. They should also provide information to producers on latest market trends.

Of specific concern to Australia is the mandatory requirement of the United States Farm Bill for the use of up to $US2 billion in subsidies over three years and the mandatory $US325 million per year in funds or commodities to combat competitor subsidies and potential market access problems for sugar, beef and casein. The United States Congress has made export subsidy expenditure mandatory on the Administration. In early 1986 it announced a new export oriented farm program designed to drive down world prices. It did this by slashing the loan rate by $US33/t for wheat and announcing an aggressive export subsidy program aimed at winning back lost markets. Loan rates for the 1987 US wheat crop will be cut a further $US5/t and, with the recent Democrat victory in the US Senate, there is no guarantee that existing acreage restraints or export subsidy limits will be retained.

The US actions have precipitated the price slump and are likely to bring about further falls in the future. At the end of December last year, massive grain subsidies for Canada were announced. An estimated $5 000 to the average Canadian grain grower has been allocated and payments have been limited to $25 000 per farmer. This is another step which will make it easier for the US and the EEC to maintain their subsidy program.

In order for our efficient farmers to compete in world markets under the current economic conditions and overseas subsidy programs our Government must develop a course of action to assist the industry in its endeavours to survive, because ultimately the Government will have further financial liabilities to carry if more of our producers go by the wayside.

It is unfortunate that we only have a part-time Minister of Agriculture in South Australia. The Minister currently holds the portfolios of recreation and sport as well. I think that he is well named as the Minister for wrecking things. He is currently attempting to wreck our system of orderly marketing in this State. He has wrecked the good relationship between the Government and the producer organisations, and I call on the Premier to remove him because he does not have the interests of agriculture at heart. It appears that the Government does not understand the great difficulties that are facing agriculture in this State, because if it did it would appoint a Minister who understands the problem and who would endeavour to get along with the industry.

I wish to quote briefly from two articles. The farm journalist on the *Port Lincoln Times* recently quoted a comment by former US President Dwight Eisenhower which is very applicable to the current situation. In 1956, President Eisenhower said that farming 'looked mighty easy when your plough is a pencil and you are a thousand miles from the corn field'. That is certainly true of the Minister of Agriculture. In another article, Mr Rehn reported that there was a crisis in the countryside. He stated:

A time bomb is ticking away in the countryside as many farm families face the prospects of walking away from their farms.

One couple farming near a small town on Eyre Peninsula are facing the prospect of walking away from their property with a few possessions in a suitcase.

For personal reasons they do not wish to be identified, but were willing to talk to *Peninsula Farmer*.

'We will be walking off without much after a lifetime of working on the farm,' the farmer said.

'However, I am lucky, I have the prospects of a job to go to. The worst thing about facing a future without the farm would be the collapse of myself as a person. The last years have been a real burden. We have both aged 10 years in the last few.'

Those articles indicate clearly the problems facing the farming community. I seek leave to have inserted in *Hansard* a

table of figures indicating the rural indebtedness in this country.

The SPEAKER: Do I have the honourable member's assurance that it is only a table of figures?

Mr GUNN: Yes, Mr Speaker.

Leave granted.

RURAL INDEBTEDNESS

At 30 June	Major trading banks [a] Term and farm development loans [b]	Other [c]	Total [b]	Pastoral finance companies [b]	Commonwealth Development Bank [b d]	Life insurance companies	Ex-service settlement	Other Government agencies (including State banks) [b]	Primary Industry Bank of Australia [b]	Total institutional indebtedness [e]
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
1970	210	787	998	349	176	128	80	351	—	2 082
1971	212	782	994	333	192	129	83	374	—	2 104
1972	229	733	963	293	202	125	79	432	—	2 094
1973	326	715	1 051	303	198	117	71	481	—	2 221
1974	400	761	1 161	371	203	107	61	499	—	2 402
1975	408	812	1 220	279	232	104	58	554	—	2 447
1976	443	874	1 317	254	243	96	54	633	—	2 597
1977	501	896	1 397	200	254	86	49	696	—	2 682
1978	583	977	1 560	200	280	80	43	797	—	2 960
1979	747	944	1 691	244	288	70	39	858	111	3 301
1980	908	1 037	1 945	321	293	67	34	893	216	3 769
1981	1 108	1 199	2 307	315	309	74	35	1 004	317	4 361
1982	1 251	1 181	2 432	366	327	77	33	1 057	429	4 721
1983	1 442	1 300	2 742	364	367	83	31	1 324	567	5 478
1984	1 468	1 329	2 797	488	456	82	29	1 442	694	5 988
1985	1 792	1 795	3 587	637	580	79	26	1 580	730	7 220
1986	2 001	2 043	4 044	717	685	74 [s]	24 [s]	1 781 [s]	675	8 000 [s]
1987 [s]	na	na	na	na	na	na	na	na	na	8 250

[a] Figures for the major trading banks refer to the second Wednesday in July. [b] PIBA commenced lending operations in November 1978. The bank is not a direct lender to primary producers. Refinance loans are provided to primary producers through a network of prime lenders comprising banks and other approved institutions, whose figures are given *net* of the PIBA loan content. [c] Includes overdraft and other advances. [d] Excludes equipment finance under hire purchase arrangements. [e] Excludes indebtedness to hire purchase companies, trade creditors and private lenders. [s] Estimated by the BAE. na Not available.
Source: Reserve Bank of Australia, Australian Bureau of Statistics: PIBA.

Mr GUNN: I conclude my remarks by saying to the House and to the Government that, if Government members do not recognise the problems and take adequate steps in cooperation with their Federal colleagues, they will do a great disservice to the nation as a whole. Unfortunately, the history of Labor Governments has been to attack many programs, schemes and taxation concessions that are vital to our farmers remaining competitive on the international market.

Agriculture is and will continue to be the single most important industry in this State and nation. Commonsense has to prevail. It is a completely unsatisfactory arrangement to have a part-time Minister of Agriculture, and I call on the Premier to take appropriate action to resolve that matter. I also call on all members to support the motion.

Mr FERGUSON secured the adjournment of the debate.

OTHER BUSINESS

The SPEAKER: Mr Clerk, call on Orders of the Day: Other Business.

Mr OSWALD: I move that Orders of the Day: Other Business Nos. 1 to 27 be taken into consideration after Orders of the Day: Other Business No. 33.

Mr S.G. EVANS: I rise on a point of order. I am concerned about this procedure because there has been no explanation why this should occur, and I have not been told why. This takes precedence over a matter I wanted to have a vote on today. I do not mind this occurring if I am told what is happening, but this will take business out of the hands of other private members.

The SPEAKER: I uphold the point of order of the member for Davenport. Without the consent of members, what has taken place does, in effect, do what the member for Davenport has suggested, and we may therefore need to deal with the items *seriatim*. Without the consent of all members the procedure to call on Orders of the Day: Other Business out of order cannot be followed.

BUILDERS LICENSING ACT

Adjourned debate on motion of Mr M.J. Evans:

That this House calls on the Attorney-General to ensure that the Builders Licensing Act 1986 is brought into operation as a matter of urgency so that home builders and home owners in this State may benefit from the significant improvements over the present inadequate legislation which the 1986 Act embodies without further delay.

(Continued from 3 December. Page 2700.)

Mr S.G. EVANS (Davenport): I do not wish to transgress Standing Orders. I would like to explain the position, but will not. If the Whip comes over here, I will tell him of my concern about jumping—

The SPEAKER: Order! The Chair can understand that there may be some matters that the member for Davenport wishes to convey to the Opposition Whip. Unfortunately, the Chair cannot allow the honourable member to do that when he is supposed to be making a contribution to this motion.

Mr S.G. EVANS: I support the motion. The member for Elizabeth has achieved something by introducing it. The Government has implemented some of the amendments to the Builders Licensing Act and, in doing that, it has achieved part of what Parliament requested the Government to do.

However, there are still parts of the provisions that the Government has not implemented. I hope that it implements them quickly even though, in the end, only time will tell whether they are fully effective.

When I first raised, in 1969-70, the idea that we should have a form of protection for people having their homes built by builders, that when a permit was issued to build a home it should carry an insurance policy, I was, if you like, ruled out of court. Everyone said, 'No, it won't work. It is a terrible idea. Forget about it. You will place too much burden on industry and there will be too much book work for builders and local government.' I still believe that is the direction in which we should have gone. We have taken a similar direction through the provisions in the Act, and I believe that we will achieve most of our goals even though most people who want to build a home nowadays want it at the lowest possible price and the highest possible standard. In other words, they are trying to build a Rolls Royce home at Holden prices. That cannot be achieved within the industry.

I congratulate the member for Elizabeth for stirring the Government into action, in part, and I hope that the Government will implement the remainder of the Builders Licensing Act as soon as possible. People who build homes using contract builders may then be protected in the future. I commend the motion and the honourable member's action to the House.

The Hon. R.G. PAYNE secured the adjournment of the debate.

WEST BEACH RECREATION RESERVE ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 12 February. Page 2860.)

Mr FERGUSON (Henley Beach): The West Beach Recreation Reserve comprises 160 acres of land immediately west of Adelaide Airport and bounded by Tapleys Hill Road, Anderson Avenue, the coast and West Beach Road. The reserve and its controlling authority, the West Beach Trust, were created by the West Beach Recreation Reserve Act 1954. At the time the land was held by the South Australian Housing Trust and it was intended to develop it for housing. However, the Government of the day recognised the value of the land as an open space for recreation purposes rather than a closely settled urban area. I wish to pay tribute to the then Playford Government for taking this very popular step.

The trust has been given power to carry out works on the reserve, to erect buildings and to otherwise improve the reserve area. It was given power to grant leases and licences over parts of the reserve and buildings. During the 30 years of operation of the reserve there has been a significant scale of development. The reserve now caters for an impressive scale of tourist accommodation with a caravan park, caravan village and villa units. The reserve area caters for a range of recreational activities including golf, softball, baseball, yachting, soccer and tennis. The reserve is also known to many people as the site of Marineland—an educational entertainment facility exhibiting sea mammals and other South Australian aquatic life.

The income from the various activities in 1984-85 was $2.1 million with assets of $4.4 million. It has been the pattern in the past that the trust has relied on its own funds for developmental activity. With the requirement for funds to be held with the South Australian Financing Authority, the trust is now relying more on a policy involving borrowing. The reserve development has received a significant boost from Commonwealth funding for unemployment relief programs during the past two decades. The trust is now a major business and needs a modern Act to allow the reserve efficiency for the enjoyment of South Australians and other visitors.

As previously mentioned, the enabling Act was proclaimed in 1954 and was further amended in 1973 and 1975. It was the intention in framing the original legislation that trust membership comprise the three councils whose areas abutted or were contained within the reserve. The councils of Henley and Grange, West Torrens and Glenelg were to have representation on the trust. Later, Henley and Grange council withdrew from the scheme.

The trust comprised a Chairman and six members with a term of office of three years. Glenelg and West Torrens councils each provided three members and the Chairman was appointed by the six members of the trust. The trust members could be either members or officers of the various councils. In 1973 major changes were made to the composition of the trust, with the result that the Minister of Local Government was given the power to appoint three members of the trust, including the Chairman. Two members were then nominated by each of the other two councils, one being a member and the other an officer. These appointments were made after consultation with the Minister of Local Government.

However, the Act has never been updated and is now in serious need of revision, given the changes to the environment in which the trust operates since it was originally established. In recent years there has been increasing pressure of development on the reserve and this has brought about a combination of factors—the changing style of the reserve and the trust's endeavours changing from a purely recreation activity to the management of a significant tourism accommodation complex.

We have had the contemporary trend to more intensive recreation, with greater emphasis on sporting activities like golf. Gradually the area has been developed and the number of options for location have been reduced. This in itself has increased the value of the remaining undeveloped land. To the north and south, coastal land has been built out or more intensively developed for commercial and residential purposes, and this has placed a greater emphasis on the land use within the trust area. The scale of the accommodation in the reserve area now requires support facilities such as shopping and other services. The increase in regulatory control of development (notably under the Planning Act) has required other organisations and activities to operate within an acceptable framework.

Over the years, particularly since I have been in office, I have made representations to the various Ministers of Local Government to allow Henley and Grange council to have representation on the trust. I was involved in, and I believe that I had some influence on, the development of a tourism study for the area by Kinhill Stearns, and one of the recommendations from that organisation was the further development of the West Beach Trust as a tourism site.

Bearing in mind the loss of jobs in the western area through the rundown of industry (particularly in the motor car industry) it seems logical that for the purpose of job creation there ought to be further development of tourism within this area. The West Beach Trust appears to be the most likely area where additional jobs can be created through the introduction of further tourism projects.

It is therefore logical and sensible that the Henley and Grange council should be a partner in the West Beach Trust.

It is the Government's intention to introduce a more comprehensive Bill which will address all those issues, including the issue of membership of the Henley and Grange council. This Bill will take into account all the recommendations of the recent Kinhill Stearns report, and it is currently being drafted. It is a much more comprehensive Bill and will require the Government to approve it. For this reason, it is my intention to oppose the member for Hanson's Bill.

Mr BECKER (Hanson): I thank the member for Henley Beach. If I were cynical, I would have thought that Geoff Virgo probably wrote part of the honourable member's speech, because here we find the classic example of a former member of this House—a former Minister of Local Government—interfering in operations involving my electorate. I warn this old man that if he wants to do that we will take him on any time.

For years the West Beach Trust has performed its duties in an exemplary manner. For years the Henley and Grange council would have liked to be represented on that trust, and now we have the opportunity. For some 14 or 15 months, or longer, the Minister of Local Government has fiddled around with amendments to this legislation and with the proposal to put the Henley and Grange council on the trust, and my move was designed simply to force the issue. And the issue has been forced, because the Premier yesterday gave notice that legislation will be brought in today to amend the West Beach Trust Act.

That does not worry me: we have no idea what is in the proposed legislation, although I would be very suspicious, because the member for Henley Beach went on to talk about shopping centres and further development for the West Beach Trust. He does not live there: he does not live anywhere near it. Let me warn the member for Henley Beach to keep his nose out of someone else's patch. Let me further warn the member for Henley Beach: there have been several attempts to put a tavern in that area. We do not want a hotel, tavern or any other type of grog shop on West Beach Trust land. We have enough louts driving up and down the road now, throwing out their beer bottles and having accidents. There have been 29 accidents on the Patawalonga frontage in the past six years, with one person dead. Think about it: think about what you are trying to do to us in that area, all in the name of free grog for a few people who want to get on the gravy train. It is not on. Let us look at the gall of this man Virgo. He wrote to me on 15 January on a West Beach Trust letterhead, saying:

> Dear Mr Becker, I note in the 9 January 1987 issue of the *Messenger* newspaper a brief article indicating you have given notice of a Bill you propose to introduce to amend the membership of the West Beach Trust. I must say I am extremely disappointed that you did not first either consult or even advise the trust of your intentions.

Have you ever heard of a Liberal member of Parliament going to a former Labor Minister and that former Minister saying, 'That's okay: you can go ahead and announce that'? Like hell! Virgo is still playing politics. The letter goes on:

> Had you done so you would have been advised that consultations with the concerned bodies have been proceeding very smoothly and I have every reason to believe a result satisfactory to all has been or soon will be reached. I am sure these bodies would be very disappointed if their efforts were now placed in jeopardy.

I will not be threatened or intimidated by this old man. He is a retired politician.

Mr Tyler: Come on!

Mr BECKER: He is suffering from senile decay, the way he carries on, so don't tell me to 'come on'. Keep his nose out of it. Your Minister is incompetent. The Minister of Local Government has had plenty of opportunity to amend the legislation over the last 18 months to accommodate the wishes of Henley and Grange council and of the other local governing authorities.

She was too slow, too incompetent, and so she was outfoxed. I brought in a private member's Bill, but members opposite did not have the decency to support it. The current Government treats with contempt private members' time in this House. The people of this State will soon have the opportunity to show the Labor Party what they think of it.

Members interjecting:

Mr BECKER: We are sick of the member for Fisher's tactics. He was a representative in the Minister's office, as I have said, and never returned a phone call—that is how he treated people. I am still waiting for him to ring me back! He never showed me the courtesy of returning a call when I wanted to speak to his Minister—

Members interjecting:

Mr BECKER: Scum! The letter continues:

> I appreciate that with the present session of the Parliament—

Mr TYLER: On a point of order, Mr Deputy Speaker, I believe that the member for Hanson has just made a reflection on me, by referring to me as scum. I ask him to withdraw that connotation.

The DEPUTY SPEAKER: I am afraid that I was engaged in conversation and I did not hear the remark that the honourable member may have made, but if he did make that remark I ask him to withdraw it.

Mr BECKER: If the honourable member objects to it, Mr Deputy Speaker, I will withdraw it. The letter goes on:

> I appreciate that with the present session of the Parliament drawing to a close, your proposed Bill may not be debated—

Here we are—an old man, retired, trying to tell me what to do. He is now trying to conduct the business of this Parliament—

> but simply discharged along with all other unfinished business.

I have news for Mr Virgo: we are going to deal with this legislation right here and now. Let it be shown on the record that the Government wants to throw it out, and let the record show how the member for Henley Beach supports his own local governing body. The letter concludes:

> Nevertheless, I would urge you to consult with the Minister of Local Government before any further action is taken by you on this matter.

Mr Virgo does not understand the system in South Australia. Very few Ministers of the Crown will see members of the Opposition. Very few Ministers of the Crown show any courtesy at all. They are so damned incompetent—and with the Minister of Local Government one would not bother, as she is hardly ever in the State. I am disappointed at the attitude of the current Government, and certainly of the member for Henley Beach, who has fallen for the three card trick in not supporting this legislation and not encouraging his colleagues in Caucus to support the Bill—no matter what comes up in the legislation that was foreshadowed yesterday by the Premier. The member for Henley Beach has had the opportunity to support his local council but, obviously, he does not want to do so. The honourable member will have to do a lot of explaining to the Henley and Grange council, because obviously he does not want to see the council have two representatives on the West Beach Trust. That is what this legislation is all about, and that is what the challenge is about. I urge all members to support the Bill.

The House divided on the second reading:

Ayes (16)—Messrs Allison, P.B. Arnold, D.S. Baker, Becker (teller), and Blacker, Ms Cashmore, Messrs Chapman, Eastick, S.G. Evans, Goldsworthy, Gunn, Ingerson, Lewis, Meier, Oswald, and Wotton.

Noes (25)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon, Blevins, Crafter, De Laine, Duigan, M.J. Evans, and Ferguson, Ms Gayler, Messrs Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne (teller), Peterson, Rann, Robertson, Slater, and Tyler.

Majority of 9 for the Noes.

Second reading thus negatived.

The SPEAKER: Order! Members are taking an unduly long time to resume their seats following the division.

CONSTITUTION REVIEW

Adjourned debate on motion of Mr M.J. Evans:

That, in the opinion of this House, the Government should establish a commission of distinguished South Australians to review the Constitution of the State and to make recommendations to Parliament for such reform of the Constitution Act as the Commission may think just, proper and desirable following extensive consultation with the community.

(Continued from 25 September. Page 1228.)

Mr M.J. EVANS (Elizabeth): I move:

That this Order of the Day be read and discharged.

Order of the Day read and discharged.

COUNTRY FIRES ACT AMENDMENT (BILL No. 2)

Adjourned debate on second reading.

(Continued from 21 August. Page 536.)

Mr BLACKER (Flinders): I move:

That this Bill be read and discharged.

Bill read and discharged.

CRIMINAL LAW CONSOLIDATION ACT AMENDMENT BILL (No. 4)

Adjourned debate on second reading.

(Continued from 12 February. Page 2864.)

Mr TYLER (Fisher): I am pleased to contribute to this debate as the area of penal reform is one in which I have an immense interest. While I can accept and in some cases agree with many of the arguments put forward by the Member for Davenport in his second reading speech on this Bill, I cannot support this Bill as, quite frankly, it is irrelevant. It is also a Bill that is simplistic in what is a very complex area, namely, the area of sentencing. I can say, however, that I agree with honourable members who have spoken in this debate already that the courts must apply sentences that fit the crime. The member for Davenport's Bill seeks to enable the courts to give a prisoner, one who murders, a sentence of life imprisionment which would mean for the term of his or her natural life. But, as the member for Morphett points out, most murderers who are currently in the system are people who have murdered for passion. In other words, it involves a 'once off' murder done in the heat of the moment and, in most cases those people would never murder again. We are all capable of fitting into that category, but there is a small percentage of people in our prison system at the moment who do not fall into that category. They are people that get enjoyment from murder and have committed some fairly horrendous crimes. Quite frankly, in their cases it would not worry me if they never came out.

This Bill actually limits the ability of courts to use some discretion. I argue that, if a court decides to put a person away for his or her natural life, a person who murders at 20 years of age is in effect receiving a far greater penalty than a person who murders in their forties or fifties. So, where is the justice in that type of sentence?

At the moment courts have the ability to use that discretion and, if they believe that it is in the community's interest for a person to be put away for life, to never come out of prison, they can make the non-parole period so high that, even with remissions, it would have that effect.

Having said all that, I believe that penal reform in an enlightened society must mean more rehabilitation than retribution and that the job of sentencing is a job solely for the experts, that is to say, a judge or magistrate who has heard all the evidence in the case. The judge, should, and at present does, at the time of sentencing stipulate the time to be served in gaol and the time to be served on parole. The prisoner then knows when to expect release and would not be dependent on applying to the Parole Board.

A concept of time off for good behaviour, which is extended with remissions of up to one-third of the time spent in gaol, encourages a more orderly prison system and enables prison officers and authorities to have a much needed management tool. The non-parole period which is fixed by the courts has been in most (or in all) cases the maxium gaol term rather than the minimum. This has meant not shorter sentences but definite sentences.

One could argue that in the case of life imprisonment it should mean that prisoners have a longer period to spend in gaol. I would agree with that, and, under the parole system that we have now, the average time that a person on a life sentence spends in gaol is about 13½ years. I might add that under the old system, the system of the Tonkin Government, people spent an average of 8.7 years in gaol for life sentences. So, one can see that in the period of the Bannon Government there has been a substantial increase in the number of years that a person who is convicted of murder spends in prison.

If the courts wanted, as I pointed out before, they could substantially increase that again. Reforms that have been under way in the area of sentencing and correctional services for the past three or four years cannot be taken in isolation but must be taken as part of a carefully considered and properly controlled change which has contained many elements. All combined, they act as vital safeguards for society while recognising that opportunities must exist for offenders so as to enable them to become useful citizens.

We must remember that in most cases people who are sent to prison will come out of gaol, and that goes for people who are convicted of murder. One of the problems that we have in our prison system is that almost without exception prisoners who have entered our prison system have come out worse citizens. Prison has had an effect of compounding problems and not rehabilitating prisoners. We must all remember that the sentence in our society is the taking away of a person's liberty. The most drastic step that can be made by society without taking life is to incarcerate a person by removing him or her from mainstream society. We must also remember that people are sent to prison as punishment; people are not sent to prison for punishment.

As I have said before, the major strength of the current system is that the function of imposing a sentence and determining the limits of a sentence is left in the hands of the court system. One of the consequences, as I have demonstrated, is that people are staying in prisons longer. We can argue that the courts ought to be issuing tougher sentences, and I agree with that. The Attorney General (Hon.

Chris Sumner) has certainly played his part in that process by appealing against a record number of sentences which have been handed down in the past few years. This active approach to Crown appeals against lenient sentences has meant that, since 1982, the Attorney-General has had 89 appeals against the 17 appeals by the Hon. Mr Griffin when he was Attorney-Gerneral.

Of the 96 appeals, 43 have been successful, 16 have not been proceeded with, 32 have been dismissed and five are still pending. I believe it is about time that the Judiciary listens to the people, listens to the views that this Government and the members of this Parliament have been expressing about sentencing in this State. So, while I can agree with some of the sentiments that the member for Davenport has expressed in moving his Bill, I will not support it because it duplicates what already exists and therefore makes the Bill redundant.

Mr S.G. EVANS (Davenport): I am amazed that members, particularly the member for Fisher and the Minister of Education (representing the Attorney-General in another place), can stand in this place and say that my motion is too simplistic; in other words, it is too simple. He says that simple things are no good and, just to bamboozle people, Parliament must complicate things. It amazes me that so-called educated people should make that sort of statement. Perhaps that is one of the problems with our Parliament. Secondly, the Minister said that I was trying to take away some of the court's discretion. He said:

> The honourable member who introduced this legislation seeks to restrict greatly the number of options available to the courts and it is a very simplistic solution to what is a very complex area of the law.

He admitted that it is a solution, albeit a simplistic one. He than said that the law is too complex, but at least the Minister admitted that my proposal was a solution. He then stated that I was removing some of the court's options, but that is hogwash. The Minister, who is a lawyer and who has practised law, stands in Parliament and says that the Bill I introduced removes an option from the courts. Proposed section 302 states:

> (2) An order may be made under this section only where the court is satisfied—
>
> *(a)* that the circumstances of the offence were exceptionally serious;
>
> and
>
> *(b)* that the order should be made in the interests of ensuring the safety of the public.
>
> (3) Where the court makes an order under this section, the following provisions apply:
>
> *(a)* the order may not be subsequently varied or revoked except on appeal;

It cannot be interfered with. The new subsection also provides:

> *(b)* the court shall fix a non-parole period in respect of the sentence;

So, there is no parole and the court—not this Partliament—makes a decision. The Bill does not remove any options. The new subsection also provides:

> *(c)* any existing non-parole period is a nullity;

In other words, if any non-parole period applied, that is removed. The new subsection also provides:

> *(d)* no application for an order fixing a non-parole period in respect of the sentence may be made;
>
> and
>
> *(e)* the prerogative of mercy shall not be exercised so as to empower the release of the offender.

In other words, the Governor's right to issue such an order is removed. The member for Fisher argued that a court can already do all the above but then he said that the judges do not take notice of what the public, Parliament, the Attorney-General and the shadow Attorney-General are saying. If this Bill is passed, it will indicate clearly to the court that Parliament wants the judges not to be quite so lenient when imposing penalties. The member for Fisher said that what I am attempting to do is too simple and he then said (as did the Minister) that this legislation is unnecessary. If one reads the Minister's second reading speech, he did not say that he would not support this Bill. If the Minister held a strong view that he wanted to oppose the Bill, he would have said so, but he did not do that. He made one of the shortest speeches ever on one of the most important Bills to come before the Parliament relating to a matter that is causing great concern in the community. He did not commit the Government, but a backbencher, one of the newest arrivals who represents an area that was well represented before, made the point that he believes that the Bill is too simplistic and that he will oppose it.

Not only did the Minister not say that he would oppose it, but also I suggest that the Labor Caucas met and said, 'Evans has us over a barrel. It is an issue of some concern in the community. How can we answer him?' The Minister was instructed to get up and say as little as possible in an attempt to gloss over the matter. That is what really happened and members know it. That is why it took so many weeks before the Labor Party was prepared to debate the issue. At least the member for Morphett highlighted the points of concern in the community and they related to the present penalties not being high enough.

A lot of people are asking for capital punishment to be reintroduced. This is the nearest we can go to capital punishment to satisfy a community that a person who commits the worst of crimes can be put away for the term of their natural life. There is nothing stated in this passage (and the member for Fisher hung a lot of his argument on this point) about crimes of passion.

Sure, a court would not apply this penalty to a crime of passion, but let me give an example. When poor Dryga committed a double murder in the early 1960s in a crime of passion and shot the two friends of his friend at Semaphore, the courts at that time had the power to have you condemned to death by hanging, but what happened? The lawyers argued that Mr Dryga, a person who worked with me, in fact was criminally insane. He is still in gaol, after 25 years, when all these others are getting out. Carl Stitts was put away in the early 1940s and stayed there until about 1978. He was the longest serving prisoner. They let him out for about the last few weeks of his life because his health was gone and he was not going to live. These two offenders paid a huge sacrifice, but their crimes—Stitt's was bad enough, but Dryga's was not—were nothing like the sort of things happening these days. The lawyers used to argue in the worst cases of murder that a person was criminally insane, because it was better to be put away for life as criminally insane than to have the noose put around their neck. Once Parliament took away the noose as a form of penalty—a move which I supported at the time—the lawyers stopped arguing that their clients were criminally insane. We never hear the argument today that a person is criminally insane because it is better for them to receive a gaol term.

There is one way to give the courts a clear indication of what we believe. The member for Fisher said that he believes it; the Minister through the Crown, the member for Morphett, the public and I—we are all saying it: give the court a clear indication. This provision is a clear indication and Parliament is giving an instruction to use it in the worst cases.

Mr Tyler interjecting:

Mr S.G. EVANS: The honourable member tells me that the power is there now, yet his own Minister said that mine was a too simple solution to a very difficult problem. The Minister admitted that it was not there now in total but that mine was a solution to the problem. I just ask members opposite to think about it when they walk out of here: do not play the same old trick and come back in 12 months, 18 months or two years and bring in a Bill exactly the same as they did with the licensing legislation and say, 'You were right, Evans, but we would not give you the credit of saying that the Bill was worth supporting, so we brought our own in.' They have done that with the West Beach legislation. The Government is saying that the Opposition—it does not matter who it is—is not worth a little bit of credit for putting up a good proposition. The community are asking us as a Parliament to give a direction to the courts. We are giving a direction by saying that we believe they should put some of the worst criminals away for the term of their natural life, never to be released unless found innocent by appeal. That is what we are asking, and I ask the House to support the Bill. I ask the Labor Party to think about the proposition. I ask those backbenchers who know that what I am saying is right to have the courage of their convictions and vote for it.

The House divided on the second reading:

Ayes (12)—Messrs Allison, D.S. Baker, Becker, Blacker, Chapman, Eastick, S.G. Evans (teller), Gunn, Lewis, Meier, Oswald, and Wotton.

Noes (24)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Blevins, Crafter, De Laine, Duigan, M.J. Evans, and Ferguson, Ms Gayler, Messrs Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne, Peterson, Rann, Robertson, Slater, and Tyler (teller).

Majority of 12 for the Noes.

Second reading thus negatived.

ELECTRONIC GAMING DEVICES

Adjourned debate on motion of Mr Becker:

That a select committee be appointed to inquire into the likely social and economic impact of electronic gaming devices (including Club Keno and poker machines) on the community.

(Continued from 12 February. Page 2868.)

The Hon. TED CHAPMAN (Alexandra): Private members' time in this Parliament provides a forum and an opportunity for members other than Ministers to put before the House a point of view which is not necessarily reflected in his or her district but which is a straight opinion of the individual. It is a very valuable part of the parliamentary procedure to enable that opportunity for members to express a personal point of view without any suggestion of Party or Caucus encumbrance.

In that context, on 21 August 1986 the member for Hanson (Mr Becker) moved a private motion calling on this House to support him in the appointment of a select committee to investigate the merits or otherwise of facilitating licensed poker machines in South Australia. I was interested to hear that motion and the supporting details presented by that member because I had heard him on a number of previous occasions, within the Parliament, via the media and privately, express a view in relation to poker machines. I hasten to add that the motion before us is not whether or not poker machines are desirable, or whether or not they should come into South Australian licensed premises or, for that matter, into private residences, but whether or not a select committee should be set up by this Parliament to carry out further investigations.

Before I deal with that specific aspect of the motion, I want to refer to a few comments made by the member for Hanson over the years when he initially supported the introduction of poker machines—and obtained wide coverage for his view on that subject—and then, when subjected to pressure from lobbyists in the hotel industry and similar competitive businesses in the community, he backed off a little. The honourable member realised that perhaps it had been a folly to go out on a limb in the way he did in the first instance. Then came the decision to license a casino in South Australia, and a number of members on this side of the House, and undoubtedly on the other side, looked on with interest to see which way the member for Hanson might go when that matter reached its final stages and members were called upon individually to show their colours.

In that situation, the member for Hanson backed off the poker machine element of casino operation—he backed off in relation to gaming devices of all kinds in so far as he opposed the Bill. The honourable member said in his address to this House that he opposed the Bill for economic reasons, that he did not believe that it was a stable and responsible public step to take and that, in fact, the casino, without poker machines in particular, would be a financial disaster and would go broke.

I put to the honourable member and to other members of the House that the concern he expressed several years ago, and subsequently when the actual debate was concluded, was ill founded. The history of the casino over the past 13 or 14 months has proved that it is an incredible economic success, not only for the basic investors but also for the South Australian Government and, in turn, the community.

I do not want to talk about the emotional or social aspects of the matter but, rather, I say that the argument put by the member for Hanson was wrong; he was way off beam. The economic success of that premise and the operation of the Adelaide Casino in South Australia has been way beyond all expectations—in fact, far beyond the anticipated budget profit levels of both the investors and the Government, exceeding well over $1 million a month net revenue to the State since the opening of that premise. Therefore, the honourable member's claim to this House on 21 August following a visit to Las Vegas that he learned that poker machines were the bread and butter of a casino and that casinos would not work and be financially successful without them is nonsense. Goodbye to that theory.

Subsequent to the debate on casino licensing in this House some 18 months to two years ago the member for Hanson has taken yet another step: he backed off his public undertaking to introduce a Bill into this Chamber to test the real feeling of the Parliament about whether or not those machines should be licensed in South Australia. That stand, at that time, attracted wide publicity—the member for Hanson is going to introduce a private member's Bill for poker machines in South Australia. I agree that it is his and/or any other member's right to test the Parliament on such matters at any time.

As I said at the outset, it is private members' time that is provided for all members to do just that. However, the member for Hanson went cold on that as well and has now come back and is asking us, at public expense, to set up yet another select committee to investigate whether to proceed in this direction would be feasible and desirable, socially or otherwise. Having canvassed the scenario of stands taken by my colleague, albeit in good faith—and I do not believe

any of that crap anyway; I believe it is the result of being pulled like a cork on a string by his electorate—

The SPEAKER: Order! I caution the member to be temperate with his language.

The Hon. TED CHAPMAN: Pulled like a cork on a string by his electorate?

The SPEAKER: No, it was the remark immediately preceding that.

The Hon. TED CHAPMAN: I respect the Speaker's words of caution and come back to the point I was making. The member for Hanson has used this issue, as members do from time to time, as a petty political tool in the electorate.

Mr D.S. Baker: Like the Kangaroo Island National Park?

The Hon. TED CHAPMAN: No, nothing like the Kangaroo Island National Park. It has absolutely nothing to do with it. That was an outrageous move. This is just a move by the member for Hanson for sheer local electoral convenience. If one looks at the bottom line the real position is that he is jumping—

An honourable member: To get him off the hook.

The Hon. TED CHAPMAN: Yes, to get him off the hook, as my colleague suggests. I suppose that in all fairness we have all been guilty of this sort of thing from time to time, but never have I experienced such a blatant exercise as has been demonstrated by the member for Hanson this time on an issue where he calls for a substantial amount of public money to be spent on an absolutely absurd venture. Who wants to know whether or not it is a good idea to have poker machines? Sixty-five per cent of the people out there are saying that they want poker machines. Our job in this Parliament is not to give them what they want, but to ascertain what is needed by the community.

This is private members' time: this is the time when we lay on the line, unencumbered by Caucus, Party room and philosophical bases of organisations, precisely what we believe is right. And poker machines are not right for us as a community at large.

Mr Becker: About 60 per cent of the people want them.

The Hon. TED CHAPMAN: They want them. The member for Hanson has demonstrated once again how fickle he can be. He knows in his own mind that the damn things are no good, but there is a lobby out there on his neck day after day, so he comes in here and tries to load the responsibility onto us. I am not prepared to wear it. I will not be party to spending what could lead to $10 000, $20 000 or $30 000 of public money by way of a select committee, which will come back and tell us a lot of waffle, as select committees have told us previously, about what we as individuals should determine. It is a hideous venture.

Let us consider the sort of money that has been spent on select committees for various purposes, some sound, some absurd, in recent times. In 1975 we had a select committee that cost thousands of dollars (but I do not have the exact figure) to inquire into and report to the Parliament—to the Legislative Council in that case—on the activities and merits of the Church of Scientology. For God's sake! What a subject to tag with select committee expenses and a financial burden on the public! We had an inquiry into the Steamtown Railway Preservation Society. That might well have had local merit, and I supported the setting up of that select committee, because it was demonstrated that there was some basic merit associated with it.

Then we had the Joint Committee on the Administration of Parliament under the canopy of a select committee investigation. I cannot recall specifically what it did, nor, for that matter, can I recall what it reported, leave alone what it cost, but we can be sure, as I am standing here, that it cost money. Then there was a select committee on the Mental Health Act Amendment Bill. Members could not decide which way to go on that and, because there was a hybrid element or because of some other associated desire, it was decided to go into the select committee syndrome and spend more money. I refer only to 1985, mind you. Then we had the select committee on the Natural Gas (Interim Supply) Bill. Because of the public impact and importance and for other reasons cited by the Minister of the time, the motion gained the support of the House and the select committee went ahead. I am not critical of that venture, given that gas is the lifeline of the community, in particular the residents of the Adelaide metropolitan area. That was a justified use of the facility that is available to Parliament.

We could consider the costs asssociated with select committees over the past 18 months. Since 1 July 1985, we, the members of this Parliament, have for one reason or another—good or absurd—spent $26 733 on select committees. We can appreciate that not only has this attracted a significant expenditure of public money in order to put off the evil day, to gather a little bit of information from outside, and so on (and I repeat that in some cases that is justified, although on a number of occasions it is not justified), but also we have spent hundreds of man or woman hours in this process and, really, the results of these select committees and the merits of even having the facility come under question. I imagine that, if there was a select committee into whether or not we appoint select committees, it would come down positively and we would preserve that facility.

I have no doubt that members of Parliament generally, and by majority, would support the preservation of that facility. I have no doubts either that the arguments in favour of the facility would be sound in some cases, and I repeat that in some instances I would agree that there is a need to take extra evidence through the avenue of a select committee where that evidence is not readily or appropriately available to the House.

It is because of the untoward, unnecessary and absurd ventures that I oppose this facility being abused. In this instance I oppose the motion by the member for Hanson to pursue and seek support for the setting up of yet another select committee to investigate whether or not we have poker machines in South Australia. A number of members spoke on the motion on 6 and 20 November last year, and the member for Henley Beach spoke on it in private members' time last week. Prior to that the member for Albert Park, I am told, addressed the House and expressed his views.

In most, if not all, instances respective speakers addressed their remarks to the merits of whether or not poker machines should be licensed in South Australia. That is not really what the subject is about. The motion deals with whether or not we set up yet another select committee. Certainly, I say, not on behalf of my district or on behalf of anyone else but on old Ted's behalf—on my behalf—that we should have no more select committee inquiries into whether or not we have poker machines. It is a waste of public time and money, and the matter before the House ought to be disposed of.

I would be very disappointed if further speakers sought to waste the time of the House and preserve this local electoral joke any longer. The matter should go to a vote so that we can test the water as to whether it is on or off. The quicker we know the better it will be for all of us. Indeed, the better it will be for those people who are genuinely trying to provide services out there in hotel, club and other catering facilities, who are really worried about this Parliament and its apparent attitude towards poker

machines. They do not know where they stand. They have been hanging around long enough. Enough is enough on the subject as far as I am concerned. I oppose the motion of the member for Hanson and urge him to come forward, wind up the debate and put it to the test.

Mr BECKER (Hanson): I thank the members who have spoken on the motion, and I will start with the last one first: the king of Kangaroo Island, the one who said we should test the water. I know that he believes he can walk on water. However, I did not think that he was a gambling snob, but that is what you really are. You are a gold cardholder at the casino, yet you will not allow—

The SPEAKER: Order! The honourable member must address the Chair, although certainly not in the terms that he has just used towards the member for Alexandra.

Mr BECKER: The member for Alexandra will not allow the average citizen the opportunity to participate in or use electronic gaming devices in South Australia. These people now have to travel interstate—to New South Wales—to follow this pleasure. I believe that the attitude adopted by the member for Alexandra is totally wrong in his wanting to preserve the social elite of the gambling gentry through the casino.

Mr Hamilton interjecting:

Mr BECKER: As the member for Albert Park said, the honourable member is a snob, and he is quite right. I am also wondering whether he is looking after his SP mates. However, I will not go any further into that. One could be forgiven for thinking along those lines. The member for Alexandra did make one valid point: the motion is calling for a select committee, and that is the real issue, because we want to look at the economic impact on the community. I believe that should be so. The honourable member cited the casino as being an outstanding success so far, but time will tell whether the turnover can be maintained and how much the casino will spend to improve the turnover or to attract patrons. There is still much to be considered in this whole issue.

The member for Alexandra mentioned the cost of previous select committees but then, like Sir Joh Bjelke-Petersen, could not produce any figures. I would not expect this select committee to cost very much at all. If the honourable member were genuine, he would give his time for nothing. Let us have some more information on that matter. He has certainly raised an issue which I have not considered. For that reason, I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

HOUSING LOAN INTEREST RATES

Adjourned debate on motion of Mr Becker:

That this House condemns the Federal Government for its incompetence in failing to take appropriate action to reduce housing loan interest rates.

(Continued from 20 November. Page 2180.)

Mr S.G. EVANS (Davenport): There is much that one can say on this resolution, but as we are getting near the end of private members' time for this session I will be brief. Some of the things the member for Eyre said earlier today about the agriculture industry can also be said about this resolution. The Federal Government stands comdemned for its attitude towards those who have to borrow money. People have obtained first and second mortgages when interest rates were 3 and 4 per cent lower than they are at the moment, so they could manage within their budgets. Suddenly, we had a Federal Government which not only condoned but encouraged high interest rates.

The action it took to guarantee those high interest rates was to throw the dollar on the world market to try to find its true value and, with that, our dollar depreciated quite considerably on the world market. Automatically, the Federal Government believed that if it did not keep interest rates up a lot of money would flow out of this country and we would go into a serious recession. What they have not taken into consideration is the very critical position in which they are placing many home owners or potential home owners. I use the term 'potential' because the vast majority of South Australians are not owners of their own homes: all they are doing is paying for finance in the hope that they will own that home. They do not own it: they do not even have a clear title, they have a mortgage which says that some financial institution has first claim to the property and they, the potential owners, have second claim.

So, we have this very high interest rate and, on an average $40 000 mortgage, the higher interest rates which the Federal Government has imposed on people through its policies, would amount to something like $1 200 to $1 500 a year. Just imagine if the average family had $1 200 or $1 500 a year more to spend on food, clothing, and perhaps even to pay off the capital sum. Mr Keating and Mr Hawke are just oblivious to this matter. Never have they expressed concern about the cost to the individual struggling to pay off a home, yet it claims to be a Government with a social conscience. What social conscience does it have? I heard the member for Briggs recently having a shot at the Leader of the Opposition, asking whether he commits himself to what Howard, Bjelke-Petersen or Sinclair is saying. Where does the Premier of this State stand? Is he saying to Mr Hawke, 'Your interest rates are too high. Get them down, because the people in the mortgage belt of Adelaide can't pay them.' No—not a word! Let the Premier come out this year and condemn the Hawke-Keating Government for the high interest rates it charges. There is not a comment—

Mr Rann interjecting:

Mr S.G. EVANS: The member for Briggs will duck and dive with his snide comments and his sinister criticism but, when it comes to the crunch and he himself has to front up to say whether he and his Leader support the Hawke-Keating high interest rates, there is no comment. In their areas there are people who are losing their homes because they cannot afford to pay those interest rates.

That is the attitude of the present Federal Government. The member for Hanson, shadow Minister of Housing and Construction, pointed out quite rightly how critical the situation is for so many people. The building industry is in trouble and house values have dropped because people cannot afford to pay the interest on the mortgages that they need to buy a house. Therefore, prices have dropped. Further, people are not able to afford to build new houses and thus the building industry experiences a slump. It is dearer to build a new house than it is to buy an established house.

We must be conscious of the fact that it is the Federal Government that has imposed this on the community and that it is its attitude that has led to this. For some people land tax is tied up in this area of costs of housing. This is where the State Government has got stuck into those people who rent accommodation. The person who owns a property must pay land tax: so, the owner adds that cost onto the rent and then the Housing Trust or someone else maintains that landlords are charging too much rent. However, they are forced to do it, because the Government has imposed the charge. So, added to these high interest rates imposed by the Keating-Hawke Government, and supported by this

'no comment' by the State Labor Government, we have a State inflicted penalty on people who have to rent accommodation.

I commend the motion. I congratulate the member for Hanson, and I hope that at least some members of the ALP have the conscience to say that they disagree with Keating and Hawke in ripping off people through high interest rates and that interest rates should be reduced to levels such as those experienced in Japan (3.5 per cent) and England (7.5 per cent). Here, interest rates are anything from 14 per cent to 20 per cent. Where is the social justice in that? I heard Senator Walsh (Federal Minister for Finance) say yesterday that Australians will have to accept a lower standard of living. Let me make the point to Senator Walsh that he and those who think like him have condemned Australians to being nothing more than slaves of interest rates and working agents for money lenders—the very people whom at one time they used to attack, saying that there was no place much for them in society because they lived on the unfortunate. However, now not only have they condoned this but they have made sure that those people take a lot of money out of the community, thus, as I have said, condemning many people in the community to act as working agents for money lenders and slaves of interest rates. I congratulate the member for Hanson on his motion.

Mr DUIGAN secured the adjournment of the debate.

SUMMARY OFFENCES ACT AMENDMENT BILL (No. 5)

Adjourned debate on second reading.
(Continued from 18 September. Page 992.)

Mr DUIGAN (Adelaide): I shall try to make all my remarks in the few minutes that remain of private members' time. This Bill was introduced in the House by the member for Hanson in September of last year, at about the same time as an amendment to the Criminal Law Consolidation Act was before the other place. As its main effect, that amendment provided for a substantial increase in the penalties for the same general range of offences as those dealt with in this Bill. The amendment to section 49 (1), as proposed by the member for Hanson, is in fact identical to section 48 (1) *(b)* of the Act as it stands at the moment. The principal effect of the amendment proposed by the member for Hanson is to increase the maximum penalty for an offence and, as a consequence of that, to encourage the courts to consider including a community service order when placing an offender on a recognisance for a breach of the provision.

The maximum penalty for the offence at present is a $1 000 fine or three months imprisonment. That penalty was increased from a $50 fine in 1985 as part of the general rationalisation of what was then the Police Offences Act and an increase in penalties right across the board. The current proposition attempts to double the financial penalty attached to this offence and to double the term of imprisonment for it.

The present penalty is a substantial increase over the $50 that was in operation until some 18 months ago. Because it has been quite a short time since that substantially increased penalty because available to the courts, and because it really has not passed the test of time to enable people to determine whether or not the courts believe, in terms of sentencing practices, that the penalties under that Act are an adequate deterrent, I believe that a further increase so soon after the last is not justified. That statement should be taken in the context of recent changes to the Criminal Law Consolidation Act which passed this Parliament late last year.

As a result of amendments at that time part 4 of the Act was rewritten. I refer the member for Hanson particularly to new section 85 of the Criminal Law Consolidation Act, which sets substantially greater penalties for excessive damage caused to property. Where an offence has been completed and proved, the new penalty for an offence where damage exceeds $2 000 is life imprisonment or, where damage does not exceed $2 000, imprisonment for five years. The penalty for an attempted offence is also substantial—imprisonment for 12 years or three years, depending on whether or not the damage that would have been effected had the crime been completed was in excess of $2 000. I think that the general sentiments of the proposition put up by the member for Hanson are certainly well and truly picked up in that amendment to the Criminal Law Consolidation Act.

The other part of the member's proposition deals with the court exercising its power to impose community service orders. I make two points about that matter. First, section 299 of the Criminal Law Consolidation Act already provides the court with a general power to order payment of compensation for damage resulting from an offence. The other point is that, under the Offenders Probation Act, courts already have an obligation to give serious consideration to including community service orders. Their general power to do so, in fact, has been exercised in recent times and is having a considerable effect.

There seems, therefore, little justification to single out one particular offence in respect of property, namely, writing on walls, and to require judges or magistrates to deal with it in a way other than the way in which the Offenders Probation Act already allows the court to deal with it and, indeed, as the Criminal Law Consolidation Act allows for compensation orders to be made. As a result of those few points, I oppose the Bill because I believe that the sentiments contained in it are already adequately covered by other provisions in the statutes.

Mr OSWALD secured the adjournment of the debate.

[Sitting suspended from 1 to 2 p.m.]

SUPPLY BILL (No. 1)

His Excellency the Governor, by message, recommended the House of Assembly to make provision by Bill for defraying the salaries and other expenses of the Government of South Australia during the year ending 30 June 1988.

PETITION: PROSTITUTION

A petition signed by 51 residents of South Australia praying that the House pass legislation to decriminalise prostitution was presented by Mr Gregory.

Petition received.

MINISTERIAL STATEMENT: LOCH LUNA GAME RESERVE

The Hon. D.J. HOPGOOD (Deputy Premier): I seek leave to make a statement.

Leave granted.

The Hon. D.J. HOPGOOD: In the House on Tuesday, the member for Chaffey indicated that there was some environmental disaster about to befall Loch Luna Game Reserve and that due planning process had not been followed. The implication was that I or my department was negligent. Parenthetically, my recollection is that I told the House that I was very disturbed about the allegations that had been put forward by the member. I am now more relaxed, and that is why I take this opportunity—rather than providing a written answer to the question—to inform the House of the facts (which I will do now).

The company has applied for a mining lease to extract and process sand. The material to be extracted is good quality Loxton sand which is to be used for water filtration. The site known as Sugar Loaf Hill Quarry has been used for extracting and crushing limestone for crushed aggregate and for construction work since 1949. As a result, and in line with the Government's mining in national parks policy, the existing quarry and remaining mineral resource were specifically excluded from the Loch Luna Game Reserve when it was dedicated in November 1985.

As this is an application for a mining lease and is therefore controlled by the mining Acts, the Planning Act provides that environmental and planning factors be considered during assessment of an application under the mining Acts. When the Minister of Mines and Energy receives an application, the application is subject to section 59 of the Planning Act in addition to those matters required in the mining Acts. This section requires the Minister of Mines and Energy, first, to advertise the proposal to allow for public input and, secondly, to notify the relevant council of the application.

As this application refers to land which is of environmental significance because it is both a conservation area and is land adjacent to the Murray River, the Minister of Mines and Energy is required to seek the advice of the Minister for Environment and Planning.

The form of this consultation is that the application has been circulated to the National Parks and Wildlife Service and the Planning Division of the Department of Environment and Planning. As well, the application has been sent to the Engineering and Water Supply Department. The responses are collated by the Department of Mines and Energy into a declaration of environmental factors. At this stage either Minister may call for an environmental impact statement.

The declaration of environmental factors is forwarded through me as Minister for Environment and Planning to the South Australian Planning Commission. A subcommittee of the commission, the Extractive Industries Committee, advises whether the lease should be granted and whether conditions should be applied to avoid, or manage and control any effects on the environment that may result from mining operations. This particular application has not reached the stage of a declaration of environmental factors, let alone consideration by the Extractive Industries Committee. Unfortunately, the member was ill informed in his comments. The assessment and planning process is far from complete. There are issues which have already been identified including the access road, the monitoring of groundwater level and quality around the silt ponds, and the question of noise levels from the pumping and power plants.

What has further confused the honourable member is that a separate application was made for a 'permit for works' to install the pump and pipeline. This has been assessed by the Department of Environment and Planning and Department of Marine and Harbors and no objections were raised. However, in granting approval, attention was drawn to the requirement of the permit holder to obtain necessary approval from other appropriate Government and local government authorities.

MEMBERS' CONDUCT

The SPEAKER: I draw the attention of members to the way in which, since the resumption of Parliament, behavioural standards are being flouted in Question Time. In addition, the lengths of explanation of questions and the lengths of replies, combined with the barrage of interjections that often greets ministerial replies, have reduced the number of questions asked during each Question Time compared with the average number asked last year. Question Time is a period specifically put aside for members to seek information from Ministers of the Crown and from other members who have particular responsibilities to the Parliament. It is not a time for full-scale debates, nor for the making of political speeches in the guise of giving explanations of questions. The other 85 per cent of parliamentary time provides ample opportunities for oratory of that nature.

The Chair is of the view that a minority of members are consciously flouting the Standing Orders and practices of the House of Assembly in an attempt to gain personal advantage from the presence of the television camera crews whom we have invited to record the proceedings of Parliament from the public gallery. That view of the Chair has been reinforced of late by my observations of such actions as, first, members ostentatiously placing objects or documents on display for the television cameras.

Members interjecting:

The SPEAKER: Order! In one blatant case last year, one member left his place to stand alongside another in the Chamber while they both pretended to examine together some photographs, apparently for the benefit of the television news crews. I refer, secondly, to disruptive interjections that appear to be designed to catch the attention of the media representatives and are so lacking in spontaneity that they are preceded by a glance up at the cameramen or at the press gallery to ensure that the member will get the desired attention.

Members interjecting:

The SPEAKER: Order! I remind two or three members on my left about the Standing Orders and practices requirement when the Speaker is on his feet. I refer, thirdly, to longwinded explanations of questions that are, in effect, speeches putting forward points of view, apparently for the benefit of the electronic media in defiance of Standing Order 124, which reads as follows:

> In putting any such question, no argument or opinion shall be offered, nor shall any facts be stated, except by leave of the House and so far only as may be necessary to explain such questions.

These out-of-order explanations in turn provide lengthy ministerial answers in response to those questions. The Chair should not need to continually remind members that their explanations should consist of points of fact and not of opinion, and I quote again:

> . . . so far only as may be necessary to explain such questions.

Leave is given for explanations for that purpose only. I indicate that the Chair is prepared to immediately withdraw leave if explanations drift into the modes of behaviour that I have outlined, particularly when the question is in prepared form and is being read from a typed format. Prepared questions of that nature indicate that the member's transgressions are premeditated, and hence are, in my view, doubly deserving of censure.

QUESTION TIME

RADIO STATION 5AA

Mr OLSEN: Will the Minister of Recreation and Sport confirm that radio station 5AA faces a loss of about $2.7 million this financial year—double last year's loss—and, if so, what implications does this have for the racing industry and South Australian taxpayers? I understand that the Minister has received recent advice from the TAB which shows a continuing serious deterioration in the financial performance of 5AA. The Opposition has been informed that after a loss of $1.35 million in 1985-86 the station faces a further projected loss this year of $2.7 million, bringing to more than $4 million the total losses since the Government took it over.

While the Minister told Parliament on 23 September last year that there would be a 'major redress' in 5AA's finances, this has not happened, and continuing upheavals at the station have seen the departure of the Chairman of the Board, the Managing Director and a number of the station staff. While the Government must not interfere in the program content of 5AA, it must take some responsibility for its financial performance, given the implications that this has for the TAB and the board's ability to fund the racing industry and public hospitals in South Australia.

The SPEAKER: Order! Before calling on the Minister, I point out that the concluding remarks by the Leader of the Opposition fell into the ambit of the sort of remarks to which I referred earlier where a member puts forward a point of view and is not specifying facts.

The Hon. M.K. MAYES: It should be said at the outset that of course the Government is, and has been for some time, concerned about the situation at radio station 5AA. As the Leader indicated, I have, in some sense, very little say in the direct operation or involvement of Government in 5AA. In fact—

Mr D.S. Baker interjecting:

The Hon. M.K. MAYES: The member for Victoria can have his say later. He should listen to the answer. The situation is that we do not have a direct say in the operations, financial or programming, as has been referred to. I certainly have had no impact in relation to that. If I did, members would be the first to criticise the Government's role, and particularly—

Mr Olsen interjecting:

The Hon. M.K. MAYES: I am sure that the Leader wants me to answer the question, as he is as concerned about 5AA as I am and the Government is. The situation is that I have had discussions with the Chairman of the TAB, who is the responsible officer in relation to the TAB's ownership of 5AA. These ongoing discussions concern the TAB's involvement and the situation in relation to 5AA. In September I said that the matter was being addressed and I was assured by the TAB that that was the case.

Some of the events that have taken place in relation to the need to cut staff of 5AA, as one of the ways in which the problem had to be addressed, have been regrettable. Continuing steps are being taken, I am informed, by the TAB to address the problem at 5AA, and I am sure that it is fairly confident that it can turn the situation around in relation to the operation of the station.

They have taken a number of steps in relation to instituting management arrangements and reorganising the management of the station. That has to be seen to be given a chance in relation to the overall time scale which they face in regard to their budget. At this stage I am not able to say exactly what its predicted loss is, but I am told that it is a large sum. Of course, that is a direct concern to the Government. I can assure the House that in fact the matter is being addressed by the TAB, which is concerned about what is happening, but it is also aware—

Mr Olsen interjecting:

The Hon. M.K. MAYES: Your facts are wrong for a start, so we do not need to deal with that.

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

The Hon. M.K. MAYES: I apologise for that, Mr Speaker. One has to look at the service operated by 5AA for the industry. If one looks at the turnover supported by 5AA and the service given, one sees that the success stems from the service provided by the TAB to its clients.

Members interjecting:

The Hon. M.K. MAYES: The honourable member does not understand the figures, which last year were handsome ones, given the growth rate and the tight economic situation the State was in. People in the industry appreciate the service provided to the community through 5AA, but that has to be considered and offset against the costs incurred in providing a racing service to the industry as a whole. One can be very quick to criticise, but one has to look at the facilities and services that 5AA provides to the racing industry.

CARBON DIOXIDE

Mr ROBERTSON: Will the Minister for Environment and Planning consider bringing to the attention of the next meeting of the Australian Ministers for Environment and Planning the increasing climatic and environmental problems associated with escalating levels of atmospheric carbon dioxide? Will the Minister further suggest to his colleagues that Australia should move in the United Nations that industries which produce large quantities of carbon dioxide should be compelled to reduce the environmental impact of their activities either by removing carbon dioxide from effluent gases or by sponsoring the establishment of plantations of forest capable of absorbing the carbon dioxide produced by their operations?

The Hon. D.J. HOPGOOD: I can assure the honourable member and the House that this matter is already under review by AEC-CONCOM, which is the name given to the meeting of Ministers. In fact, last year when AEC-CONCOM was held in Adelaide we were given a seminar on this matter by Dr Tucker from the CSIRO. Since that time I have taken the trouble to inform myself about the current state of research into this problem. Without going into great lengths, I can say that the world generally has a much better appreciation of the extent of carbon dioxide build-up in the atmosphere as a result of setting up 13 monitoring stations around the globe, from North Alaska to the South-West Cape, Tasmania, and also at the American base at the South Pole.

There is little doubt that there is continuing carbon dioxide build-up, as there has been occurring since probably midway through the eighteenth century. However, the figures on the impact this will have on ocean levels as a result of thermal expansion from water have had to be revised upwards because of an appreciation that trace gases such as methane probably have a contribution to make equal to the greenhouse effect as does carbon dioxide itself.

Members interjecting:

The Hon. D.J. HOPGOOD: Flatulent sheep are identified as one of the contributors to this, as are rice paddies and various other forms of organic origin. The net effect of

all this is that we can be reasonably certain that in the Adelaide region there will be a rise of the sea level of about 80 centimetres over the next 60 years, and nothing that can be done at this stage can stop that process.

It may be that certain factors can be put in place that will mean that later in the next century this movement can be decelerated. It may, of course, also be that overall climatic changes and other factors will reverse that process. Europe had a little ice age from the fifteenth century to the eighteenth century. I can assure the honourable member that the matter is under review by AEC-CONCOM. Research institutes in the developed countries of the world are putting a good deal of resource into this matter to determine not only what we can do to meet the situation but also what adjustments will have to be made to human settlement patterns, given that a good deal of this process cannot now be reversed.

RADIO STATION 5AA

Mr INGERSON: Has the Minister of Recreation and Sport had discussions with the board of the TAB about its decision in recent days to settle out of court a number of claims for unfair dismissal by former staff of radio station 5AA, and will this decision place a further strain on the already serious financial position of 5AA? The opposition has been informed that contracts for certain former 5AA announcers were approved by the former Managing Director without having first received the approval of the board, and that those contracts contained no escape clause enabling the radio station to dismiss announcers in the event of poor ratings. I have been further informed that in recent days the board of the TAB has determined that it would be unsuccessful in court action taken by those announcers for unfair dismissal.

It has therefore been decided to make settlements out of court which presently total about $350 000, but which are likely to escalate to nearly $1 million following a planned change in the station's programming. Will the Minister therefore confirm the TAB's intention to now part with further considerable sums to former employees of 5AA, and can he indicate what effect these payouts will have on the financial position of 5AA and therefore on the TAB's ability to fund racing?

The Hon. M.K. MAYES: Probably my first answer to the Leader of the Opposition canvasses the issues raised here by the member for Bragg. I have not raised the individual issues of pay-outs with the TAB board. I have dealt with the issue of the overall operation of the TAB, the implications for the industry and, of course, the implications in relation to the operation of 5AA financially, and the TAB as the body that owns 5AA. The matter of the internal management of the board of 5AA has been dealt with by 5AA. I have dealt with the overall issues, not the particular detail relating to individuals who are involved. That, of course, is a matter for them to decide. It is within their parameters. That is their controlling interest.

YEAR 12 STUDENTS

Mr FERGUSON: Can the Minister of Education inform the House whether the proportion of year 12 secondary students has risen in South Australia and, if so, by what amount? Senator Susan Ryan announced in a press release on Wednesday 4 February that the proportion of year 12 secondary students has risen by more than 10 per cent in the past four years. Figures from the Bureau of Statistics show that nearly half of the students—48.7 per cent—attempted year 12 last year, compared with 36.3 per cent in 1982. She also revealed that the proportion of women has significantly increased during that time and that a dramatic reversal has occurred in the proportion of female to male students being retained in year 12. Can the Minister confirm whether South Australia has kept pace with the national figure?

The Hon. G.J. CRAFTER: I thank the honourable member for his question and am pleased to provide briefly that information to him and to all members, because South Australia is in fact in the forefront of States which are seeking to retain students in schools through to year 12, and I welcome the statements that the Federal Minister has made to this end. Retention rates for year 12 students in South Australian Government schools have increased from 32.9 per cent in 1981 to 48 per cent last year, and it is anticipated that year 12 retention rates for this year will be around 51 to 52 per cent.

Whilst we can see that great progress has been made in recent years in this State and, indeed, in a number of other areas in Australia, we still fall well behind other nations, especially our own trading partners and, in particular, Japan and the United States. So, we still have a long way to go to improve retention rates of students through to year 12.

A similar increase has occurred for year 11 students. In 1981 there was a 72.4 per cent retention rate which last year had risen to 80.1 per cent. Retention rates at year 11 for boys and girls are similar. In 1986 the retention rate was 79.3 per cent for boys and 81 per cent for girls. However, by year 12, the gender gap in retention rates widens (and the Federal Minister has referred to this, as the honourable member has mentioned), such that it was 45.1 per cent for boys and 51.1 per cent for girls, which is a substantial difference. This gender disparity occurs throughout Australia in Government schools.

Retention rates vary throughout the States, although the year 12 retention rate for South Australian Government schools in 1985 significantly exceeded the average for all Australian Government schools. These are the latest figures available. The South Australian figure for that year was 44.1 per cent and the national average was 39.9 per cent. I thank the honourable member for raising this matter and for bringing it to the forefront, because we must be constantly reminding the community of the importance of retaining young people in our education system for as long as they are motivated to stay there, not only for their own advantage, development and career opportunity but also for the wellbeing of the nation.

AMDEL

The Hon. E.R. GOLDSWORTHY: Can the Minister of Mines and Energy say whether the Government has reached agreement with Amdel on the future use of the Thebarton plant, and in particular whether conditions are to be imposed stipulating that no further uranium work be done there? Questions asked yesterday about the Cabinet decision of April 1985 made reference to the fact that the Government intended to rent the Thebarton property to Amdel so that the Government could obtain further pre-tax profit from Amdel's operations. It is well known that the Premier and the member for Briggs believed earlier that the Thebarton plant should be closed. The document also proposes that conditions be placed on the lease stipulating that no further uranium work should be done there. In their public state-

ments to date, neither the Premier nor the Minister of Mines and Energy have made any statement or reference to what is to happen at the Thebarton site in the future. It is believed that this has led to some of the activities of that noted member for Hindmarsh, Mr John Scott.

The Hon. R.G. PAYNE: I believe that the Deputy Leader is trying to ascertain what is the situation at the Thebarton site occupied by Amdel and what is to be its future. I find that interesting, because as far back as August 1982 a question on that very matter was asked in the House. At that time we were not in Government and it was the former Minister who had responsibility for looking into the matter. In fact, the then Premier (Hon. David Tonkin), to whom the question was addressed, referred to the fact that he was going to set up a site rehabilitation working party and that, in the event of any move by Amdel, that working party would report to the Government.

The Hon. E.R. Goldsworthy: What are you going to do?

The Hon. R.G. PAYNE: I notice that the honourable member did not refer to any of those matters when he asked his question. In the event—

The Hon. E.R. Goldsworthy interjecting:

The SPEAKER: Order! I call the Deputy Leader to order and remind him that Standing Orders do not provide for supplementary questions.

The Hon. E.R. Goldsworthy interjecting:

The SPEAKER: Order! I caution the honourable member against provoking the Chair.

The Hon. R.G. PAYNE: In the event, the working party did not actually meet until the people of South Australia had reinstalled the Government that they prefer: that took place a little later in 1982. The working party subsequently did not need to produce a report because the possible move being considered, which was well known to the Deputy Leader, was not to take place.

The present situation in relation to the restructuring proposals that relate to Amdel is that no transfer of the Amdel land title is contemplated: it will continue to be held by the Crown and a lease arrangement will apply to the use of that site by Amdel. If the Deputy Leader seeks to put in the minds of members or the public that there is a need for any concern in relation to any possible hazards (if I can use that word) in respect of that site, I can inform the House that no pilot plan processing of uranium containing materials—

The Hon. E.R. Goldsworthy interjecting:

The Hon. R.G. PAYNE: Apparently the Deputy Leader does not want to hear the answer—because it is not the answer that he thought he would get. Since 1981 Roxby Management Services has rented a small laboratory at Thebarton and has continued to undertake small laboratory experiments on various aspects of the Roxby operation. To put the fears of the public at rest—if they have been aroused by the honourable member's question—I state that any wastes from this laboratory are stored on the premises and then transferred to Roxby. In all cases radioactivity levels arise only from the 'as mined' ore and are extremely low.

The Health Commission continues to undertake surveillance of the Thebarton site. Monitoring of ore, soil and groundwater samples specified by the Health Commission is undertaken. All levels continue to be well within specified safety limits. I believe that, if any other reassurance is needed, what I now say will more than suffice. Until recently, all staff at Thebarton were issued with radiation film badges to detect any radiation exposure. For some years these film badges have always shown a zero result. With the agreement of the Health Commission last year, the majority of staff were taken off the film badge scheme.

ICI OSBORNE PLANT

Mr PETERSON: Will the Minister of Emergency Services, as the Minister responsible for the application of the State Emergency Service, undertake to have the manufacturing and emergency procedures at the ICI Osborne plant investigated with a view to improving the safety of employees and residents in the vicinity of the plant? The State Emergency Service is administered by the Minister of Emergency Services and is to be activated in any event where there is serious threat to life and property. There appears to have been an ongoing series of industrial accidents where there has been a potential for serious danger to life: for example, the Gillman spill of copper arsenate and the recent incident at ACI's Kilkenny plant when residents were evacuated to safety.

In my electorate at Osborne, ICI's plant has a long history of ammonia and chlorine escapes, both of these substances being life threatening. As recently as Thursday last week there was a chlorine spill and, on Monday, a major ammonia escape. People living up to three or four kilometres away have reported severe discomfort from the effects of such escapes, while those living in close proximity to the plant live in constant fear of an accident that will prove to be fatal. I have pressed various Ministers for some considerable period of time through personal approach, parliamentary debate and resident deputations to have emergency procedures improved, and I believe that at present two committees are conducting inquiries into emergency procedures that are applicable in South Australia. It has been put to me by residents that, unless stringent procedures for action in the case of a serious escape of lethal materials are put in place at ICI's Osborne plant as a matter of urgency, the delay may prove to be fatal.

The Hon. D.J. HOPGOOD: I think I can give the honourable member the assurance that he seeks. Following a potentially serious incident late last year, when a degree of chlorine was released into the atmosphere and was only taken away from the residential area by the prevailing westerly winds and eventually dispersed, I set up a committee with ICI to look at a series of problems or potential problems at the plant. The committee is chaired by Dr Inglis from my department and includes representatives of the Department of Labour, the Police Department, the MFS, the South Australian Health Commission and ICI.

It has a responsibility to monitor the recent performance of the emergency service in responding to incidents at the plant. It was asked to investigate a series of 'what if' situations in relation to concentrations of ammonia and chlorine, wind directions and velocities, and to come up with a series of recommendations to the industry as to how better it can organise its affairs to minimise the number of times that this sort of incident will be repeated. Once that work has been done, of course, it is expected that ICI, in conjunction with the Government, will take up whatever recommendations are brought down for the safer functioning of the plant, and I am sure that the company will be only too happy if the recommendations are also made available to the honourable member.

PRISONERS' EMPLOYMENT

The Hon. B.C. EASTICK: Does the Minister of Correctional Services dispute statements by the State Secretary of the Storemen and Packers Union, Mr George Apap, that Correctional Services officers are still advising prisoners to lie about their criminal records when applying for jobs and,

if so, will he initiate a full independent inquiry to determine how widespread the practice has been? In a television interview last evening, Mr Apap disputed yesterday's statement by the Minister that this practice occurred only once, in 1981, and that such advice was given to only four prisoners.

Mr Apap has clearly indicated that to his knowledge the practice is a current one of the department being followed in conjunction with the Commonwealth Employment Service. This is supported by evidence given to the Industrial Commission by the psychologist concerned, Mr Paul Kerr Burns, who said after revealing his practices in the department:

> The CES have been following this particular approach.

The sworn evidence of Mr Burns also makes no reference to his having seen the prisoner involved in this particular case in 1981, although his evidence shows that he did see him in later years. This runs completely counter to what the Minister said yesterday. The prisoner, in his evidence to the commission, has said that the same advice is given to all prisoners, and I quote his words:

> It is the advice of both the Department of Correctional Services, in conjunction with the CES, that has this policy, not only for me but for all people that may have been in that situation.

Further, the Opposition has contacted Mr Alex Stewart, who was the Director of the Correctional Services Department in 1981, and he has indicated quite clearly that this practice was not being followed in 1981. In all the circumstances, an independent inquiry is justified to get to the bottom of this matter.

The SPEAKER: Order! That last part is clearly out of order.

The Hon. FRANK BLEVINS: I thought I made this clear on two occasions yesterday. However, I am happy to go through it all again.

Members interjecting:

The Hon. FRANK BLEVINS: I beg your pardon?

An honourable member interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: If the member for Mitcham has anything to say, I suggest that he show a little bit of backbone and say it straight out.

An honourable member interjecting:

The Hon. FRANK BLEVINS: Yes, that is right.

The SPEAKER: Order! The Minister is not to take part in a dialogue across the Chamber and must respond appropriately to the question.

The Hon. FRANK BLEVINS: Mr Speaker, whilst I have no intention of taking part in a dialogue across the Chamber, when the member for Mitcham makes remarks to me across the Chamber, I will respond. As regards the honourable member's—

Members interjecting:

Mr S.J. BAKER: I rise on a point of order. Was the Minister flaunting your direction on this matter, Mr Speaker?

The SPEAKER: Order! The Chair is less than impressed with the conduct of some members at present and is of the view that the Minister and the member for Mitcham have had less than satisfactory attitudes towards the Chair. However, I call on the Minister, if he wishes to do so, to continue with his response to the question.

The Hon. FRANK BLEVINS: I thank you very much, Mr Speaker, and look forward to your protection so that I may more easily comply with Standing Orders. I thought that I went through this very clearly yesterday. However, for the benefit of the member for Light and others I am quite happy to go through it again.

The Hon. Jennifer Cashmore interjecting:

The SPEAKER: Order! Will the Minister resume his seat. The Minister was provoked into responding to interjections from members opposite, and the Chair expressed displeasure towards the Minister and those who had interjected. It is highly disorderly and most inappropriate for the member for Coles to aggravate the situation by interjecting. The honourable Minister.

The Hon. FRANK BLEVINS: I thank you again, Mr Speaker, for your protection. As I was saying, I thought that I went through this very clearly on two occasions yesterday. I am pleased to go through it all again. According to the psychologist concerned (Mr Burns) in a statement given to an investigator of the Department of Correctional Services, the practice occurred in 1981 during the period of the previous Liberal Government (as I stated) in a program that involved about four prisoners. I read out part of that statement that was given the day before yesterday by the psychologist concerned to the Department of Correctional Services. I have absolutely no reason to believe that this practice has occurred since 1981. In fact, in the ministerial statement I read to the House yesterday, I indicated Mr Burns' statement that the practice was not a widespread or ongoing one.

If any members wish to speak to any staff member of the Department of Correctional Services, they are perfectly free to do so. If members opposite wish to interview the psychologists, the probation or parole officers and ask them whether this practice occurs, they are free to do so. They are free to go into their local office of the Department of Correctional Services. I believe that the member for Hanson has already done this, but not in relation to this matter. Most members would have an office conveniently located in their electorate, and they can go in and ask.

An honourable member interjecting:

The Hon. FRANK BLEVINS: In relation to the Secretary of the Storemen and Packers Union, I am afraid—not afraid, but pleased—that I cannot be held responsible for any view or opinion expressed by him, although in general, knowing George Apap, I point out that he is a very caring and compassionate person. I am pleased to be associated with him in the trade union and political sense. I have always found him to be a very engaging, caring and, as I said, compassionate person. That is a long way from saying that I have any responsibility whatsoever for any of the views he may have formed and chooses to express.

STUDENT NURSES

Mr KLUNDER: Will the Minister of Employment and Further Education indicate whether nursing students enrolling in courses funded by the State are having to pay the $250 tertiary administration fee charged by the Commonwealth? Students are currently enrolling in tertiary courses, and I understand that a $250 fee is being charged across the board without any reference to the funding source of each course. I understand that this means that nurses enrolling in college based courses are having to pay the fee even though the State Government is paying for college based education of nurses. It has been put to me that this goes against the intention of the agreement between the Commonwealth and the State on the transfer of nursing education from public hospitals to colleges and, most importantly, it seems to be a form of unexpected revenue raising by the Commonwealth.

The Hon. LYNN ARNOLD: I can indicate in answer to the honourable member's question that it does appear at this stage that students enrolling for college based nurse

education courses are being charged the $250 fee. This is a matter of grave concern to me, and I am telexing the Federal Minister for Education about this very matter. It causes concern for two reasons, the first being because the State Government has opposed the administration fee that has been imposed by the Federal Government. We do not believe that that imposition is justified. In addition, it is particularly anomalous and inequitable when in fact it is being charged against a course, most of the funds for which are being provided by the State Government.

The agreement signed between the Commonwealth and the State Governments (and South Australia was one of the first States to sign this agreement for the transfer of nurse education from hospital based to college based) resulted in the State Government's agreeing to pay 75 per cent of the recurrent costs—about $5 200 this year of State Government money to $1 700 of Commonwealth money—and almost the entire part of the capital costs required to upgrade the tertiary education facilities to cope with the demand.

So, it is quite clear that State revenues are paying the vast bulk of money involved in nurse education in this State, and yet the Commonwealth Government has seen fit to impose the $250 fee on those students as well. Quite understandably the Commonwealth Government did not impose the $250 fee on TAFE students, because it recognised that TAFE courses are somewhat close to 90 per cent funded from State Government sources and it would be absolutely outrageous for that situation to obtain. It would be nothing other than a levy or impost upon an activity for fund-raising purposes, yet that is what is happening with the nurse education at colleges.

I believe that that amount should not be asked of students in any tertiary institution who are doing courses that are primarily funded from State Government sources, and I will be telexing the Federal Minister to that effect. Also, we are concerned that this matter was not a matter of discussion between the Commonwealth and the State officers with respect to their intention. The windfall effect referred to by the honourable member will be quite significant if it is not corrected. This year it will be about $70 000 and by 1994, when all nurses are college trained, the sum in 1987 dollars will be over $500 000. That position cannot be sustained: it is not logical, it is unfair, and we intend to protest to the Federal Government about that.

YABBIE FARM

The Hon. P.B. ARNOLD: Can the Minister of State Development and Technology reveal what is the estimated cost of restoring the site of the failed yabbie farm project at the Gerard Reserve, and will he say whether the project manager, Trojan Owen and Associates, is still involved with this or other CEP projects in South Australia? The Auditor-General's Report tabled last Thursday reveals a scandalous story of financial mismanagement and waste of taxpayers' money on this project.

The SPEAKER: Order! The member for Chaffey is one of the last members whom I would have expected to transgress, in view of his experience. He was clearly making an argument and debating the point. I caution him: one more word along those lines and I will have to withdraw leave.

The Hon. P.B. ARNOLD: How does one describe the Auditor-General's Report if it is not—

The SPEAKER: Order! I will take that as a point of order. The guidelines which have been distributed to members at one stage or another are based on Erskine May and outlaw questions containing epithets or rhetorical, controversial, ironic or offensive expressions. Referring to scandals and using strong language of that nature is clearly putting forward an argument.

Members interjecting:

The SPEAKER: Order! The honourable Minister was not assisting in that respect. The honourable member for Chaffey.

The Hon. P.B. ARNOLD: I will continue. As the Government's statement accompanying the report suggests, the taxpayers' liability on this project, on which $700 000 has already been spent, may not yet be over. It stated that the Government was examining issues relating to the restoration of the project site, suggesting that the final cost could well approach $1 million. The Auditor-General's Report also shows that $32 000 is still owing to the project managers, Trojan Owen and Associates. This will bring the total payments to that company for this failed project to more than $85 000.

I understand that Trojan Owen has been involved in other CEP projects in South Australia and in at least one other State where difficulties have been experienced. It was, for example, involved in a CEP project for which more than $500 000 was allocated to redevelop the Adelaide Central Mission house but had its services terminated. In view of the questions still left unanswered following the Government's statement last week, the House needs to be told how much more may still have to be spent on the yabbie farm project and, given its track record, whether Trojan Owen is still involved in this or other CEP projects.

The Hon. LYNN ARNOLD: I thank the honourable member for his question. I am advised that the cost of restoration of the site is of the order of $120 000, funds for which are obtainable within the allocated funds for that particular CEP project; either funds that have already been transferred to the project directly or funds that were waiting to be transferred to the project. So, the advice I have is that it is not a call upon CEP funds other than those already committed to the line.

I understand—and I believe that the honourable member would also understand the reason for this—that Trojan Owen will not be involved in the restoration of the site. It is true, as the honourable member has indicated, that Trojan Owen have been involved in a number of other projects. I am not at this moment able to identify how many projects around Australia they are currently involved in, but I can say that there have been some projects where progress has not been entirely satisfactory, and actions have been taken in that regard.

I must also, in fairness to Trojan Owen, say that a number of other projects under the CEP scheme in which they have been involved have proceeded without any hitches or any cause for concern to any of the parties involved. That, I think, must be laid on the record, albeit that, in the circumstances of the yabbie proposal, the same cannot be said. I will ask my office to investigate whether there are any other projects in which they are presently involved, and I will also keep the House informed should there be any change to the circumstances of this project, that is, if it is no longer possible to fund the restoration from within the existing funds committed to that project, which is, as I said before, the advice I have at this stage.

COMMONWEALTH GAMES IN ADELAIDE

Mr RANN: Can the Minister of Recreation and Sport advise the House of the progress that has been made by him in relation to the possibility of Adelaide hosting a future

Commonwealth Games? Late last year it was reported that the Minister had discussed with the Adelaide City Council the establishment of a Commonwealth Games bid committee to study the feasibility of Adelaide hosting a Commonwealth Games in the late 1990s—which, of course, would make South Australia a major tourist and investment focus. I understand that a few weeks ago the Minister visited Auckland, New Zealand, for talks with the organisers of the 1990 Commonwealth Games to be held in my home town.

The Hon. M.K. MAYES: When we have a question from the member for Briggs, we have to note the parochial nature of his enthusiasm for it. I think it is important that we look with enthusiasm at the continuation of the Commonwealth Games. There is quite a bit of speculation about whether or not the Commonwealth Games will continue, I would hope that we could see the games go on in future years. Having been in Auckland and met the Chairman of the organising committee, Mr Joe McMenamin (and I put on the public record that I thank him for his hospitality, the information he supplied to me, and the courtesy he showed), I can say that the enthusiasm with which Auckland is pursuing the Commonwealth Games has to be seen to be appreciated. The committee is putting together a very professional package for the 1990 Games in that city.

That will be the first time that we will see a fully commercial promotion of the Commonwealth Games. The estimate of the cost of running those games on a recurrent basis is between $30 million and $35 million in New Zealand 1986 dollars, so one can see that it is a rather large and expensive task to promote the Commonwealth Games. I record my wishes for their success in 1990. I think that we will see a bigger and better Commonwealth Games than we have seen in the past. I hope that South Australian and Australian athletes will enjoy there the successes that they have enjoyed at past Commonwealth Games.

Obviously, we need to look at commercial sponsorship arrangements in order to promote the Commonwealth Games in South Australia. That is exactly the way in which I am moving. I have not yet put the proposal before Cabinet, as I am still working it up in full detail and looking at arrangements for a bid committee and an organising committee. The New Zealanders have gone from the voluntary basis on which the Empire Games were run (and the way in which the Commonwealth Games were run until the games in Edinburgh) to a structure within which they have recently appointed a professional manager who will control the operation, organisation and funding of the games. The committee have successfully looked for interstate and overseas sponsorship and while I was there it announced $5.5 million in sponsorship.

I believe that South Australia can do as well as—if not better—than New Zealand. With our bid, we have to be realistic and look at 1998. People may say that we are looking down the track very early in order to plan but, given that we have to make a bid before the Seoul Olympics, given the information that we can put together with the very important support of the city council as expressed through the Lord Mayor, I am confident about the outcome of this proposal although it has yet to go before the Government. In relation to the honourable member's question, I look forward to supporting our bid for the Commonwealth Games and wish the New Zealanders every success with theirs.

STATE BANK BOARD

Mr BECKER: Can the Premier say when the Government will fill the two vacancies on the State Bank Board and whether it has considered the former Premier, Mr Dunstan, for one of those vacancies?

Members interjecting:

Mr BECKER: The Minister of Transport might be available. I understand that two seats on the State Bank Board have been vacant for some months following the death in August last year of Mr Don Simmons, a former Labor member of this House, and the appointment to the Arbitration Commission of Professor Hancock. As tradition means the replacement for the late Mr Simmons will be a former ALP member of State Parliament, there is speculation that the Government is considering Mr Dunstan for this position.

The Hon. J.C. BANNON: Appointments will be made shortly.

MURRAY RIVER SALINITY

Ms GAYLER: Will the Minister of Water Resources use the forum of the Murray/Darling Basin Ministerial Committee meeting on 27 March to protest at the Victorian Government's—

Members interjecting:

The SPEAKER: Order! The honourable member for Newland has the floor.

Ms GAYLER —suspension of the salt interception project, which would significantly reduce salinity entering the Murray River from Barr Creek, and seek to reverse that decision? Barr Creek is the largest source of Murray salinity resulting from human development activity. Measures to reduce pollution from that source would reduce by 80 per cent the Barr Creek contribution to average salinity levels at Morgan. That potential reduction would improve Adelaide's water quality through what was to be a jointly funded effort by the States and the Commonwealth.

The Hon. D.J. HOPGOOD: I will certainly see that the matter is raised. The honourable member may be aware that I have already expressed my disappointment that the Victorian Government did not proceed with the scheme. Briefly, the background is that the mineral lakes scheme (as it is sometimes called) was planned by the Victorian Government as a salinity mitigation measure along the same sort of lines as our Noora scheme in South Australia. Certain local landholders were concerned about the impact of the advent of saline water into those lakes and took the Victorian Government to court. As I recall, the matter eventually went to the High Court and the Victorian Government won hands down and then walked away from the scheme. That has surprised and disappointed us in South Australia.

It is true that the contribution of such a scheme to the level of salinity at Morgan in South Australia, which is the point from which we tend to take our measurements, would be reasonably marginal. However, we had seen it as one of a series of important salinity mitigation programs which would lead to the commonly adopted target of the river States and the River Murray Commission of a salinity level of no greater than 800 ec past Morgan for 95 per cent of the time.

The Victorians have particular problems: they do not have the sort of land available that we have in South Australia at places like Noora for the disposal of saline water from their irrigation areas away from the river. Indeed, schemes have even been urged on the Victorian Government for a pipeline to Bass Strait for the removal of the saline water. Of course, that would be a very costly project indeed.

This is not seen merely as an environmental program. The measures are justified because they are cost-effective, and because the salinity reduction will show up in increased production which, in turn, will more than pay for the capital cost of the project. There is some disagreement between ourselves and the Victorian Government as to the cost-effectiveness of the mineral lakes scheme. We would be prepared to tolerate some increased salt additions to the water in certain circumstances provided that overall salinity mitigation had considerably reduced saline levels. It is the ultimate result which counts rather than how you achieve it. So we are a little bemused by the Victorian Government's decision to walk away from this project. We will return to the matter at the conference mentioned by the honourable member, and we will be pressing several other important projects along with it.

O-BAHN

Mr OSWALD: In view of his confirmation this week that the Government is investigating an extension of the O-Bahn to the southern suburbs, does the Minister of Transport agree that the members for Mawson and Fisher are naive and simplistic? The investigations referred to by the Minister yesterday were first suggested by the Leader of the Opposition almost three years ago. However, in response to the Leader's original suggestion, the members for Mawson and Fisher were mentioned in an article in the *Messenger Guardian* of 4 July 1984, which stated:

The Labor Party has blasted the O-Bahn investigation by the Liberals. Mawson MP Susan Lenehan and Fisher ALP Candidate Phil Tyler claim Opposition Leader John Olsen is utterly out of touch with the transport needs of residents living in Adelaide's southern suburbs.

Mr Olsen interjecting:

The SPEAKER: Order! The Leader of the Opposition's interjection is not only out of order because it was an interjection but also because he used unparliamentary language—

Members interjecting:

The SPEAKER: Order!—and I call on the Leader of the Opposition to withdraw.

Mr OLSEN: Mr Speaker, I will withdraw the word 'lie' and substitute 'deliberate untruth'.

The SPEAKER: Order! No, the Leader will simply withdraw the word 'lie'.

Mr OLSEN: Mr Speaker, I will withdraw the word 'lie'—

The SPEAKER: And leave it at that.

Mr OLSEN: —and replace it with 'deliberate untruth'.

The SPEAKER: Order! It is not in order for the Leader of the Opposition to do that. The Leader will simply withdraw the word 'lie', and the House can then allow the member for Morphett to continue his question.

Mr OLSEN: I withdraw, Sir.

Mr OSWALD: The article in the *Guardian* continues:

They have branded Mr Olsen's plan for an O-Bahn transport system linking suburbs in their electorates with the city as naive and simplistic. This so-called plan would completely duplicate existing services, Ms Lenehan said.

The House will recall that the Labor Party originally opposed the establishment of the O-Bahn system to the northern suburbs. It has been put to me by local residents that this appears to be yet another example, confirmed by the Minister in his reply, of his Government being completely behind the times so far as the transport needs of the southern suburbs are concerned.

The Hon. G.F. KENEALLY: Yes.

CROSSBOWS

Mr TYLER: Will the Minister of Emergency Services assure the House that it is the Government's intention to restrict the sale of crossbows in South Australia? Many constituents have expressed to me alarm that crossbows are available in South Australia without a licence and can be obtained simply by turning up at a shop that sells them and handing over the cash.

One constituent told me that during their Christmas holidays while walking down the main street of Victor Harbor they passed the front window of a sports shop which featured large signs stating that crossbows were not subject to Government controls, nor was a licence needed to purchase them. My constituents who have raised this with me are most concerned about the escalation of the abuse of crossbows in South Australia, in recent months, particularly their potential misuse by minors.

The Hon. D.J. HOPGOOD: I share the honourable member's concern about this matter. I am aware of the tragic circumstances of the incident in his electorate, and the shop to which he referred in the main street of Victor Harbor (Ocean Street) is very well known to me. I have had some conferences with the Attorney-General, who has the matter under review. The Government intends to incorporate the crossbow—

Members interjecting:

The Hon. D.J. HOPGOOD: It appears that members opposite are not particularly interested in crossbows and the potential loss of life that can occur from this lethal weapon. The Attorney-General intends to have the crossbow listed under the general firearms legislation.

Members interjecting:

The SPEAKER: Order! There is certainly too much cross-talk.

PORT GILES JETTY

Mr MEIER: I would say that the Opposition is interested in crossbows, but we were also interested in the Minister of Transport being told off by the member for Mawson.

The SPEAKER: Order!

Mr MEIER: My question is to the Minister of Marine. When will work commence on repairs to the Port Giles jetty, and is it anticipated that the repairs will be brought forward from the initial proposed repair timetable? On 8 January this year the Japanese ship *Nor Trans Enterprise* hit the Port Giles jetty and severed the last 60 metres of it. At an inspection of the jetty on 14 January the Minister indicated to me that repairs would not be carried out until mid year, after the grain had been removed from the silos.

Concern has been expressed to me because the jetty is closed to the public until the repairs are completed. Locals and tourists who use the jetty are becoming agitated at the delay in repairing it. Information given to me indicates that the remaining barley in the silos could be shipped out by the end of March, and the 12 500 tonnes of wheat remaining may not be shipped out for some time because it is needed to test the new silos when they are completed. As a result, the silos effectively will be empty three months earlier than originally anticipated.

The Hon. R.K. ABBOTT: No formal inquiry has yet commenced into the mishap that occurred at the Port Giles jetty. It is operational. Several vessels have called in there to top up their grain loads, and I feel that it is inappropriate at this stage to make any comment as to when work on upgrading the jetty will commence. It is usable. We are

thankful that the equipment was not affected and that vessels are still able, as the member is aware, to berth and take on board grain. I have no idea at this time when the work may commence. We are anxious to have that started as soon as it is practical to do so but, until the inquiry has been conducted and completed, I am unable to give a date.

EDUCATION POLICIES

Mr DUIGAN: Has the Minister of Education seen the newspaper article in the *Australian* of the weekend of 7 and 8 February in which the policies of the Liberal Party and the National Party were set out, particularly in respect of education, and can he explain to the House the consequences of these neoconservative policies being adopted and the effect that that would have on, in particular, the return to the States of the control of all education funding and administration.

The Hon. G.J. CRAFTER: I read with some interest a comparison of policies between those announced by the official Leader of the Liberal Party in Australia, Mr Howard, and Sir Joh Bjelke-Petersen in whatever capacity he is enunciating policy, in particular with respect to education, because the policies are identical. It is of great alarm that the announced policies have not been explained in any further detail by those two elected representatives.

Some information has now been made available to the press and the public through a research team at Monash University which has given some more specific dimension to the effect of these policies. All South Australians should be concerned about the likely effect of these policies. It simply will mean that overall education cuts of more than $64 million to South Australian schools will be wrought on this State if ever those policies were implemented, and all the effects of that are obviously evident.

Primary school building programs, for example, which enable about three new primary schools to be built each year, would cease, and this would affect children particularly in growing outer metropolitan areas. More than 1 000 Education Department jobs, mostly of teachers, would be threatened. Special Commonwealth programs that are targeting students in need including migrant children, the poor, disadvantaged children, girls, children with disabilities and children in country areas would simply be axed.

We have heard just this week the Opposition spokesman on education calling for the Commonwealth Government to make up the proposed shortfall in funding to educational programs in institutions for children with disabilities. Yet, at the same time, that honourable member, and indeed his Party are obviously planning right at this very moment not just to turn back the flow of funds in those programs over a period of years but indeed to cease funding them totally as well as numerous other programs of a like nature.

Last year the Opposition in this State was very vocal about the partial withdrawal of funding by the Commonwealth in the 'English as a second language' program, yet that program would be eliminated altogether if this policy was implemented, and so on. So, there would be very gloomy news indeed for State schools in South Australia and for the whole of Australia if the policies of both Mr Howard and Sir Joh Bjelke-Petersen were ever to come about, yet we have this duplicity and hypocrisy by members opposite and the Liberal Party in this State who want to have it both ways. They want to call for more Commonwealth expenditure and more State expenditure in education and in other given service areas, while at the same time they are helping to formulate policies which will see the total elimination of Commonwealth funding in these very important areas for all South Australians.

PERSONAL EXPLANATION: APOLOGY TO MEMBER

Mr BECKER (Hanson): I seek leave to make a personal explanation.

Leave granted.

Mr BECKER: During my reply to speakers on my private member's motion calling for a select committee to be appointed into the likely social and economic impact of electronic gaming devices (including Club Keno and poker machines), I made a reference to the member for Alexandra and SP bookmakers. I wish to withdraw any imputation that the member for Alexandra is, was or may be involved with any SP bookmaker or SP bookmaking.

My rebuttal to some points made by the member for Alexandra was made in light-hearted banter, in the way that I accepted his comments. This was wrong, and I regret such action and apologise to the member for Alexandra and the House.

PERSONAL EXPLANATION: MINISTER'S REMARKS

The Hon. G.F. KENEALLY (Minister of Transport): I seek leave to make a personal explanation.

Leave granted.

The Hon. G.F. KENEALLY: Either because of my increasing age or failing hearing, I misunderstood the question that was asked of me by the member for Morphett.

The Hon. B.C. EASTICK: I rise on a point of order, Mr Speaker. Under Standing Order 173, I ask whether you will preclude the honourable Minister from proceeding because, as the Standing Order indicates, the House will interfere to prevent the prosecution of any quarrel between members.

Members interjecting:

The SPEAKER: Order! The Chair does not accept the point of order raised by the member for Light, because the Chair is of the belief that, by extending this opportunity for a personal explanation to the Minister of Transport, we are in fact intervening to prevent the prosecution of a quarrel between members.

The Hon. G.F. KENEALLY: I understood the member for Morphett to have quoted to the House a statement made by the member for Fisher of 1984. Of course the member for Fisher of 1984 is now the member for Davenport, and I quite genuinely considered him to be naive and simplistic. It has been pointed out to me that the honourable member was referring to two of my colleagues, so I would beg the tolerance of the House to change my answer from 'yes' to 'no'; they are neither simplistic nor naive.

MEAT HYGIENE ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

MEAT INSPECTION (COMMONWEALTH POWERS) BILL

Returned from the Legislative Council without amendment.

SUPPLY BILL (No. 1)

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to apply, out of Consolidated Account, the sum of $645 million for the Public Service of the State for the financial year ending on 30 June 1988. Read a first time.

The Hon. J.C. BANNON: I move:

That this Bill be now read a second time.

Its purpose is to grant supply for the early months of next financial year. As was the case last year, all the indications are that appropriation authority already granted by Parliament in respect of 1986-87 will be adequate to meet the financial requirements of the Government through to the end of the financial year. The Government will, of course, continue to monitor the situation very closely, but it is most unlikely that Supplementary Estimates will prove to be necessary. While it would not be prudent to make precise forecasts at this stage, I can advise the House of some of the factors which will influence actual outcomes this financial year as compared with the budget estimates.

Recurrent Budget

The Government provided for a deficit of $7.3 million on recurrent transactions in 1986-87. Although there will naturally be variations on both sides of the budget, there is no reason at present to suppose that the final outcome will be much different from the original estimate.

On the receipts side there are indications that receipts from payroll tax and stamp duties may come in slightly under budget. The delay in the national wage case decision is affecting payroll tax revenues, while the variation in stamp duty expectations is the product of a number of factors. In both cases, the extent of the shortfall is expected at this stage to be minor.

The contribution from the casino was estimated on the basis of only a short period of operation and seems to have been a little optimistic. Once again, the shortfall will be minor. On the other hand, the budget estimate for revenues from royalties may have taken a view of gas and liquids prices which was too pessimistic. Our present expectations are that the figure included in the budget will be slightly exceeded.

The most significant variation is likely to occur in the financial assistance grant from the Commonwealth, where as a result of the revision upwards of the likely CPI outcome we expect to receive an extra $8 million. Following discussions with the State Bank on the timing of its tax and dividend payments, it seems likely that the amount received by the Government from this source will be greater than anticipated. Overall, the expectation is that receipts may be slightly above estimate.

On the expenditure side, the Government is maintaining its policy of tight control. As I stressed in my speech last year, the budget for 1986-87 is one of restraint, and agencies were given the task of achieving economies in order to live within their allocations. In some high priority areas, such as health, there are signs that not all those economies will be achievable, and actual expenditure may slightly exceed budget. Similarly, developments such as the need to keep the Adelaide Gaol fully operational to cope with higher prisoner numbers were not foreseen at the time the budget was introduced.

Housing is one of the Government's top priorities. Because of Commonwealth budgetary restrictions in this area, the Government has under consideration the provision of extra funds to the Housing Trust. It is our present expectation that payments will be marginally above estimate. At this stage, the likelihood is that the extent of that over-expenditure will roughly match our extra receipts.

Capital Budget

Members are aware of the particular difficulties involved in making precise predictions about capital spending, as the amounts expended in a particular period can depend on variable factors such as the timing of payments to contractors, progress with construction projects which can be affected by the weather, planning processes, and so on.

However, present indications are that outlays from the capital side of the budget will be somewhat above the budgeted level of $566 million. This stems mainly from the following items:

- Anticipated additional expenditure of about $7 million on the replacement of light motor vehicles as a consequence of the introduction by the Supply and Tender Board of a policy requiring earlier replacement of these vehicles (this policy was strongly supported by the Public Accounts Committee);
- The provision of an additional $6 million to the Woods and Forests Department to overcome problems caused by the sharp decline in demand for timber product; and
- Extra expenditure of $5 million by the Health Commission, principally for the purchase of the Payneham Rehabilitation Centre.

These increases are expected to be partly offset by a reduction of $9 million in the draw from Consolidated Account by the Highways Department as a result of increased receipts from the new five year drivers licences. This net additional expenditure of $9 million is expected to be matched by additional receipts of a similar amount. About $4 million will flow from additional sales of light motor vehicles and the balance from minor improvements in other areas such as property sales. The forecast result of a balance on capital account is expected to be achieved.

Overall Budget Result

At this stage of the year, the Government has no reason to suppose that the overall outcome on Consolidated Account will depart from estimate. While it is far too early to make predictions about next financial year, there has been nothing to indicate that the Government will be able to relax its policy of maintaining firm control over expenditures.

Supply Provisions

Turning now to the legislation before us, this Bill provides for the appropriation of $645 million to enable the Public Service of the State to be carried on during the early part of 1987-88. In the absence of special arrangements in the form of the Supply Acts, there would be no parliamentary authority for appropriations required between the commencement of the new financial year and the date on which assent is given to the main Appropriation Bill. It is customary for the Government to present two Supply Bills each year, the first covering estimated expenditure during July and August and the second covering the remainder of the period prior to the Appropriation Bill becoming law. That practice will be followed again this year. However, the Government is taking steps to update its financial administration practices without altering the basic principles of parliamentary control over the public purse. In that context, we are reviewing the need for two Supply Bills each year.

Members will note that the authority sought this year of $645 million is well in excess of the $475 million sought for the first two months of 1986-87. The necessity for this increase springs directly from the Government's efforts to

improve parliamentary scrutiny of public sector finances. Under the proposed new public finance and audit legislation, Commonwealth grants previously passed on to recipients via a trust account will now be taken through Consolidated Account and subjected to parliamentary scrutiny. In order to provide authority for the payment of these amounts in the first two months of the new financial year, it is necessary to increase the amount of this Bill. It is anticipated that about $120 million will be required to cover these Commonwealth payments, leaving $525 million to meet the costs of Government operations traditionally handled through the Consolidated Account.

Clause 1 is formal. Clause 2 provides a newer and simpler definition of the financial agreement. Clause 3 provides for the issue and application of up to $645 million. Clause 4 imposes limitations on the issue and application of this amount. Clause 5 provides the Treasurer with the normal power to borrow during the supply period.

Mr OLSEN secured the adjournment of the debate.

PUBLIC FINANCE AND AUDIT BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to regulate the receipt and expenditure of public money; to provide for auditing the receipt and expenditure of public money and for examination of the degree of efficiency and economy with which public resources are used; and for other purposes. Read a first time.

The Hon. J.C. BANNON: 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 Bill brings together, in a modern form, the principles contained at present in the Public Finance Act, originally enacted in 1936 and the Audit Act, passed in 1921. Those Acts were developed (and this Bill has been drafted) in the context of certain basic principles about parliamentary control over the public purse. I will return to those principles later.

The close relationship between financial administration and the auditing function is recognised by incorporating the legislative framework for both of them in the same Bill. The clear distinction between the two functions is preserved by including them in separate parts of the Bill. The wording and the detailed coverage have been changed to bring them into line with current practice but the underlying principles remain the same as those in the earlier legislation.

In introducing the Public Finance Bill of 1936, the Premier and Treasurer of the day (Hon. R.L. Butler) observed that the Bill was intended to embody the main provisions of a number of existing Acts relating to the public finances and to add to the law certain provisions dealing with Treasury methods so as to remove any doubts which might arise as to whether the correct constitutional procedure was being followed. It appears that the Act of 1936 was the first attempt in South Australia to provide a comprehensive coverage of the subject matter in a single piece of legislation.

The Audit Act has a longer history. The Act now to be repealed was passed originally in 1921 and was based upon a previous Act passed in 1882. It provided (and I quote from the second reading explanation of the then Chief Secretary—the Hon. J.G. Bice):

> 'for the appointment of an auditor, free from all governmental control, and responsible only to Parliament, whose function it is to check and examine the appropriation and expenditure of all public moneys, and to report at least once annually to Parliament on the manner in which the finances of the State have been dealt with, calling attention specifically to all irregularities in the management of the public revenue.'

The Bill was described as 'largely, a machinery measure' and it is true that the Audit Act now to be replaced and the Regulations which were made pursuant to it, are very prescriptive as to the procedures and processes by which public moneys are to be controlled. That is not the style of the Bill now before the House.

In accordance with the recommendations of the Review of Government Financial Management Arrangements (the Barnes Committee) the Bill contains the more important principles associated with the administration of the public finances and public sector auditing. Matters of lesser principle are to be promulgated by way of Regulations. These will be fewer in number than the current Audit Regulations because matters of procedural detail are to be covered at a new level of prescription, to be known as Treasurer's Instructions.

The other structural change made to the legislation is to incorporate in the public finance part of the Bill all of the legislative machinery which establishes the manner in which the administration of the public finances is conducted. This also was recommended by the Review of Government Financial Management Arrangements and has been adopted by the Government as the logical arrangement of the provisions. Presumably, the reason for including many provisions of this kind in the previous Audit Act was simply that it predated the Public Finance Act by many years.

One other change should be mentioned. Section 35 of the Public Finance Act now to be repealed provides that the Treasurer may deal with moneys provided by the Commonwealth through a special account. This provision does not appear in the Bill. It is intended, as recommended by the Review of Government Financial Management Arrangements, to channel all Commonwealth funds in future through Consolidated Account so that they are subject to scrutiny by the South Australian Parliament.

Appropriations

The basic principle underlying all appropriation law is that public money is Parliament's money. Not one cent may be spent without the authority of an Act of Parliament. The various forms in which this authority is given are as follows:

- the appropriation authority sought in the annual Supply Bills;
- the appropriation authority sought annually in Appropriation Bills;
- the appropriation authority sought in this Bill (which reflects the current provisions of the Public Finance Act);

and

- the appropriation authorities contained in certain Special Acts.

An appropriation is an allocation of funds by Parliament for a particular purpose. It is essential to the principle of parliamentary control that, if moneys are not used within a reasonable period of time for the purpose for which they were appropriated they must be returned to the Parliament. This principle is given effect by means of the annual Appropriation Acts. The authority conferred by the annual Appropriation Acts is expressed to be in respect of the financial

year to which the Act relates. Therefore, it lapses at the end of that financial year.

This gives rise to the need for Supply Acts—the Acts which convey parliamentary authority for ongoing expenditure between the end of a financial year and the day on which an Appropriation Act for the new financial year comes into effect. The annual Appropriation Acts are the Acts which give legislative expression to the Government's budgetary proposals for the year and, as members are aware, an Appropriation Act is not passed until parliamentary scrutiny of the budget is complete. This is usually several months into the financial year to which the Act relates.

This Bill contains several other forms of appropriation authority. They include:

- Clause 8 (4)—expenditure from Special Deposit Accounts. Special Deposit Accounts are a longstanding part of the State's accounting structure and are used to control stores, motor vehicle operations and the like and to record some departmental operations of a commercial nature. The authority for their operation was contained in section 36 of the repealed Act. Clause 22 *(a)* (v) of the Bill provides for more information to be published about these accounts than has been the case in the past.
- Clause 12 incorporates in this Bill the provisions of section 32a of the repealed Act to authorise, within the limits expressed in the clause, expenditure in excess of the amounts specified in the annual Appropriation Acts.
- Clause 13 is also modelled on the current legislation. It authorises the transfer of appropriation from one department or purpose to another. This provision facilitates the transfer of funds when a transfer of functions occurs. Similarly, clause 14 provides for the Governor to reduce the moneys appropriated for a department or purpose.
- Clause 15 is a provision which it has been the practice for many years to include in the annual Appropriation Bills. It authorises the expenditure of amounts necessary to comply with the determinations of certain wage-fixing authorities. Because of its ongoing nature, it would more appropriately be included in this Bill.

Some Acts contain their own permanent authority for particular payments—for example, the salaries of Judges and other statutory appointees such as the Commissioner of Police.

Investments

Clause 11 of the Bill provides for an up-to-date approach to investment. It is important that adequate flexibility be provided in order that the maximum possible returns which are consistent with the Government's risk preferences can be earned on cash balances not immediately required for the Government's purposes. It is current Government policy to make all short-term investments with the South Australian Government Financing Authority (SAFA) which, in turn, invests in the market. However, the Government does not believe it should be restricted to this single avenue of investment and clause 11 provides for a wide-ranging investment power.

Borrowing

Clause 16 seeks to bring in to the Public Finance and Audit legislation, the authority to borrow which is presently derived from the annual Appropriation Acts. As the central component of the financial administration framework, the Public Finance and Audit Act is considered to be a more appropriate place for this provision than the annual Appropriation Acts.

It is considered to be unnecessary to retain the rather complex provisions of Part II of the repealed Public Finance Act. They have not been used, for the most part, for many years. Any public securities issued in the future are likely to be issued by SAFA. However, an appropriation authority to replace clause 5 of the repealed Act is required in order to authorise repayment of any indebtedness the Treasurer incurs on behalf of the State.

Accountability

'In the first paragraph of its Report on Financial Administration legislation, the Barnes Committee observed:

> In current day practice . . . control is not exercised by the Parliament refusing authority to spend. Control rests on the use of the formal authorising processes to elicit information . . .'

Greater emphasis has been given in the legislation under consideration to the matter of the reports the Government is required to provide for the information of the Parliament and the public. The main provisions with regard to the Treasurer's accountability are contained in clause 22 of the Bill.

In respect of Consolidated Account, it is intended to provide much the same information as is given currently, with some additions to provide for the more comprehensive reports required by this Bill. Some presentational changes will probably also be incorporated.

The information will include:

(a) a comparative statement of the estimated and actual receipts and payments on Consolidated Account (both recurrent and capital) for the preceding financial year classified under the headings and subheadings and in the form used in the Estimates presently laid before Parliament, including amounts paid by authority of Special Acts;

(b) a statement of the sources and applications of funds for the financial year;

(c) all expenditure made pursuant to appropriations from the Governor's Appropriation Fund;

(d) details of transfers made pursuant to proposed clause 13 and reductions made pursuant to proposed clause 14;

(e) details with regard to special deposit accounts;

(f) a statement of the balances at the end of the financial year of all the deposits lodged with the Treasurer;

(g) a statement of imprest advances outstanding at the end of the financial year;

(h) information about transactions with SAFA and SAFA's financial statements;

(i) a list of organisations (other than SAFA) with which the Treasurer invested funds during the preceding year;

together with such written explanation of these matters as may be necessary.

Subparagraph (ix) recognises the central role which SAFA now plays in the financial management of the State and the importance of understanding SAFA's financial relationship with the Treasurer if a complete picture of the central Government Treasury operation is to be obtained.

Clause 23 picks up and reinforces section 40a of the repealed Audit Act and the relevant provisions of the Acts of statutory authorities which the Auditor-General is required to audit. It requires public authorities to present financial statements each year which have been compiled in accord-

ance with guidelines to be laid down in Treasurer's Instructions.

The Auditor-General

The independence of the Auditor-General as a statutory officer, subject only to the direction of the Parliament, is a fundamental principle of the Westminster system of Government. The proposed legislation acknowledges and preserves that fundamental principle.

Clause 24 deals with the appointment of the Auditor-General as an officer of the Parliament and subclause (6) gives emphasis to the independence of the office. Clause 26 sets out the specific conditions under which the Auditor-General can be removed from office.

The Bill provides formally for the first time for the establishment of an administrative unit to assist the Auditor-General in the discharge of his statutory responsibilities. Clause 25 gives the Auditor-General the powers and responsibilities of a Chief Executive Officer under the Government Management and Employment Act 1985 in the administration of that unit. Subclause (3) also gives the Auditor-General the flexibility to draw on resources outside the administrative unit where he is satisfied that:

(a) some particular expertise not available within the administrative unit is needed for the conduct of a particular audit;

(b) to do so is more efficient than to increase the resources of the administrative unit on a permanent basis.

Under existing arrangements the formal approval of the Governor needs to be obtained on each occasion that the Deputy Auditor-General is required to act as Auditor-General during the absence from duty of the Auditor-General. Clause 28 now dispenses with this requirement.

The proposed legislation also puts beyond doubt the Auditor-General's power to extend the traditional financial and compliance audit to incorporate the examination of public resources in terms of their efficient and economic use, an accepted practice both interstate and overseas. While the Auditor-General has not felt constrained by existing legislation in undertaking this expanded audit role, doubt as to his powers in this area has been expressed from time to time. The Government has decided that any doubt about the matter should be resolved.

Clause 33 requires a public authority to report to the Auditor-General whenever it carries out all or any part of its functions in partnership or jointly with another person, or through the instrumentality of an agent, or by means of a trust. Accountability to the Parliament is achieved by enabling the Auditor-General to audit the accounts of such ventures.

Clause 36 requires the Auditor-General to report on the financial statements of each public authority and the financial position of prescribed public authorities and to include copies of those financial statements in his report to Parliament. Therefore, it is no longer necessary to have provisions relating to such reports in the separate Acts which govern the operations of these authorities. The Statutes Amendment (Finance and Audit) Bill will be introduced to remove the redundant provisions.

The remaining clauses in Part III of the Bill are self-explanatory. All, except clause 35, deal with the Auditor-General's power to obtain information, his requirement to report to the Parliament and his scope to charge an audit fee.

Finally, the Auditor-General is anxious that he not be seen to have an advantage over other agencies with respect to matters of accountability, efficiency and economy. Clause 35 puts an end to the Auditor-General auditing the accounts of his administrative unit and provides for an auditor registered under the Companies (South Australia) Code to do so. I would like the Parliament to be assured that the independence of the Auditor-General and the sensitivity of information involved in carrying out the proper function of his office will be protected fully and will not be affected by this change.

Clauses 1 and 2 are formal.

Clause 3 repeals the Public Finance Act 1936 and the Audit Act 1921.

Clause 4 defines terms used in the Bill.

Clauses 5 and 6 reflect the basic rule of common law that revenue of the Crown cannot be expended without the authority of Parliament. Clause 5 sets out the categories of money that must be paid into Consolidated Account. Paragraph *(e)* is a catch all that includes the Crown's recurrent revenue.

Clause 7: statutory authorities with close connections to the Crown are (in most cases) regarded by the law as the Crown in one of its various aspects. Statutory authorities have traditionally not paid their revenues into Consolidated Account and the provision will release them from that requirement.

Clause 8 provides for special deposit accounts. The provision is similar to section 36 of the Public Finance Act 1936. Section 36 allows special deposit accounts to be opened in respect of instrumentalities of the Crown as well as Government departments. In fact no special deposit accounts have been opened for the benefit of instrumentalities of the Crown. In the future special deposit accounts will only be opened in relation to Government departments. Subclause (5) requires that any surplus in a special deposit account at the end of a financial year be transferred to Consolidated Account.

Clause 9 provides for the establishment of imprest accounts. The purpose of an imprest account is to provide departments with money at short notice. Subclause (4) prevents such accounts being used as a method of by-passing parliamentary appropriation on a continuing basis.

Clause 10 solves a problem that occurs at the end of each financial year. Annual Appropriation Acts authorise the expenditure of money until the end of a particular financial year. It is common for cheques to be drawn before the end of the year under the authority of an Appropriation Act but not be presented or honoured before that time. This provision allows those cheques to be honoured after the end of the financial year.

Clause 11 provides for the investment of money by the Treasurer.

Clauses 12, 13 and 14 are almost identical to and fulfil the same function as section 32a of the Public Finance Act 1936.

Clause 15 is a provision that has appeared annually in Appropriation Acts for many years.

Clause 16 gives the Treasurer power to borrow on behalf of the State.

Clauses 17 to 20 inclusive repeat sections 32k to 32n of the Public Finance Act 1936. The term 'prescribed authority' in the existing provisions will become 'semi-government authority' and will comprise bodies of the kinds referred to in clause 17. The substance of section 321 (4) is not repeated in the new provisions. It is considered that such a provision affords a method by which an authority can avoid the requirements of the section.

Clause 21 provides for deposit accounts.

Clauses 22 and 23 provide for detailed statements to be supplied by the Treasurer and public authorities to the Auditor-General.

Clauses 24 and 25 establish the office of Auditor-General and provide for the assistance necessary to enable the Auditor-General to carry out his function.

Clause 26 sets out the grounds on which the Auditor-General can be suspended and the procedures to be followed on suspension.

Clause 27 sets out the circumstances in which the office becomes vacant. Under paragraph *(h)* Parliament can remove the Auditor-General. This applies whether the Governor has suspended him or not.

Clause 28 provides for the appointment of a Deputy Auditor-General.

Clause 29 requires the Auditor-General and the Deputy Auditor-General to make a declaration before Executive Council.

Clause 30 is a provision stated in general terms obliging persons to assist the Auditor-General or an authorised officer in carrying out their functions. More detailed powers are set out in clause 34.

Clause 31 requires the Auditor-General to audit the public accounts and the accounts of public authorities. When auditing the accounts of a public authority the Auditor-General is entitled to examine the efficiency and economy with which the authority uses its resources.

Clause 32 makes the accounts of publicly funded bodies subject to examination by the Auditor-General. A publicly funded body is defined in clause 4 to be a local council or a body using public money to carry out functions of public benefit.

Clause 33 empowers the Auditor-General to audit the accounts of a person who undertakes functions jointly with, or on behalf of, a public authority.

Clause 34 sets out detailed powers required by the Auditor-General to carry out his functions under the Bill.

Clause 35 provides for the independent auditing of the accounts of the Auditor-General's Department.

Clause 36 sets out the requirements for the Auditor-General's annual report to Parliament.

Clause 37 requires the Auditor-General to prepare a report where he is dissatisfied with the lack of efficiency or economy with which a public authority operates.

Clause 38 requires that the Auditor-General's reports be laid before both Houses of Parliament.

Clause 39 provides for the payment of audit fees.

Clause 40 requires the Treasurer to publish quarterly statements setting out the information referred to in the clause.

Clause 41 enables the Treasurer to issue instructions as to the form and content of accounts, records and statements and the procedures to be followed in the financial administration of public authorities.

Clause 42 constitutes the offences under the Bill as summary offences.

Clause 43 provides for the making of regulations.

The schedule deals with transitional matters.

Mr OLSEN secured the adjournment of the debate.

STATUTES AMENDMENT (FINANCE AND AUDIT) BILL

The Hon. J.C. BANNON (Premier and Treasurer) obtained leave and introduced a Bill for an Act to amend the Adelaide Festival Centre Trust Act 1971, the Constitution Act 1934, the Electricity Trust of South Australia Act 1946, the Hairdressers Registration Act 1939, the Opticians Act 1920, the Pipelines Authority Act 1967, the State Government Insurance Commission Act 1970, the State Theatre Company of South Australia Act 1972, the State Opera of South Australia Act 1976, and the West Beach Recreation Reserve Act 1954. Read a first time.

The Hon. J.C. BANNON: I move:

That this Bill be now read a second time.

It provides for certain amendments consequent on the Public Finance and Audit Bill 1986. First, the Constitution Act 1934 is amended by removing the necessity for warrants for payment of public money. Since under the Public Finance and Audit Bill 1986 money that has already been appropriated may be spent for purposes for which it was appropriated the need for warrant from the Governor for the expenditure of that money becomes obsolete.

Secondly, a number of provisions in various Acts relating to the audit of bodies established under those Acts by the Auditor-General have been amended. Provisions in these Acts relating to the transmission of an audit report to the relevant Minister and the tabling of the report by the Minister to Parliament are deleted. The Auditor-General (under the Public Finance and Audit Bill 1986) is required to include financial statements of these public authorities in the Auditor-General's annual report (see clause 36).

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 and clauses 4 to 11 amend various Acts to remove requirements for an audit carried out by the Auditor-General on bodies established under these Acts to be given to the relevant Minister and for those reports to be tabled in Parliament by the Minister. The Acts so amended are the Adelaide Festival Centre Trust Act 1971, the Electricity Trust of South Australia Act 1946, the Hairdressers Registration Act 1939, the Opticians Act 1920, the Pipelines Authority Act 1967, the State Government Insurance Commission Act 1970, the State Theatre Company of South Australia Act 1972, the State Opera of South Australia Act 1976 and the West Beach Recreation Reserve Act 1954, respectively. Clause 3 removes the requirement for warrants for payment of public money to be issued by the Governor.

Mr OLSEN secured the adjournment of the debate.

WATERWORKS ACT AMENDMENT BILL

The Hon. D.J. HOPGOOD (Minister of Water Resources) obtained leave and introduced a Bill for an Act to amend the Waterworks Act 1932. Read a first time.

The Hon. D.J. HOPGOOD: 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

It is designed to enable the introduction of an integrated and consistent set of policies to replace current service provision policies for extension of water supply facilities and associated services. The new policies are formulated

with particular emphasis on equity, compact and orderly development and cost recovery.

In summary, the policies provide for the introduction of new or revised standard charges where appropriate, for:

- short extensions of mains to service existing allotments;
- extensions of mains to service new allotments created by land division;
- water services to link individual ratepayers to mains;
- other servicing arrangements such as indirect services;
- private water supply schemes.

The proposals relate only to localised reticulation mains and other directly related local works.

HISTORICAL BACKGROUND

In the past the Engineering and Water Supply Department has funded most water supply and sewerage works from loan funds. Rate revenue was the only significant source of cost recovery apart from fees which met some of the cost of constructing water services and sewer connections.

Major schemes proceeded on the basis that those ratepayers who received the service paid only normal rates whilst short extensions were subject to a satisfactory rate of return. A short extension did not proceed unless the revenue from the work covered additional debt charges or unless the applicant guaranteed to meet any shortfall in the rate of return during the following five years.

The Planning and Development Act of 1967 introduced major changes to service provision policy by requiring developers to provide water and sewerage facilities for the new allotments they created. The costs were passed on to purchasers of allotments who were also required to pay normal rates. Owners of existing unserviced allotments continued to receive services free of charge when mains were eventually extended to serve them whether by short extensions or by major schemes.

The current policies have evolved in a piecemeal way over many years and reflect the changing objectives of different Governments and widely varying sets of circumstances. Consequently they are not based on a set of consistent principles and practical application inevitably involves subjective judgment. The most significant policy deficiencies relate to the issues of equity between ratepayers, orderly development and cost recovery.

The most serious problems arise because of inconsistency between policies for new land division and policies for provision of services to existing unserviced allotments. Developers, and hence purchasers of new serviced allotments, bear the full cost of reticulated services in addition to incurring normal rates which pay for the use of existing headworks and distribution works, in common with other ratepayers, and any additional operating and maintenance costs incurred in meeting the additional system demand. However, most allotment owners served by mains laid at Government expense incur only normal rates so that reticulation costs are generally not recovered in country areas, and are only recovered over a long period of time in the Adelaide metropolitan area through higher rates to all ratepayers. Not only does this have an adverse impact on Government finances but a significant inequity exists between ratepayers.

To the extent that Government does not recover costs of mains laid to existing allotments, debt charges are higher and must be recovered by increased rates. Consequently, purchasers of new serviced allotments have not only paid for their own services but are also subsidising the provision of services to owners of existing allotments who have made no contribution to reticulation costs.

Further inequities arise when owners of existing allotments who apply for a short extension are required to meet the shortfall between additional rate receipts from all properties to be served and the required rate of return on capital cost. Applicants, in meeting this requirement, are subsidising other beneficiaries who not only obtain the service at no cost other than normal rates but also benefit from an enhancement of their property values.

DISCUSSION

The proposals seek to establish logical, consistent and fully integrated policies which comply with Government objectives for the Engineering and Water Supply Department. This depends upon more consistent application of beneficiary pays principles in order to enhance both equity and cost recovery. Consequently consumers obtaining similar services should incur similar costs irrespective of whether the department provides the services to an existing property or a developer provides them when the allotment is created.

Subject to the operational requirements of the department the proposed service provision policies for urban and non-urban areas will operate on the basis of boundaries determined by the department which will generally follow current urban planning zone boundaries with particular attention being given to Deferred Urban/Rural A type areas.

SUMMARY OF PROPOSALS

Short Extensions of Mains to Existing Allotments

(a) Urban Areas

Mains are to be extended on application where one-third of allotments to be served are developed and where headworks are available. If this criterion is met, all beneficiaries of the mains will be charged a standard capital contribution of $1 200 per allotment.

For large commercial/industrial properties the contributions would be greater, based on the area of the allotment in recognition of the additional costs involved.

(b) Non-urban Areas, including Deferred Urban/Rural A

Mains are to be extended on application provided the applicant, or group of applicants, pay the full capital cost of the works. Only the applicant/s allotment/s would be rateable. Other potential users of the mains can elect to obtain services by payment of the standard contributions required in urban areas and as a consequence would become rateable.

Extensions of Mains Required for Deferred Water Supply Schemes

These schemes will continue to be treated on their merits and will be the subject of individual submissions.

Extensions of Mains to Service New Allotments Created by Land Division

(a) Urban Areas

Provision of departmental water supply will be compulsory in areas where headworks are available.

Where the level of development along an approach main to a land division is consistent with that required for a short extension, the developer will pay, as is currently the case, the full cost of works within the division plus half the cost of mains bounding the division where these also serve other land. The Government will finance the cost of the approach main and require the developer to pay a standard contribution.

Where the level of development along an approach main is less than required for a short extension, developers will, in addition, meet the full cost of the approach main less prescribed allowances related to

the length of the approach main and the number of allotments to be created. Government will finance only a portion of approach main costs.

The owners of all existing properties which will be served by the approach and boundary mains to the land division will be charged the standard capital contributions proposed for short extensions.

Developers who create additional allotments along existing mains will pay standard capital contributions, as defined for short extension policy, for each additional allotment created.

(b) Non-urban Areas excluding Deferred Urban/Rural A

The department will not require the provision of water facilities as a condition of and division unless the division abuts an existing main, in which case standard contributions will be required.

But if the planning authority requires the provision of services, developers will be required to meet the full cost of all approach, boundary and internal mains.

Only the allotments created by the land division would be rateable. Other potential users of the mains can elect to obtain services by payment of the capital contributions required under urban short extension policy and as a consequence would become rateable.

(c) Deferred Urban/Rural A

Proposed non-urban policy would apply except that provision of water facilities would be a condition of land division imposed by the department.

Developers will be required to meet the cost of approach, boundary and internal mains.

Water Services Required to Link Individual Consumers to Mains

In urban areas all water services would be constructed at the time of mainlaying whenever practicable and the costs included in the proposed standard capital contributions per allotment.

Two schedules of fees would apply:

Schedule A: where a capital contribution has not been paid, fees cover the cost of constructing services, including the provision and cost of a water meter.

Schedule B: where a capital contribution has been paid, fees cover the cost of locating pre-laid services plus supply and fitting of a water meter. The proposed fees which vary according to meter or connection size are:

	WATER	
	Present	Proposed
Schedule A	$262-$750	$350-$1 100
Schedule B	$86	$100-$360

Other Servicing Arrangements such as Indirect Services

The existing forms of indirect services involving supply through private pipework connected to departmental mains will be in two categories:

(a) temporary water services granted in urban areas for domestic purposes where main extension is premature, i.e. less than one-third of the allotments are developed. Recipients of these services will be required to pay standard capital contributions when mains are eventually extended past the property. Normal rates would apply to temporary services.

(b) private water services to provide low cost, low standard supplies for stock watering and other non-intensive primary production activities in non-urban areas. They would not be granted to rural living allotments or within the Mount Lofty Ranges Watershed.

Private Water Supply Schemes

Private schemes would not be permitted to serve new land division in urban areas where departmental mains are to be mandatory.

In other areas, approval of private schemes would be a planning authority responsibility with water from departmental mains being provided only for schemes to be administered by a local government authority.

Prior to takeover by Government, private schemes are to be upgraded to departmental standards, provided the owner meets the upgrading costs or the consumers serviced by the scheme pay capital contributions on the basis of policy proposed for Deferred Water Supply Schemes.

EFFECT ON POLICY

The proposals involve substantial variations from existing policy, the most significant of which are:

(a) Introduction of standard capital contributions for all beneficiaries of new extensions of main laid at Government expense in urban areas. At present there is no charge on consumers in most cases. Contributions would seek to recover amounts equivalent to those incurred by developers and subsequently passed on to purchasers of new serviced allotments in land prices. Safeguards are built into service provision criteria to avoid contributions being required in unreasonable circumstances.

A deferred payment scheme will be available for applicants and beneficiaries who are not property developers. The scheme will provide for payment of the contributions by quarterly instalments over six years.

Pensioners eligible for remission under the Rates and Land Taxes Remission Act 1986 will have the option of deferring repayments of the standard contribution. In these cases the charge will remain as a debt on the land, to be paid in full on sale of the land.

(b) More widespread application of charges on developers for the use of existing mains to create additional allotments. The charges would be standardised and be consistent with standard contributions for new departmental mains.

(c) Government funding of mains to new land division which will service properties other than the land division, would be increased through the use of approach main allowances so that, when combined with the charges for existing mains, sharing of costs between developers and other beneficiaries would be more equitable.

(d) To provide strong incentives for orderly and compact development and hence promote efficient resource allocation, the extent of Government funding would be less the further a development is from existing mains, and more when the number of allotments to be created is larger. Larger developments close to existing mains would be encouraged with small developments remote from mains being strongly discouraged. Whilst there may continue to be some instances of leapfrogging of development, these are expected to be less than under present policies.

(e) Water service and other service fees would be increased, so that fees would reflect all costs

incurred in provision of particular services including the water meter.

(f) Indirect water services would no longer be made available to rural living type allotments, where other sources of supply should be used.

(g) Applicants for short extensions in non-urban areas will be required to pay the full cost of required works to ensure that the benefits exist and that existing systems are not overextended in view of growing asset management needs.

To ensure fairness, anyone else wishing to connect to the main after it is extended will be required to pay a standard contribution, which can be related to other augmentation costs which are usually incurred in backing up increasing development.

The most significant implications of the new policies would be:

(a) The establishment of consistent policies which would provide for greater equity in the treatment of new consumers obtaining similar services.

(b) Little change to the costs incurred by purchasers of newly created serviced allotments who, in general, tend to be younger married couples, possibly with young families and establishing their first homes. The proposed changes to land division policy in urban areas may have a moderating influence on serviced land prices based on the greater allowances for approach and boundary mains which will reduce costs for some developers.

(c) Significantly increased costs to consumers who presently obtain services at Government expense by means of short extensions of main in urban areas.

(d) To the extent that these proposals would reduce the indebtedness of the department, future rate increases would be moderated.

(e) Because of the standard charges, consumers in most cases will be immediately advised of their obligations, compared with the considerable time lag under existing arrangements.

Clauses 1 and 2 are formal. Clause 3 inserts a new paragraph VA in subsection (1) of section 10. This paragraph provides for regulations that enable the Minister to defer payment of charges under the Act or to release a person from the obligation to make payment of such charges. The clause also inserts a new subsection into section 10. This subsection will ensure the validity of regulations imposing charges notwithstanding that, in certain cases, the charges exceed the cost of providing the mains or other works to which the charges relate. Clause 4 repeals section 85 of the principal Act. This section will not be required when the new scheme of charges comes into force. Clauses 5, 6 and 7 make amendments to ensure that interest payable in respect of deferred charges is secured on the land and can be recovered in the same manner as rates.

The Hon. P.B. ARNOLD secured the adjournment of the debate.

SEWERAGE ACT AMENDMENT BILL

The Hon. D.J. HOPGOOD (Minister of Water Resources) obtained leave and introduced a Bill for an Act to amend the Sewerage Act 1929. Read a first time.

The Hon. D.J. HOPGOOD: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

It is designed to enable the introduction of an integrated and consistent set of policies to replace current service provision policies for extension of sewerage facilities and associated services. The new policies are formulated with particular emphasis on equity, compact and orderly development, and cost recovery.

In summary, the policies provide for the introduction of new or revised standard charges where appropriate, for:

short extensions of mains to service existing allotments;

extensions of mains to service new allotments created by land division;

sewer connections to link individual ratepayers to mains;

other servicing arrangements such as indirect services.

The proposals relate only to localised reticulation mains and other directly related local works.

HISTORICAL BACKGROUND

In the past the Engineering and Water Supply Department has funded most water supply and sewerage works from loan funds. Rate revenue was the only significant source of cost recovery apart from fees which met some of the cost of constructing water services and sewer connections.

Major schemes proceeded on the basis that those ratepayers who received the service paid only normal rates whilst short extensions were subject to a satisfactory rate of return. A short extension did not proceed unless the revenue from the work covered additional debt charges or unless the applicant guaranteed to meet any shortfall in the rate of return during the following five years.

The Planning and Development Act of 1967 introduced major changes to service provision policy by requiring developers to provide water and sewerage facilities for the new allotments they created. The costs were passed on to purchasers of allotments who were also required to pay normal rates. Owners of existing unserviced allotments continued to receive services free of charge when mains were eventually extended to serve them whether by short extensions or by major schemes.

All sewer connection fees were reduced to reflect only the cost of plumbing and drainage inspection rather than the full cost of laying the connection. Thus whilst owners of serviced allotments continued to meet the cost of providing sewer connections through the price of their allotments, other property owners avoided this cost.

The current policies have evolved in a piecemeal way over many years and reflect the changing objectives of different governments and widely varying sets of circumstances. Consequently they are not based on a set of consistent principles and practical application inevitably involves subjective judgment. The most significant policy deficiencies relate to the issues of equity between ratepayers, orderly development and cost recovery.

The most serious problems arise because of inconsistency between policies for new land division and policies for provision of services to existing unserviced allotments, developers, and hence purchasers of new serviced allotments, bear the full cost of reticulated services in addition to incurring normal rates which pay for the use of existing headworks and distribution works, in common with other ratepayers, and any additional operating and maintenance

costs incurred in meeting the additional system demand. However, most allotment owners served by mains laid at Government expense incur only normal rates so that reticulation costs are generally not recovered in country areas, and are only recovered over a long period of time in the Adelaide metropolitan area through higher rates to all ratepayers. Not only does this have an adverse impact on Government finances but a significant inequity exists between ratepayers.

To the extent that Government does not recover costs of mains laid to existing allotments, debt charges are hiqher and must be recovered by increased rates. Consequently, purchasers of new serviced allotments have not only paid for their own services but are also subsidising the provision of services to owners of existing allotments who have made no contribution to reticulation costs.

Further inequities arise when owners of existing allotments who apply for a short extension are required to meet the shortfall between additional rate receipts from all properties to be served and the required rate of return on capital cost. Applicants, in meeting this requirement are subsidising other beneficiaries who not only obtain the service at no cost other than normal rates but also benefit from an enhancement of their property values.

DISCUSSION

The proposals seek to establish logical, consistent and fully integrated policies which comply with Government objectives for the Enqineering and Water Supply Department. This depends upon more consistent application of beneficiary pays principles in order to enhance both equity and cost recovery, consequently consumers obtaining similar services should incur similar costs irrespective of whether the Department provides the services to an existing property or a developer provides them when the allotment is created.

Subject to the operational requirements of the Department the proposed service provision policies for urban and non-urban areas will operate on the basis of boundaries determined by the Department which will generally follow current urban planning Zone boundaries with particular attention being given to Deferred Urban/Rural A type areas.

SUMMARY OF PROPOSALS

Short Extensions of Mains to Existing Allotments

(a) Urban Areas

Mains are to be extended on application where half of the allotments to be served are developed and where headworks are available. If this criterion is met, all beneficiaries of the mains will be charged a standard capital contribution of $2 300 per allotment. This amount will be reduced by $1 000 if a septic tank has been installed on the allotment.

For large commercial/industrial properties the contributions would be greater, based on the area of the allotment in recognition of the additional costs involved.

(b) Non-urban Areas, including Deferred Urban/Rural A

Mains are to be extended on application provided the applicant, or group of applicants, pays the full capital cost of the works. Only the applicant/s allotment/s would be rateable. Other potential users of the mains can elect to obtain services by payment of the standard contributions required in urban areas and as a consequence would become rateable.

Extensions of Mains required by Public Works (Backlog) Sewerage Schemes

These schemes will continue to be treated on their merits and will be the subject of individual submissions.

Extensions of Mains to service New Allotments created by Land Division

(a) Urban Areas

Provision of Departmental sewerage will be compulsory in areas where headworks are available.

Where the level of development along an approach main to a land division is consistent with that required for a short extension, the developer will pay, as is currently the case, the full cost of works within the division plus half the cost of mains bounding the division where these also serve other land. The Government will finance the cost of the approach main and require the developer to pay a standard contribution.

Where the level of development along an approach main is less than required for a short extension, developers will, in addition, meet the full cost of the approach main less prescribed allowances related to the length of the approach main and the number of allotments to be created. Government will finance only a portion of approach main costs.

The owners of all existing properties which will be served by the approach and boundary mains to the land division will be charged the standard capital contributions proposed for short extensions.

Developers who create additional allotments along existing mains will pay standard capital contributions, as defined for short extension policy, for each additional allotment created.

(b) Non-urban Areas excluding Deferred Urban/Rural A

The Department will not require the provision of sewerage facilities as a condition of land division unless the division abuts an existing main, in which case standard contributions will be required.

But if the planning authority requires the provision of services, developers will be required to meet the full cost of all approach, boundary and internal mains.

Only the allotments created by the land division would be rateable. Other potential users of the mains can elect to obtain services by payment of the capital contributions required under urban short extension policy and as a consequence would become rateable.

It should be noted that provision of sewerage in this category would not normally be required.

(c) Deferred Urban/Rural A

Proposed non-urban policy would apply except that provision of sewerage facilities would be a condition of land division imposed by the Department.

Developers will be required to meet the cost of approach, boundary and internal mains.

Sewer Connections Required to Link Individual Consumers to Mains

In urban areas all sewer connections would be constructed at the time of mainlaying whenever practicable, and the costs are included in the proposed standard capital contributions per allotment. Two schedules of fees would apply:

Schedule A: Where a capital contribution has not been paid, fees cover the cost of constructing connections and the cost of plumbing inspections.

Schedule B: where a capital contribution has been paid, fees cover the cost of plumbing inspections. Proposed fees which vary according to connection size are:

	SEWER	
	Present	Proposed
Schedule A	$155-$205	$1 200-$1 300
Schedule B	$155-$205	$170-$225

Where a sewer main existed prior to the new policy but a 100 mm connection had not been prelaid, the fee will be one third of the schedule A fee, viz $400.

EFFECT ON POLICY

The proposals involve substantial variations from existing policy, the most significant of which are:

(a) Introduction of standard capital contributions for all beneficiaries of new extensions of main laid at Government expense in urban areas. At present there is no charge on consumers in most cases. Contributions would seek to recover amounts equivalent to those incurred by developers and subsequently passed on to purchasers of new serviced allotments in land prices. Safeguards are built into service provision criteria to avoid compulsory contributions being required in unreasonable circumstances.

A deferred payment scheme will be available for applicants and beneficiaries who are not property developers. The scheme will provide for payment of the contributions by quarterly instalments over six years.

Pensioners eligible for remission under the Rates and Land Taxes Remission Act 1986 will have the option of deferring repayments of the standard contribution. In these cases the charge will remain as a debt on the land, to be paid in full on sale of the land.

(b) More widespread application of charges on developers for the use of existing mains to create additional allotments. The charges would be standardised and be consistent with standard contributions for new Departmental mains.

(c) Government funding of mains to new land division, which will service properties other than the land division, would be increased through the use of approach main allowances so that, when combined with the charges for existing mains, sharing of costs between developers and other beneficiaries would be more equitable.

(d) To provide strong incentives for orderly and compact development and hence promote efficient resource allocation, the extent of Government funding would be less the further a development is from existing mains, and more, when the number of allotments to be created is larger. Larger developments close to existing mains would be encouraged with small developments remote from mains being strongly discouraged. Whilst there may continue to be some instances of leapfrogging of development, these are expected to be less than under present policies.

(e) Sewer connection and other service fees would be increased, so that fees would in general reflect all costs incurred in provision of particular services.

(f) Applicants for short extensions in non-urban areas will be required to pay the full cost of required works to ensure that the benefits exist and that existing systems are not overextended in view of growing asset management needs. To ensure fairness, anyone else wishing to connect to the main after it is extended will be required to pay a standard contribution, which can be related to other augmentation costs which are usually incurred in backing up increasing development.

The most significant implications of the new policies would be:

(a) The establishment of consistent policies which would provide for greater equity in the treatment of new consumers obtaining similar services.

(b) Little change to the costs incurred by purchasers of newly created serviced allotments who, in general, tend to be younger married couples, possibly with young families and establishing their first homes. The proposed changes to land division policy in urban areas may have a moderating influence on serviced land prices based on the greater allowances for approach and boundary mains which will reduce costs for some developers.

(c) Significantly increased costs to consumers who presently obtain services at Government expense by means of short extensions of main in urban areas.

(d) To the extent that these proposals would reduce the indebtedness of the Department, future rate increases would be moderated.

(e) Because of the standard charges, consumers in most cases will be immediately advised of their obligations, compared with the considerable time lag under existing arrangements.

Clauses 1 and 2 are formal. Clause 3 inserts a new paragraph VIIA in subsection (1) of section 13. This paragraph provides for the making of regulations that enable the Minister to defer payment of charges under this Act or to release a person from the obligation to make payment of such charges. The clause also inserts a new subsection into section 13. This subsection will ensure the validity of regulations imposing charges notwithstanding that, in certain cases, the charges exceed the cost of providing the mains or other works to which the charges relate.

Clause 4 repeals sections 43 and 44 of the principal Act and replaces them with a new section 43. The new section is more precise than existing section 43 and also enables the Minister to lend money to an owner in relation to the execution of drainage works. Existing section 44 will be redundant when the new provisions come into operation. Clause 5 repeals sections 46, 47 and 48 of the principal Act. These sections will not be required when the new scheme comes into force. Clauses 6 and 7 make amendments to ensure that interest payable in respect of deferred charges is secured on the land and can be recovered in the same manner as rates.

The Hon. P.B. ARNOLD secured the adjournment of the debate.

FISHERIES (GULF ST VINCENT PRAWN FISHERY RATIONALISATION) BILL

The Hon. M.K. MAYES (Minister of Fisheries) obtained leave and introduced a Bill for an Act to provide for rationalisation of prawn fishing in the Gulf of St Vincent and Investigator Strait; to amend the Fisheries Act 1982; and for other purposes. Read a first time.

The Hon. M.K. MAYES: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

It provides for the rationalisation of the number of prawn fishery licence holders in the Gulf St Vincent prawn fishery, for payment of compensation to those licensees removed, and for repayment of compensation moneys by remaining licensees.

By way of background, the Government announced an enquiry into the management of South Australia's prawn fisheries in November 1985, and in particular, asked Professor Parzival Copes of the Simon Frazer University in British Columbia, Canada:

(a) to assess and report to the Minister of Fisheries on the effectiveness of the management strategies being implemented in the Gulf St Vincent/Investigator Strait prawn fishery;

(b) to investigate and report to the Minister of Fisheries on the allegations of mismanagement against the Department of Fisheries by the Gulf St Vincent Prawn Fishermen's Association;

(c) to investigate and report to the Minister of Fisheries on additional management measures, where appropriate, for the Gulf St Vincent/Investigator Strait prawn fishery.

Written submissions to the enquiry were invited up until the end of February 1986, followed by a visit to South Australia by Professor Copes in April 1986, during which time verbal submissions were received. Thus all parties were provided an opportunity to place any facts or points of view before Professor Copes.

The final report to the Government was received in July 1986, and immediately released for public comment until the end of August 1986. The Government subsequently endorsed most of the recommendations from the enquiry in October 1986, but recognised that the recommendation on the removal of vessels required careful discussion with industry, particularly on the actual process of achieving the recommended reduction of six vessels. Accordingly, the Government instructed the Director of Fisheries and the Executive Officer of the South Australian Fishing Industry Council to consult with all 16 licence holders in the Gulf St Vincent/Investigator Strait prawn fishery to discuss alternative options for removal of vessels, including the financial and legislative implications of such options. A report on the outcome of the discussions with the fishermen was made available to the Government on 7 November 1986.

Since the release of the Copes Report, the research staff of the Department of Fisheries, have worked very closely with the St Vincent Gulf Prawn Boat Owners' Association (currently 10 members) to develop the required research and survey programs necessary to determine the most appropriate harvesting strategies aimed at assisting in the rehabilitation of the fishery, whilst enabling continued fishing by the fleet. By necessity, as clearly identified by Copes, during this rehabilitation period and until the number of vessels are reduced, the available time for fishing must be restricted to contain the effective effort within biologically acceptable limits. Ultimately, however, the removal of six vessels must be addressed to avoid a return to the indiscriminate and inappropriate fishing levels and practices experienced in the past. Failure to do so will result in justifiable criticism that the fishery is not being properly managed, despite clear direction from Copes on what management measures need to be implemented.

In considering the matter of vessel removal, the Government is well aware that there is substantially greater fishing capacity in the Gulf St Vincent/Investigator Strait prawn fleet than required to take the available stock, even with a rehabilitated stock and fishery. Unless this over-capacity is removed, the present licence holders will continue to experience financial difficulties and without very stringent controls on fishing activities, the stock will remain at reduced levels. In summary, whilst the Department of Fisheries has applied much more restrictive time and area closures in the absence of any removal of vessels, the Government recognises that this course of action cannot continue indefinitely. The Government is also keen to ensure that the State's reputation for fisheries management is maintained, in keeping with Copes' observation that:

> 'South Australia has a good reputation for fisheries management, largely because the State has been more active than most other jurisdictions in efforts to correct fisheries problems before they become intolerable'.

Above all, Copes left no doubt that the ultimate responsibility for management of the fishery lies with the Government; accordingly, this Bill provides the Government with the necessary legislative authority to adequately address this responsibility.

In response to the Copes report, the Government has removed three vessels from the combined fishery by allowing the two licences under the Scheme of Management (Investigator Strait Experimental Prawn Fishery) Regulations 1985, to expire (with compensation of $450 000 for the licence being paid to each of the two licence holders), and by accepting the surrender of a Gulf St Vincent prawn licence and vessel, with the Government agreeing to pay compensation of $600 000. The Government has allowed a further period of three months in which licence holders in the Gulf St Vincent prawn fishery have been invited to voluntarily surrender licences; however, the Government warned that if insufficient licences were surrendered, legislation would need to be implemented to cancel the required number of licences. No such offers have been forthcoming and the Government has therefore decided to pursue appropriate legislation not only to achieve the required vessel reduction, but also to provide the means whereby compensation can be paid to the three licence holders already removed.

This Bill makes provision for the Minister of Fisheries to cancel fishery licences in the Gulf St Vincent prawn fishery if there are more than 10 licences in force as at commencement of the Act. However, the Bill provides the Minister with flexibility as to when licences might actually be cancelled.

It makes provision to compensate licensees for the removal of their licences (and vessels and gear where appropriate) and to require the remaining licence holders, who are expected to benefit from improved returns from the fishery, to contribute equally to the cost of providing that compensation. The purpose of the Bill, therefore, is to establish a legislative scheme that provides for cancellation (if necessary) of licences, for compensation of former licensees (including the three licence holders already removed from the combined fishery) and for recouping the cost of providing that compensation from those licence holders remaining in the fishery.

The Government has considered three alternatives for the removal of a further three vessels on a compulsory basis as follows:

1. *First In, First Out*

The South Australian prawn fishery resource is a community property with commercial access provided to a restricted number of fishermen under a limited entry licensing arrangement. Initially, access was provided at a nominal fee, although in more recent years, the access fee has risen significantly to more realistically compensate the community for the costs incurred in managing the resource. Original licence holders in the Gulf St Vincent prawn fishery received the protection of limited entry from the outset, and received excellent returns at nominal costs; this was identified by Copes in his report. In addition, the original licence holders demanded and won the introduction of licence transfer provisions in the fishery, together with the removal of the owner-operator policy. Consequently, later entrants paid a high entry fee with the result that they received less favourable returns on capital invested due to the transfer debt they were required to service.

Removal of vessels under this option will result in the removal of those licence holders who have benefited most at minimum cost from privileged access to a community resource. It is likely that these licence holders would be best

able to absorb the impact of removal, provided their removal is accompanied by fair and reasonable compensation. Importantly, the debt repayments from those licence holders remaining in the fishery will be minimised. On the other hand, this option removes licence holders who entered the fishery in its formative stages and have not capitalised their licence on transfer.

2. *Ballot*

Removal of a further three licences by ballot is probably seen as the most equitable means of determining who should be removed, as all licence holders have an equal chance.

3. *Last In, First Out*

This option recommends that the most recent entrants to the fishery should be those first removed. Under this option, there is concern that if compensation is to be based on the transfer price that any of the current licence holders paid, then the total debt that will be placed on the remaining fishermen may be in excess of what they might realistically be able to afford. If this is the case, then the restructuring process may unnecessarily delay economic improvement in the fishery. In fact, it may also result in further biological damage to the Gulf St Vincent prawn stocks through inappropriate fishing practices in an attempt to service any excessive debt, despite the implementation of rigorous fishing strategies.

The Government has decided to pursue the compulsory removal of vessels (if necessary) on a ballot basis as the most equitable and fair means of selection.

Whilst the Government intends implementing Copes' recommendation of removing six vessels in all, it recognises that the success of any further vessel removal process largely hinges on the ability of the remaining fishermen to meet the repayments associated with the scheme. The Government is presently assessing this aspect, and will take any relevant information into account in any decision to remove further vessels from the fishery. Any deferral of a decision to remove further vessels from the fishery, however, must be accompanied by a clear and written undertaking from the St Vincent Gulf Prawn Boat Owners' Association that that Association will nominate a system whereby a further three vessels will be removed from the fishery within a specified time period on a voluntary basis.

In the absence of agreement on the further removal of three vessels, the Minister will require the necessary legislative authority contained in this Bill to compulsorily acquire licences. Specifically, if the Government is unable to remove the excessive effort in the fishery at the earliest opportunity as recommended by Copes, then it will be necessary to attempt to achieve some reduction on the impact on prawn stocks through even more rigorous area and seasonal closures. This in turn will result in very restrictive fishing periods which will have a detrimental effect on marketing and returns to the fishery.

In summary, although this legislation provides for compulsory removal of vessels from the Gulf St Vincent prawn fishery, it does not preclude the implementation of a buyback scheme on a voluntary basis by agreement with the remaining licence holders in the Gulf St Vincent prawn fishery. However, the Bill itself will still be required to ensure the payment of appropriate compensation to those vessels already removed, as well as providing the Minister with the legislative authority to remove a further three vessels in the absence of an agreement with the remaining licence holders.

Clause 1 is formal. Clause 2 provides for commencement on a proclaimed day. Clause 3 defines certain words and expressions used in the Bill. In particular, 'former licensee' applies to three categories of former licence-holders—those who surrender their licences (including the licensee in the Gulf of St Vincent fishery who has already agreed to do so); those whose licences in that fishery are cancelled under the proposed Act; and the two licensees in the Investigator Strait fishery whose licences have already expired.

Clause 4 provides for cancellation of licences held in respect of the Gulf of St Vincent fishery. This proposed section will not apply if, before the commencement of the Act, sufficient licences have already been surrendered. The Minister is empowered to cancel sufficient licences to reduce the total number in force to 10. The Minister need not cancel all the licences 'in excess' at the same time but may proceed gradually. The licences liable to cancellation will be those drawn by lot in a ballot conducted by the Electoral Commissioner.

Clause 5 provides for compensation for loss of licence to be paid to former licensees. The amount will be $450 000 or the value of the licence at the time it was acquired by the former licensee, whichever is higher. (Subclause (2) relates to the calculation of the value of the licence at the time of acquisition.) Subclause (3) provides that where the Minister and a former licensee cannot agree on the amount of compensation, either may apply to the Land and Valuation Court to determine the amount. The compensation is to be paid from the Fisheries Research and Development Fund under the Fisheries Act 1982.

Clause 6 gives the Minister power to purchase a former licensee's vessel and equipment at their market value and then to re-sell them. The purchase price will be paid out of the Fisheries Research and Development Fund and the proceeds of a subsequent sale paid back into the Fund.

Clause 7 provides that the net amount of money expended under the Act will be recouped to the Fisheries Research and Development Fund by means of surcharges on licence fees payable by the Gulf of St. Vincent licensees. The Minister will have power to impose the surcharges, vary their amounts and give directions as to payment. If a licensee fails to pay the surcharge or an instalment of the surcharge, his or her licence may be cancelled. The Minister may give an exemption to a licensee whose licence is liable to cancellation under the proposed section 4 or whose licence was acquired after the commencement of the proposed Act. Subclause (9) provides for calculation of the amount to be recouped to the fund and once all of this amount is recovered the surcharge will be revoked.

Clause 8 provides that the Minister may borrow money for the purposes of the proposed Act, and any money so borrowed will be paid into the Fisheries Research and Development Fund.

Clause 9 enables regulations to be made. The schedule amends section 32 of the Fisheries Act 1982, to enable transactions in and out of the Fisheries Research and Development Fund to occur.

The Hon. P.B. ARNOLD secured the adjournment of the debate.

ADJOURNMENT

The Hon. D.J. HOPGOOD (Deputy Premier): I move:

That the House do now adjourn.

Mr BECKER (Hanson): I am very disappointed that the State Government has been unable to fill the vacancy resulting on the State Bank Board through the unfortunate death of the late Hon. Don Simmons. I would have thought that, with a Government instrumentality of the size and importance to South Australia of the State Bank, any vacancy on

the board would be filled as soon as practicable. Certainly, there is no excuse when one considers that the vacancy has existed some six months, since late August.

This indicates to me that the Government is obviously having difficulty in making a decision and is not all that concerned with the importance in the business sector of the role of the State Bank, unless it is underestimating the value and role of this bank. With a bank instrumentality that can play such an important role in the future of the State, I believe the position on the State Bank Board should never have been allowed to remain vacant for so long.

True, there has been speculation that the Hon. Don Dunstan is being considered for this plumb job, which I believe carries a salary of about $9 500 a year. Since that story was floated many months ago, it has been made very clear to me by managers in the State Bank that they would fear that, if the Hon. Don Dunstan were appointed to the bank board, many people would transfer their accounts. That is a tragedy, an absolute shame, but that is the feeling in the community towards a former Premier of this State. Now the State Government has the opportunity of appointing to the board a woman—Mrs Molly Byrne—who would be the only person who would qualify for the position. Why not appoint a woman member to the bank board?

Mr S.J. Baker interjecting:

Mr BECKER: That is right. By tradition, a former Labor member of Parliament must go on the board to replace the Hon. Don Simmons. If the Government selects a woman, then it must be Mrs Molly Byrne, who was a good and hardworking member for her electorate. She was an unofficial social worker in many respects and could well epitomise the average bank customer. I think Molly would do well in that position. She was the Chairman of a parliamentary committee and obviously has some ability. Why could she not become a member of the board?

Otherwise we have to consider people of the ilk of the Hon. Des Corcoran. Unfortunately, Mr Corcoran is on a number of boards, including the board of 5AA, and will have his hands full with administration problems in that respect. He is also on the Greyhound Racing Board and the TAB. He has his time pretty well allocated. Another possibility would be the Hon. Geoff Virgo. Apart from being a member of the West Beach Trust, he is on the board of the Electricity Trust, and his appointment there broke with tradition. There has normally been a former Liberal politician and a Labor politician on the Electricity Trust Board, but Geoff Virgo was appointed to the board as well as the existing board member, the Hon. Glen Broomhill, who I would point out has done an outstanding job: he is highly regarded and respected on the ETSA Board.

Another person with some ability who comes to mind would be Paddy Ryan, a former Speaker of this House, or the Hon. Cec Creedon. It is a terrible shame that this Government has procrastinated for so long. It is clear evidence that the State Government has difficulty in making decisions and meeting the requirements of a modern and fast moving high tech society. Surely the Labor Government could select and appoint someone to the board.

We are not being told (and, of course, the member for Briggs will never tell us) about the faction fighting that is obviously going on within the back blocks of the Labor Party to come up with a candidate who is acceptable to all factions. There are just so many factions within the Labor Party in South Australia that one would get a headache trying to work it all out—whether it is left, right, centre, down the middle, or whatever. That really is the problem, and that is a shame. Anyone who is an investor, who is looking to South Australia for the future, would regard as very important a vacancy on the most important financial institution in the State.

The State Bank is no longer a small institution. Rather, it is a very large, expanding, competitive organisation with a wide range of subsidiaries offering a vast range of services. One therefore puts it up with the modern, hi-tech, efficient Australian financial institutions, and it deserves the star rating that it is given. It is an insult to the staff of the State Bank of South Australia that this vacancy has been allowed to continue. I certainly hope that at the next Executive Council meeting next week the Government will fill that vacancy. If it does not do so, it should be roundly condemned.

Then, of course, we had the resignation at the end of January of Professor Keith Hancock, who was Deputy Chairman and who now has gone to the Industrial Commission. Professor Hancock will not be an easy person to replace, either, because of his academic ability and the contribution that he has made in this State, not only at the Flinders University but also at the national level. He is not my type of economist but, at the same time, he deserves recognition for the service that he has given as a director of the State Bank board since 1 July 1984.

It will take either another academic or some leading business personality to replace him. Probably, one of the most influential customers that the State Bank has is John Spalvins, of Adsteam. The account of John Martin's is with the State Bank, and it cost the State Bank a considerable sum of money to obtain that account and its connection and involvement with the Adelaide Christmas Pageant, which was always known as the John Martin's Christmas Pageant but which is now known as the John Martin's-State Bank Christmas Pageant. So, why should not John Spalvins, one of the top entrepreneurs of the State, be invited to join the bank if he were prepared to serve on that board?

I give the Government notice that I expect that by this time next week those two positions will be filled. If they are not, it will clearly demonstrate to me and to the Parliament that we have a Government of indecision—a Government still wracked with factions, which are costing it dearly in making decisions that affect the future and the investment opportunity of South Australia. Let us be honest: tourism has much to offer this country. It is the most labour intensive industry which we know and which is left.

South Australia is well placed to share in the international tourist boom which is coming to Australia. In the next five years Australia will see numbers of persons coming from Japan, South-East Asia, Europe and America, and more so from America. We in South Australia must do the best we can to encourage those people to come from the eastern or the western side of Australia, taking an extra hour or hour and a half in travel time and an extra $200 or $300 in add-on fares. We must also come up with the goods to attract them.

We can do that. We can offer them some of the most unique beauty spots in the world, with their tourist benefits and facilities. We must also provide the accommodation: we need to provide the beds, facilities and services. That will not be achieved without the investment dollar. The State Bank is well poised to be involved in the entrepreneurial role of supporting, encouraging and financing any investment that is tourist oriented. If at the present moment one is looking to invest money in this country, and certainly in South Australia, one would invest any funds that one had into tourist businesses. So, now that we have the ASER project and the Hyatt Hotel, we should see more to come.

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

Mr De LAINE (Price): I am very pleased to raise a matter that is to me very exciting at Port Adelaide, in my electorate of Price. This event was held just prior to Christmas. I refer to the opening by the Premier of the $9 million Super K Hypermarket in Port Adelaide. This joint K Mart is South Australia's first hypermarket, and is part of a $23 million canal project development in Port Adelaide. It is built on a site known as the Old Port Centre.

The area in question is on top of the Old Port Canal, which is situated on the southern side of Commercial Road between the Adelaide-Outer Harbor railway line and the historic Leadenhall Street flour mill. The spot where the official opening took place was particularly relevant to me, because it was virtually in exactly the same spot where I learned to swim as a youngster and where I continued to swim for some years. On that same spot, which was the old Rosewater Swimming Club area, many thousands of children in the Port Adelaide area were taught to swim over very many years.

This exciting project will now create a real focus and magnet to the Port Adelaide business area, something which has been lacking since the days when large cargo-heavy ships regularly berthed at the wharves in Port Adelaide. I remember when I was very young there were over 40 shipping companies in Port Adelaide, which was a very busy place. The work force on the wharves consisted of over 3 000 waterside workers. Unfortunately, with the passage of time and the erosion of that shipping industry by, first, railways and, since then, aeroplanes, not only have the shipping companies almost disappeared but also there are now fewer than 300 waterside workers in Port Adelaide—a very sad situation.

During the building stages of this hypermarket complex, 250 jobs were created over a period of about two years, and this substantially added to the employment prospects of the area. When the complex is completely onstream there will be provision for over 400 permanent jobs. Those jobs consist of both full-time and part-time positions for both skilled and unskilled workers. The heartening thing about this is that the wages alone for these 400 permanent people will contribute over $4 million annually, at today's rates, to the Port's economy.

Within the complex there are a variety of small retailers, specialty shops, banks, legal offices, doctors' and dentists' surgeries, and hairdressers, etc. Facilities within the hypermarket itself include a hot bread bakery, a restaurant, an extensive butcher shop, a car servicing centre which boasts five service bays, an excellent garden shop, and a fast photo laboratory, etc.

The hypermarket boasts 13 000 square metres of floor area, and the layout has been designed for rapid customer movement, with extremely wide aisles and 35 checkouts. There are over 30 departments in the hypermarket displaying over 70 000 individual items on the shelves. The range of those items is absolutely fantastic. In fact, it took six weeks just prior to Christmas for a full staff working about 12 hours a day to stock the shelves.

Another facility that has been taken on board in this hypermarket is the introduction of shopping trolleys bearing a mechanism to create a deposit for those trolleys. The deposit of 20c has proven to be totally inadequate, as indicated by the high number of trolleys left quite substantial distances from the complex. When one considers that people are spending $50 to $70 on goods, a deposit of 20c on a trolley is negligible. To improve the situation with regard to trolley recovery a substantially higher deposit should be charged.

The car servicing centre has the normal facilities as well as facilities for servicing four-wheel drive vehicles, fitting and servicing air-conditioning and electronic systems on motor vehicles, and fitting and servicing car radio and stereo systems. One aspect which pleases me relates to the special areas and facilities provided for local schools, clubs, charities and organisations which are community oriented, to publicise their activities and to raise funds. This is a pleasing aspect of the complex about which the developers are to be commended. I congratulate the architects for providing the most modern shopping facility in Australia while at the same time taking into account the external design of the various components of the complex so that they complement existing Port architecture, especially in relation to the historic aspects of this exciting area.

Work is also well under way adjacent to the complex on a Housing Trust development, and a future private development. This will be a very much sought after area to live in. It is within metres of this complex and other services in an environment which will be private and landscaped. Between the hypermarket and Commercial Road the new $8 million customs building is nearing completion. In April this year it is expected that 250 people will shift from the century old Customs House, near the wharves at Port Adelaide, to take up residence in this new complex. The old Customs House is such a magnificent building that it has National Trust classification.

I am Deputy Chairman of a committee, chaired by the Hon. Mick Young, Federal member for Port Adelaide, which was set up to look at possible future uses for this historic building. The whole concept in this area is very exciting. The Old Port Centre complex will provide substantial flow-on benefits for the entire business area of Port Adelaide in the future.

Mr INGERSON (Bragg): I take this opportunity to answer a couple of questions that the Minister could not answer (or did not want to answer) today. One relates to the Commonwealth Games. The Minister said that he spent a lot of time discussing this matter with the Adelaide City Council. I believe that that is correct, and it is good that he has done that. It is interesting to note that representatives of the two major sports, athletics and swimming, had not been consulted up until last weekend about how they thought a Commonwealth Games should be run. It is interesting that the Minister did not take the time or effort to find out what the two major sports see as their requirements in relation to facilities and personnel.

It was good to see that the Minister was prepared last night to go to the Equal Opportunity Explanation Seminar on Fair Play. Tonight, when a major development he is putting forward is to be discussed, he cannot find time to come along. That is a tragedy for the people in the Enfield area. It is a pity that the Minister cannot see the importance of attending as the person who has initiated the whole program. The reason for tonight's meeting is that the Minister did not bother to consult with the people concerned in Enfield during the initial stages.

I turn now to the situation at radio 5AA, the Minister's involvement in that, and what I believe ought to be done. First, it has been reported to this Parliament that last year 5AA lost $1.3 million. That was clearly set out in a report from the Corporate Affairs Commission. It has been put to me (and as the Leader said today, clearly put to the Opposition) that a further $2.7 million is likely to be lost in this financial year, giving a total loss for that organisation of some $4 million. I find it hard to accept that a Minister who has direct responsibility for the TAB has said to this

House that he has no direct financial involvement with the running of a wholly owned subsidiary of the TAB, because many people have informed me that the Minister and the Premier have spent a considerable time discussing the situation with the Chairman of the boards of both the TAB and 5AA and have had considerable discussions with other members of the board. However, we have heard a denial of that situation in this House.

I am concerned about the removal of the Chairman of 5AA, because Mr Vin Keane, who is also Chairman of the SGIC, is a person of high integrity. I am concerned that his apparent removal from that position, as carried in stories around the town, has not been confirmed or denied by the Government. It is interesting to note that another member of the board, the ex-Chairman of the TAB and Deputy Chairman of 5AA, has not had his position as Chairman of the TAB renewed. It is important that we ask the Minister what is the position in relation to the TAB and its chairmanship when there is this difficult position existing at 5AA.

The TAB is a statutory authority with no Chairman at this stage. It concerns me that the Minister has known for a considerable time that the position was to be vacated and yet a replacement has not been made (or, if it has, it has not been announced). There are strong rumours around town that the position of the General Manager of the TAB is in jeopardy because of significant differences of opinion with the Minister. This problem needs to be corrected very quickly. What is the position with the TAB? Who will be the new Chairman? Who will be the new Chairman of 5AA? What is going on when we have this significant problem of a $4 million loss?

As I asked today in a question, what is the position relating to pay-outs to announcers? What agreement has been reached? Is there to be a $250 000 sweetheart deal to be done with some announcers? Is Mr Makin to receive an out-of-court payment of the order of $250 000? What is the situation with Mr Sabine? Is he to receive over $100 000? What is the position with Mr Francis and Mr Ford? With the change of format being widely publicised (and most of those people are involved in talk-back programs), where do these people stand? Is there to be another sweetheart deal? Could there be up to $1 million paid out and, if so, who pays?

It has been put to me that the management, existing staff and the new staff are totally out of proportion to what would be expected in a station of this turnover and size. If the Minister has been discussing this position with the board and the Chairman of the TAB, what is the situation? What is the Government's position in relation to the management of 5AA?

I understand that several management salaries are more than $75 000. Is that correct? I have been advised that a sports commentator at the station is being paid over $45 000 a year (about $100 a minute). That seems to be a fairly high salary for any radio station to pay a sports commentator. It was pointed out to me today that certain 5AA announcers were approved by the former Managing Director without first being approved by the board. What has the Minister done about that? These things are very important, and the taxpayers of this State should be told what is going on.

Some four or five years ago 5AA was the most up-to-date automatic recording station in this city. However, all of that excellent equipment has now been sold off, but now the station is to return to it. In less than two years we have gone from that situation to a point where we have to reinvest in equipment that we had two years ago—equipment which was the best not only in South Australia but in Australia. What will happen to people such as Mr Francis and Mr Ford as a result of the format change? Will there be significant pay-outs in this area and, if so, who will fund them? What is the TAB's position in this situation?

During the third ratings survey Mr Ford rated about 8 per cent for three hours, and I understand that he inherited a rating of 9.3 per cent from Mr Tambakis; and I understand that Mr Tambakis rated 13.5 per cent for six hours during a Saturday and Sunday. These sorts of anomalies—some people maintaining their jobs and others losing them—seem to suggest that the management of the station and its general direction should be thoroughly investigated by the Minister. Why did Mr Tambakis lose his job? Was it political? Was it because he was too controversial? Was it because he did not ask any questions about the Liberal Party, or was it as a result of a definite political push by the Government?

When will the Minister come clean publicly in relation to all these troubles and state the real position at 5AA? What does the Bannon Government intend to make sure that the TAB's responsibility to racing is not jeopardised? I believe it is absolutely critical that something happens in this area. All my questioning relates to the effect on the racing industry in this State. It is now highly probable that in two years 5AA will have sustained a loss of $4 million. That money must be repaid at some stage. Who will guarantee it and where will it come from? What is the Government's position, and will it insist that the station be sold? Will the Government appoint to the 5AA board people it believes can manage and turn around the operation of 5AA? I believe it is the Minister's responsibility to present Parliament with a major report on 5AA, given the fact that over the past 12 months the Youth Festival lost $700 000, the Gawler Three Day Event lost over $1 million, South Australia's America's Cup yacht lost $1.3 million, and now 5AA has lost $4 million.

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

STATUTES AMENDMENT (TAXATION) BILL

Returned from the Legislative Council without amendment.

Motion carried.

At 4.5 p.m. the House adjourned until Tuesday 24 February at 2 p.m.