HOUSE OF ASSEMBLY

Wednesday 30 March 1988

The SPEAKER (Hon. J.P. Trainer) took the Chair at 2 p.m. and read prayers.

PETITION: SHOP TRADING HOURS

A petition signed by 73 residents of South Australia praying that the House reject any proposal to extend retail trading hours was presented by Mrs Appleby.

Petition received.

PETITION: ELECTRONIC GAMING DEVICES

A petition signed by 90 residents of South Australia praying that the House reject any measures to legalise the use of electronic gaming devices was presented by Mr Blacker.

Petition received.

PETITION: BOSTON TOWNSHIP SEWERAGE

A petition signed by 68 residents of South Australia praying that the House urge the Minister of Water Resources to provide a sewerage system to Boston township was presented by Mr Blacker.

Petition received.

QUESTION

The SPEAKER: I direct that the following answer to a question without notice be distributed and printed in *Hansard.*

M.V. *ISLAND SEAWAY*

In reply to **Mr INGERSON** (24 February).

The Hon. G.F. KENEALLY: The replies are as follows:

Ventilation System.

1. It is expected that the work will be completed to the satisfaction of the owner's operating agent (R.W. Miller Marine SA Pty Ltd/Howard Smith Ltd), the Government and the RSPCA by mid April. The vessel has coped with the transport of livestock from Kangaroo Island since 16 November 1987 during the peak season by use of the upper deck. There is currently a low demand for livestock transportation due to seasonal factors. Priority has been given to providing and maintaining the service to the island. The modifications have been proceeding without undue interruptions to that service. While this has constrained the process of modification, it is nevertheless proceeding satisfactorily.

2. Fins—Work on the fins commenced on 17 March 1988 and will be finalised by 25 March 1988.

3. Bridge Wing Controls—This work will be completed by 23 March 1988, subject to testing.

4. Cost of Modifications—The above modifications will not result in any increase in the cost of the vessel ($16.2 million).

Sale of M.V. *Troubridge.*

1. There has been no failure by the Government to conclude negotiations for the sale of the M.V. *Troubridge.*

2. The Government entered into a contract for the sale of the *Troubridge* for $405 000 on 11 August 1987. The contract provided for the delivery of the vessel between the dates 7 September and 9 October 1987.

3. As the M.V. *Island Seaway* was not ready to be commissioned before 9 October 1987, a short-term lease-back arrangement was entered into with the purchaser for access to the vessel after 9 October 1987, involving a payment of $3 000 per day payable on delivery. This was the most economic available means of maintaining the service to Kangaroo Island.

4. As a result of an industrial dispute, the purchaser has not yet taken delivery of the vessel. The Government has an agreement with the purchaser for the sharing of the costs involved in holding the vessel; the bulk of those costs is being borne by the purchaser.

5. The Government's agreement with the purchaser requires it to settle the purchase on or before 30 March 1988.

PAPER TABLED

The following paper was laid on the table:

By the Premier (Hon. J.C. Bannon):

Jubilee 150 Board—Report, 1986-87.

MINISTERIAL STATEMENT: STATE BANK PROPERTY TRUSTS

The Hon. J.C. BANNON (Premier and Treasurer): I seek leave to make a statement.

Leave granted.

The Hon. J.C. BANNON: The State Bank has been working for some time on a scheme to give financially troubled farmers in the cereals region of Eyre Peninsula a chance to remain on the land and work their way out of their difficulties. An announcement concerning the scheme was made recently. In simple terms it would involve secured creditors converting their debt to equity units in a property through individual property trusts established for each farm in difficulty. There would also be a separate rural property trust to which farmers in crisis could transfer their properties while they made arrangements to leave the industry in an orderly and dignified fashion.

Central to the successful operation of the scheme is the ability to transfer land from a farmer to a trust and to return it from the trust to the farmer's control. Such transfer could give rise to a range of instruments which would normally attract stamp duty and registration fees. Since the scheme is designed to assist farmers to work their way out of difficulties (or in some cases to leave the industry in an orderly fashion) the bank has requested an exemption from the stamp duty and the registration fees which would otherwise be payable.

The Government is familiar with the exceptional circumstances facing farmers on the Eyre Peninsula and is keen to see the scheme go ahead. Accordingly, it has agreed to provide relief from stamp duty and registration fees on instruments associated with approved trust arrangements. Each proposal to establish a trust will be separately considered. Once such a proposal is approved, the necessary documentation will be examined by the State Taxation Office and will, in the normal course, be stamped and registered without cost to the farmer or the bank. Any subsequent transfer of property from the trust back to the farmer will also be free of duty and fees. However, should property be

sold from the trust to a third party, normal duty and fees will apply. The Government would prefer to avoid what could become a quite lengthy and complex drafting task and to retain some flexibility in the administration of the concession. It is proposed to deal with the matter by way of *ex gratia* payments, and advise the House accordingly.

MINISTERIAL STATEMENT: NORTHERN POWER STATION

The Hon. R.G. PAYNE (Minister of Mines and Engergy): I seek leave to make a statement.

Leave granted.

The Hon. R.G. PAYNE: Members will be aware that among the energy issues under consideration by the Government in recent years has been the question of additional baseload electricity generating capacity to meet growth in demand in future years. I can now advise the House that the Government has decided to meet that need through the construction of a third 250 megawatt unit at Port Augusta's Northern Power Station.

Both the trust and the Energy Planning Executive, after examination of all the options, have concluded that NPS-3 remains the logical choice for the next increment of baseload capacity. It can be developed economically because it is simply an extension of an existing power station and will use fuel from an operating mine. The construction timetable for the third unit is for commissioning in the first quarter of 1996, with commercial use scheduled for six months later. ETSA expects to order the boiler and turbo-generator later this year and major site works will commence in early 1990. The anticipated cost of the project is $450 million at present day prices.

As members would expect, NPS-3 will provide a major boost for the State's heavy engineering sector and the trust will be ensuring maximum use of local labour and resources. In addition to employment generated during the construction phase, manning of the unit and increased coal production at Leigh Creek will generate additional employment. Coal production at Leigh Creek will rise by one million tonnes a year when the new unit is operational—lifting total annual production to 3.5 million tonnes. I can also advise that ETSA is currently installing additional coal-handling facilities at Northern Power Station at a cost of approximately $3 million and has recently approved expenditure of $2 million for a new administration building and additions to various workshops at Port Augusta.

PUBLIC WORKS COMMITTEE REPORTS

The SPEAKER laid on the table the following interim report by the Parliamentary Standing Committee on Public Works:

Yatala Labour Prison—New F Division (Revised Proposal).

The SPEAKER laid on the table the following report by the Parliamentary Standing Committee on Public Works, together with minutes of evidence:

Adelaide University—Mechanical Engineering Building Extension (Revised Proposal).

Ordered that reports be printed.

PUBLIC ACCOUNTS COMMITTEE REPORT

Mr KLUNDER brought up the 56th report of the Public Accounts Committee which related to the acquisition of computers.

Ordered that report be printed.

QUESTION TIME

SUBMARINE PROJECT

Mr OLSEN: Will the South Australian Government join the Federal Defence Minister in giving full and unqualified support to the agreement between the Australian Submarine Corporation and three trade unions to cover the assembly of the Royal Australian Navy submarines at Port Adelaide and, in doing so, will the Premier call on the South Australian Trades and Labor Council to lift immediately all bans on construction of the submarine assembly site, and make it plain to the TLC that the Painters and Dockers Union, in particular, must be excluded from any work on this vital project?

I have been informed of a most serious development at a Trades and Labor Council meeting last night which threatens to cause major delays in the submarine project. Despite earlier assurances from the TLC that it would accept a finalised construction agreement to allow construction of the assembly site to proceed, the Storemen and Packers, the Painters and Dockers, and the Building Workers Industrial Unions combined at last night's meeting to stop construction work.

In its place, the TLC is now to merge the construction site and submarine assembly agreements in its negotiations with the ASC rather than treat them as two separate issues, with the demand that the three union agreement for submarine assembly be rescinded before the unions will allow any further work on the construction site, which is already a month behind schedule.

The purpose of these (as has been described to me) blackmail tactics is to allow unions like the Painters and Dockers to have access to submarine assembly. The three union agreement has already received the full endorsement of the Federal Defence Minister. In a statement in the *Advertiser* of 23 December last year, Mr Beazley said it would 'make an important contribution to the success of the submarine contract' and 'could provide a model for industrial relations in future defence projects'. In October 1986, I wrote to the Premier about moves by the Painters and Dockers to muscle in on the submarine project.

A month ago, problems were foreshadowed to the Premier given that building industry unions had banned all new construction work, yet as late as this morning the Premier was promising only to seek a report into the matter. The Painters and Dockers Union has a history of involvement in extortion rackets on the Port Adelaide waterfront and in workers compensation, social security, and taxation frauds.

In a statement to this House on 4 March 1986, the Premier said that the South Australian police would monitor the activities of the Painters and Dockers following findings of the Costigan Royal Commission about this union's links with extortion rackets and organised crime. I have been told today that employers involved in the submarine project are looking to the Federal and South Australian Governments to make public in the strongest possible terms their opposition to bans on the construction site, and to efforts to destroy the three union agreement on submarine assembly.

The Hon. J.C. BANNON: This matter is at a delicate stage in terms of negotiations.

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: The Leader of the Opposition's question mixes together a whole series of matters in a way that is not helpful to the resolution of the situation. No doubt it will delight members opposite if I or any other members of the Government—

Members interjecting:

The SPEAKER: Order! Will the honourable Premier resume his seat for the moment? The Leader of the Opposition was able to ask his question and deliver his explanation without being greeted by guffaws and interjections. The same courtesies should be extended to the Premier. The honourable Premier.

The Hon. J.C. BANNON: I think that great care must be taken to ensure that the situation is not distorted, further inflamed or made more difficult to settle by the sort of Rambo-like statements that no doubt some members opposite would wish to be made. There may be a time and place for that, but it is not now in the present situation.

It is certainly true that this has been an ongoing problem. There have been intensive negotiations; negotiations that looked as if they were very close to settlement, but unfortunately in the past 24 hours the parties have again moved apart. That is certainly a matter that must be addressed. Incidentally, I might add that earlier attempts to make agreements have not been helped by quite up-market statements made by representatives of the employers. Both I and the Minister of Labour have had occasion to speak to them about those particular statements and the way in which the matter was inflamed.

Mr Olsen interjecting:

The Hon. J.C. BANNON: They do not need to ring me—it has been made very clear to me. I mention that to put some balance into the argument because the Leader of the Opposition's concern and only interest is to do a bit of union bashing and to paint the unions as being totally in the wrong. That is not helpful. There are two sides to the issue. I do not intend to inflame the situation because it is not in our State's interest to do so. We were in fact keeping in close contact with those involved.

Members interjecting:

The SPEAKER: Order! I call the members for Mawson, Coles and Mitcham to order.

The Hon. J.C. BANNON: The Government is able to lend whatever assistance as is seen appropriate by the parties in an attempt to organise a settlement or get an agreement. It is important to remember at the outset of this project that there are obviously things that must be got right. People will have to give undertakings that will be expected to last for the duration of the project and therefore all parties must take great care to ensure that they can live with the commitments they have made. If that means that at this point it takes longer to get it organised (I certainly hope it will not take too much longer), so much the better if it guarantees the smooth and orderly progress of the project later on. Anyone involved in industrial relations would recognise the sense of what I am saying.

At this stage I am not able to take the discussion any further than has been publicly reported, but simply advise that both I and the Minister of Labour have been kept up to date and indeed we stand ready to help. I remind the House that we do not have direct jurisdiction in this area. It is covered by Federal awards and we have no State power on which we can call. We are certainly intent on doing everything that the State possibly can to ensure that this project is embarked upon on a trouble-free basis. This project is not only important for South Australia but also for the nation. Unless we can demonstrate that we can do a project of this size and complexity—

The Hon. Jennifer Cashmore interjecting:

The SPEAKER: Order! I call the member for Coles to order for the second time.

The Hon. J.C. BANNON: We find those elements, such as the Liberal spokesman on defence and another Senator, have been constantly on the record as saying that we should not be building these things but buying them off the shelf as it is too expensive to build them. We know of their irresponsible attitude to the development of Australian industry. The Leader of the Opposition refrains from disowning those statements whenever they are made. I would like to hear whether he agrees with them. We are committed to the project even if the Liberal Opposition is not, and we intend to use our best endeavours to make sure that it happens.

Members interjecting:

The SPEAKER: Order!

HOUSING TRUST HOUSES

Mr De LAINE: Will the Minister of Housing and Construction advise the House of how many Housing Trust houses have been provided per head of the State's population during the Bannon Government's term of office? Many of my constituents have queried with me several points made in the statement on public housing issued by the member for Hanson and letterboxed to all trust tenants in the Federal electorate of Port Adelaide. In particular he stated:

> During the best periods Liberals built one Housing Trust unit of accommodation for every 260 persons. Labor can only provide one unit for every 700 persons. That is not progress.

The Hon. T.H. HEMMINGS: I thank the honourable member for his question. It was a very amazing statement, indeed. In fact, the whole of the letter put out under the name of the member for Hanson in that area was so amazing that even I, who have grown used to the amazing statements that emanate from the lips of the member for Hanson, or from his pen, was amazed.

Dealing with that specific part of the letter, I emphasise that the statement, as the member for Price says, claims that the Liberals built one trust home for every 260 people. That part of the statement is very true, but when did it happen? It happened when the member for Hanson was, I think, still in short pants and sitting on the Anzac Highway taking the numberplates of cars and sharpening up his skills so that eventually, when he came into this place, he could show his talents to the full.

Tom Playford was the man responsible for that program in 1954—34 years ago—and I have made a quick check around the Chamber and I know that at least the member for Elizabeth was not even born in that year. The member for Hanson has now made that statement. We know what the next election campaign strategy will be: let's go back to 1954, Playford revisited. I am sure that all my colleagues on the front bench will ascertain what happened in 1954 and will say that that is what the election campaign will be about. I would like to think that the Liberals have a little more to offer. Look to the future and do not look back. Tom was a good man, but times have changed—34 years have passed and we need to do something else.

The statement mentioned that Labor has added only one trust dwelling for every 700 people. That calculation is based on our present financial year's program, which everyone knows has been hard hit by a reduction in Federal funding. If one compares all other years under the Bannon Government, the per head of population figure improves substantially, and I am sure that the member for Hanson knows that. However, the most recent record of the Liberals, that is the Tonkin Government's public housing program, was pitiful when compared with what the Bannon Government and Tom Playford achieved. The Tonkin Government's best public housing effort was in 1982-83 when it provided

an additional 2 203 stock. The Liberals do not mention that the reason why they had such a good result in 1982-83 was because the first Labor Government's budget boosted the Liberal's housing program. The Bannon Government's best year in 1986-87 saw the addition of 2 856 stock, which was better than that achieved by even old Sir Tom. We surpassed Sir Tom's figure there and, based on the State's population at that time, this works out to one trust dwelling for every 488 people.

That proves the old saying: there are lies, damn lies and statistics. I am quoting statistics, and I leave it to the House to make up its own mind about what the member for Hanson has submitted. The Federal and State Labor Governments have injected over $1 billion into public housing programs over the past five years compared with just under $300 000 during five years of the combined Liberal Governments. In addition, the Labor Government has provided the majority of these funds at concessional rates or in the form of grants, compared with the large percentage being market rate loans under the previous Government.

MINISTERIAL OFFICERS

The Hon. E.R. GOLDSWORTHY: Has the Minister of Recreation and Sport received the report that he said last Thursday he would seek from his Press Secretary on the distribution to the media of material falsely purported to represent the views and activities of the New Age Spiritualist Mission? Will he table that report and, if it is a full and true account of the Press Secretary's activities, will the Minister confirm that it includes the following explanation of how this material was given to the journalist:

The Press Secretary telephoned the journalist to say he had material showing the nature of the activities of this church.

The Press Secretary during this telephone conversation highlighted references to sexual activities, including the 24-minute orgasm.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. E.R. GOLDSWORTHY: This is what he said, didn't he?

The SPEAKER: Order! The honourable Deputy Leader is entitled to ask his question in peace.

The Hon. E.R. GOLDSWORTHY: This is what he circulated:

The material was left at the front counter of the Minister of Agriculture's city office for the journalist to collect.

Certain sections, including those about orgasms and money management, and all references to New Age, had been underlined in texta colour.

After making a telephone call, the journalist was able to establish that the publishers of the material had no association whatsoever with the New Age Spiritualist Mission.

The journalist informed the Minister's Press Secretary of this fact and, in reply, the Press Secretary said that he had more information coming from Sydney that would prove his claim and accused the journalist of being biased.

In the light of these events, will the Minister agree that his Press Secretary did not distribute this material just to have it checked out by the media, as the Minister tried to claim at the weekend?

The Hon. M.K. MAYES: I am happy to acknowledge that I have received a report from my Press Secretary in relation to this incident. The report and the comments from the Deputy Leader do not account with the body of the report that I received. In regard to the events—and I have replied to the Press Secretary in relation to that—I have expressed disappointment at the circumstances. I have indicated quite clearly from his report to me in response to his comment that he had provided this information on the basis of it having to be verified on a confidential basis. I have acknowledged that in my reply to him from his report.

Members interjecting:

The SPEAKER: Order!

MISREPRESENTATION OF LEGISLATION

Mr ROBERTSON: I address my question to the Minister of Transport, representing the Minister of Local Government in another place. Will the Minister take steps to ensure that councils do not misrepresent State Government legislation relating to the imposition of fines on members of the general public? On 9 February a constituent came to see me to report that he had apparently received a parking ticket in the Adelaide City Council region on 19 December. It appears that the ticket was removed from his car before he returned to it. The first my constituent knew about having received the ticket was when he received a letter from the Adelaide City Council advising him to pay the fine and a late payment fee. He rang Adelaide City Council and was advised that the council had the ability to waive the late payment fee. He was advised to write to the Town Clerk and request permission to have the fee waived. In response he received from the Adelaide City Council a letter dated 3 February which advised him:

State Government legislation requires the imposition of a late payment fee.

I am advised that the Local Government Act provides that councils may impose a fee. I am also told that there is nothing in the Act which specifies that councils must impose a fee for late payment. It has been put to me—

The SPEAKER: Order! The honourable member is beginning to debate the question. The honourable Minister.

The Hon. G.F. KENEALLY: I will certainly refer the honourable member's question to my colleague the Minister of Local Government in another place for her consideration. I am not sure how the Government would be able to ensure that any local government authority that wished to do so would not, or could not, misrepresent Government legislation, in fact, the legislation under which local authorities operate. As a Minister of the Government and a previous Minister of Local Government I am disappointed to hear that a local authority such as the Adelaide City Council either misunderstands the legislation, or that some officer within the council has deliberately misrepresented the legislation. There is no doubt in my mind that the office of the Adelaide City Council is very familiar with the Local Government Act and all the permutations of that. The City of Adelaide has a very competent staff and the council is largely made up of competent people. I suppose I would have to say that all the elected members of the Adelaide City Council are competent people—certainly in the view of those who elect them. It certainly does no good to the relationship that should exist between those two levels of government which, except for the odd occasion when there might be some area of dispute, has been good and should remain so. This sort of action is likely to affect that relationship.

In case members opposite misunderstand, let me point out that the South Australian Government has the statutory responsibility to legislate for local government. The rules applying to local government are established by this House of Parliament. That is a fact of life. When Parliament does that, it behoves local government to look very closely at what has been done and reflect it accurately and honestly.

MINISTERIAL OFFICERS

Mr S.J. BAKER: What action did the Minister of Agriculture take immediately he became aware of allegations that his press secretary was defaming the New Age Spiritualist Mission in circulating material to the media? In particular, did he immediately raise these allegations with his press secretary, insist that such a blatant misuse of a ministerial office was stopped forthwith, and ensure that the media did not publish the offending material?

In answer to a question last Thursday, the Minister revealed he had been aware for a week of allegations that his press secretary was involved in the circulation of this material. However, there is no evidence of the Minister having taken any immediate action either against his press secretary or to ensure this material was not published. Indeed, it was only when the Opposition began questioning this matter last Thursday that the Minister said he would 'investigate the allegations and take appropriate action'.

The Hon. M.K. MAYES: My response is on the record as to when I was first made aware of these allegations, and I make no further comment on that. I had asked for a report, and I stand by that. I now have that report, and I have indicated my reply to it.

MOTOR VEHICLE DEFECTS

Mr M.J. EVANS: Will the Minister of Education, representing the Minister of Consumer Affairs in another place, consider the possible extension of the jurisdiction of the Commercial Tribunal to include new motor vehicles as well as secondhand motor vehicles to ensure that consumers have access to speedy and effective legal remedies when faults are found in new vehicles? A constituent in my area recently purchased a new motor vehicle from a major Adelaide dealership at a cost of $20 000. Unfortunately, he subsequently discovered serious defects in the vehicle and has encountered difficulties in having the matter resolved to his satisfaction by the dealer. He was unable to gain the benefit of a legally enforceable ruling from the Commercial Tribunal.

The Hon. G.J. CRAFTER: The honourable member's question concerns a disturbing trend with regard to the quality control of vehicles, whether manufactured here or overseas. I am sure that all members have received complaints at one stage or another. I will have the matter referred to my colleague in another place for investigation.

The SPEAKER: The honourable member for Heysen.

The Hon. D.C. WOTTON: Mr Speaker—

Members interjecting:

The SPEAKER: Order! It is Question Time and the Chair has just called the honourable member for Heysen to ask his question. The honourable member for Heysen.

WALFORD SCHOOL HALL

The Hon. D.C. WOTTON: My question is directed to the Minister of Agriculture. Following his statement to the House last week that he had initiated Government action to block a development in the street in which he lives 'in response to a request from my constituents', why has he refused to act on behalf of another much larger group of his constituents who will be affected by a much bigger development? The Opposition has received many complaints over the past week from residents in the Hyde Park area of the Minister's electorate who will be affected by plans of Walford school to build a new hall.

This hall will seat more than 600 people, compared with the proposed 60-seat church, to be built in the Minister's street, which he has tried to block. The school hall was originally rejected by Unley council but allowed on appeal to the Planning Commission, whereas Unley council's planning guidelines permitted the church to be built in the Minister's street. Typical of the complaints received by the Opposition is the following statement from Mr J. Dunbar, of Commercial Road, Hyde Park. In a letter to the member for Coles, he states:

> As a resident in Mr Kym Mayes' jurisdiction, I phoned Mr Mayes regarding Walford school hall. I was told by the Minister he could 'do nothing at all to help us as it was a council matter and out of his parliamentary jurisdiction'.

Members interjecting:

The SPEAKER: Order!

The Hon. D.C. WOTTON: Other residents have told us of similar experiences on approaches to the Minister, and they are now saying that the Minister's attitude only confirms that he acted out of personal interest in trying to block the church development in his own street.

The Hon. M.K. MAYES: Thank you, Mr Speaker, for the opportunity to clarify this position. It is very important to respond to the work that Mrs Burnett has been doing out there in Unley, ringing around and making these inquiries. I might say that for every phone call she made I received a phone call from that particular resident to advise me that she had called. I was very busy on Monday evening, having a list of phone calls to respond to because Mrs Burnett had been ringing around. It was a very fruitless exercise because the secretary of the residents group actually phoned me on Monday at the office and again at home on Monday night to advise me of what had taken place. Just to clarify it—

The Hon. D.C. Wotton interjecting:

The Hon. M.K. MAYES: Considering that the member had difficulty first in finding the question and then reading it, I am sure he is waiting with interest for the answer. We know how successful he was when he was a Minister. It is important to note that the Hyde Park Residents Association met with me, and I can give the details of it. Mr Williamson and Mrs Jacobs met with me on 17 August 1987 in my electorate office and we discussed extensively the issue of the Walford school assembly hall. I had also been on site with the residents to examine the actual planned development.

The fundamental difference—and this is for the benefit of the honourable member who obviously does not understand it—is that a planning appeal mechanism was available, and that process has been entertained. The residents understand that, as they have understood many of the issues in which I have been involved. On 10 August I responded to the public meeting. Unfortunately I had to be interstate at an Agriculture Ministers meeting, but I extended my apology, indicated my position and asked to be kept informed of any development. I made it quite clear that I am very concerned about the proposal and development encroachment in the residential area of Hyde Park.

The local residents know that. I have spoken individually to local residents about the issue in the past couple of days, and it is quite clear in their mind. The Opposition's attempts in this matter are transparent. The member's getting a question handed to him is shocking—it is just pathetic. The residents in Hyde Park know exactly what my position has been: it is well documented. The Opposition has pathetically tried to rustle around and find something out by speaking to Mrs Barton and Mr Dunbar about this issue. However, the residents themselves are concerned about Mr Dunbar and Mrs Barton's response to this, and they will approach it in their own way. It is quite clear what my position has

been, and it really shows how the Opposition has handled this whole matter in such a pathetic fashion.

PRIMARY SCHOOLTEACHERS

Ms GAYLER: Can the Minister of Education give parents of primary school students an assurance that the vital role of primary school class teachers will not be diminished by the move to specialist teachers for subject areas such as music, physical education and languages? Last week the Minister released a report entitled 'Directions: Report of the Primary Education Review of South Australia'. In commenting on that report the *Advertiser* said:

> It would mean the end of traditional primary school education.

Parents in my area have expressed to me concern that the important role of primary class teachers in providing continuity, security, social development, cooperative skills and confidence building for young students be maintained.

The Hon. G.J. CRAFTER: I am appreciative of the question that the honourable member raises and I am pleased to give her, and indeed the South Australian community, the assurance that she seeks. Last week I was present at a very large gathering of the education community in this State where the primary education review was presented to the Director-General of Education. This 20 volume review of primary education in South Australia follows more than two years of consultation and research involving more than 5 000 parents, teachers and children throughout this State.

This is the most comprehensive review of primary education ever carried out in Australia and steps have already been taken to establish a new Primary Education Board to consider the implementation of recommendations made by this review. The recommendations, as the honourable member has suggested, include a better system of student school reports to parents and, for example, stronger mathematics, science and other areas of education expertise within the primary school classroom.

The enormous response from parents and other community members to the review illustrates how the community is becoming more involved in education, particularly in primary schools. The review provides an opportunity for our community to say how we can do better and, perhaps just as importantly, to acknowledge just how well educators have been doing in providing young people with an excellent start to their formal learning. At the same time, the review has also highlighted the real commitment that the State Government has to this important area of education in our State. Indeed, the statistical information on expenditure on education and staffing of our schools is reassuring and illuminating. In fact, the report acknowledges that the Government has maintained teacher numbers despite falling student numbers—an actual increase of 184 from 1982-83—and that there has been a real improvement in the ratio between students and teachers at an increased cost of $484 for every primary school student since 1982.

With respect to the specific question that the honourable member raises, the review reaffirms the role of the teacher and the relationship between the classroom teacher and young people essential to learning in our schools. The primary education review reaffirmed this in the statement from the document entitled 'Our Schools and their Purposes', which states:

> The interaction between teacher and learner is at the heart of schooling.

The quality of this relationship is the most important single factor in learning, and indeed the commitment to children by primary schoolteachers is reflected throughout the 20 volumes of this major review. There is an enormous range of issues throughout those volumes of the review which will affect teachers in primary schools, and I guess one of the important issues is that of the specialist teacher. The review affirmed the role of the generalist teacher, but questioned the assumption that it is appropriate for primary aged children to have only one teacher responsible for all their learning at each year level who could effectively teach all areas of the curriculum, and this was found to be especially so in regard to those areas of study where a high level of technical or cultural expertise was essential: for example, languages other than English, music, and physical education.

The review recognised that all children should have equal access to all aspects of the curriculum and that the learning needs of children should determine the way in which teachers are deployed. However, the distinctive features of the primary school—that is a generalist teacher of a class of children, and a home room—should be preserved, and a close relationship between the teacher and the child should be ensured. There are many good practices flourishing in primary schools today. Teachers in schools working with their communities have continually demonstrated a commitment to the education of children and we are indeed fortunate in the large number of dedicated and hardworking teachers we have in our education system.

UNLEY PROPERTY

The Hon. JENNIFER CASHMORE: Following his statement in the House last Thursday that he 'readily' concedes the Government has made mistakes in its use of section 50 of the Planning Act in an attempt to block a development in the street in which the Minister of Agriculture lives, will the Premier list each of those mistakes; say who he holds responsible for them; and explain what action he has taken to ensure those mistakes are not repeated?

The Hon. J.C. BANNON: I am not prepared to go through that chapter and verse. I would have thought that it had been adequately brought out already. What does the honourable member wish—instead of beating my breast three times to actually don sack cloth and ashes and go out and whip myself? I am not that sort of masochist. I have readily conceded that our review of the way in which this was handled indicated that it was not an appropriate application of that section. The matter has been withdrawn, and we are not persisting with it. I would have thought that that was the sort of admission that people would welcome, but obviously—

Members interjecting:

The SPEAKER: Order! I remind the member for Coles she has been twice called to order already this Question Time, and to be called to order again might have certain consequences. The member for Henley Beach.

HOUSING COOPERATIVE PROGRAM

Mr FERGUSON: Will the Minister of Housing and Construction elaborate on the effectiveness of the housing cooperative program? My interest in this area was prompted by reading the trust's discussion paper 'Housing for the Community' wherein I noted the statement that the cooperative program was a cost-effective mechanism for lifting private tenants out of poverty and giving them control.

The Hon. T.H. HEMMINGS: It is pleasing for me to have positive questions about the good things we can give to our constituents rather than the carping negative dialogue

that comes from the other side. Under the Bannon Government the housing cooperative program has blossomed and bloomed. In fact, we are leaving the rest of the country behind in regard to cooperatives. This program has always had a high priority and will continue to have such in this Government's housing program. The program's basic objective is to provide housing for people in need, with a strong emphasis on security of tenure, affordability and tenants' self-management which locks in well with the tenant participation program that we are running within the South Australian Housing Trust.

A major benefit of the scheme is the channelling of private finance into the low income housing area. Tens of millions of dollars have so far been committed to this form of low rental housing. The number of cooperatives is nearing 40, and it is expected that by the end of June 1988 the total stock under the program will exceed 1 000 dwellings. It is a very good scheme, is working well, and I am pleased to say that many of my interstate colleagues constantly come to South Australia to see how we are operating our cooperative program.

The benefits to the individual include participation in decision making, development of management skills, and pride in the house in which the person lives. I will be examining funding mechanisms of cooperatives in Canada and the United Kingdom later this year with a view to improving and expanding further our program in South Australia.

UNLEY PROPERTY

The Hon. B.C. EASTICK: How does the Minister for Environment and Planning reconcile his statement to the House last Tuesday that the Government withdrew the application of section 50 of the Planning Act to a development in the street in which the Minister of Agriculture lives because there already had been 'substantial commencement' on the site, with information placed before the Unley council on Monday night of this week? I have been informed that at Monday night's Unley council meeting Councillor Michael Hudson asked the following question of the Acting Town Clerk and Director of Planning, Mr Ray Kent:

Was any building work begun on the site at the time of the issuing of the section 50 notice, that is, 2 March?

Mr Kent replied, 'No development had commenced on the site pursuant either to the Building or the Planning Act on 2 March'. The revelation of this fundamental conflict between the Government and a major metropolitan council means that, as well as the original application of section 50 to this property representing an abuse of power—

The SPEAKER: Order! The honourable member is clearly debating the question at this stage and leave for the continuation of his explanation is withdrawn. The honourable Premier.

Members interjecting:

The Hon. B.C. EASTICK: On a point of order, Mr Speaker. Your score on me now is two out of two. Do you intend to continue along in that vein?

The SPEAKER: Order! The Chair is leaning towards the view that rather than making a point of order the honourable member for Light was reflecting on the occupant of the Chair—

Members interjecting:

The SPEAKER: Order! —an approach that I would find surprising coming from the honourable member for Light. The honourable Deputy Premier.

Members interjecting:

The SPEAKER: Order! The honourable Deputy Leader has a point of order.

The Hon. E.R. GOLDSWORTHY: On a point of order, Mr Speaker, just to ensure that there is consistency in this place, do you intend, every time a member asks a question and is commenting, to terminate the explanation immediately, because that has never happened to the Government, whereas it is happening to us frequently.

The SPEAKER: Order! The honourable Deputy Leader is factually incorrect.

Members interjecting:

The SPEAKER: Order! At about 42 minutes before the completion of Question Time, the honourable member for Bright was pulled up for exactly the same offence as the honourable member for Light and was not allowed to continue with his explanation. The honourable Deputy Premier.

The Hon. D.J. HOPGOOD: I can only report to the House what I was advised: first, that a contract had been entered into—

Members interjecting:

The SPEAKER: Order! In view of the eagerness expressed regarding the point of order of the honourable member for Light, the Chair would have thought that honourable members would be eagerly awaiting the reply from the Deputy Premier and would listen to his reply in relative silence. The honourable Deputy Premier.

The Hon. D.J. HOPGOOD: Just in case the interjections muffled my response, I shall begin again. I can only repeat to the House what was advised to me at the time as being matters of fact, and I understand that they are still matters of fact. The first was that a contract had been signed and, secondly, that some work had been done on the site. I understand that there is a body of legal opinion on this matter and that the courts have given decisions previously. It is not necessary to put foundations down before one can say that there has been substantial commencement occurring on the site.

Actually, I believe that the words used are 'lawful commencement' and I concede that, technically, I probaly used the wrong expression on that occasion. If that drew the Opposition down a blind alley, I am sorry about that, but lawful commencement, as I understand it, can involve the survey of the property for the purposes of construction; it can involve entering into a contract; or it can involve either. That is the advice that has been given me, and I have received no other advice since then.

Members interjecting:

The SPEAKER: Order! I call the honourable member for Florey to order. The honourable member for Mawson.

HOUSING POLICY

Ms LENEHAN: Will the Minister of Housing and Construction consider the adoption of a more flexible policy that would allow age pensioners to transfer concessional housing loans to the purchase of smaller homes? I have been contacted by a pensioner couple living in my electorate who are purchasing their home with the help of a Housing Trust concessional home loan through the State Bank. Their family size home is now too large and is proving too much for them to look after. However, they do not have a sufficiently large equity in their present home to purchase a smaller dwelling.

Thus, their only options are to move into an elderly citizen's rental flat, or to transfer a substantial amount of their current concessional loan to purchase a smaller home. My constituents have suggested to me that the trust could

assess each pensioner application on a case by case basis. Further, my constituents have provided me with a list of benefits that this would bring about, namely, that the advantages would be that a larger home—

The SPEAKER: Order! The honourable member is beginning to canvass the case. I withdraw leave and call on the honourable Minister.

Ms Lenehan interjecting:

The Hon. T.H. HEMMINGS: Thank you, Mr Speaker.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! I call the House to order. Before taking the point of order from the member for Mawson, I point out to her that, although she may have been brandishing a letter from a constituent, the brandishing of documents in the Chamber is not permitted. The honourable member for Mawson.

Ms LENEHAN: Thank you for your guidance, Mr Speaker. My point of order is that the Opposition called out that this was a dorothy dix question. It was not a dorothy dix question.

The SPEAKER: Order! There is no point of order. Dorothy dix questions as such are not out of order, nor are references to dorothy dix questions. However, interjections are out of order. The honourable Minister.

The Hon. T.H. HEMMINGS: Thank you, Mr Speaker. I thank the honourable member for her question.

Members interjecting:

The SPEAKER: Order! I call the member for Murray-Mallee to order.

The Hon. T.H. HEMMINGS: I congratulate the honourable member for showing such lateral thinking in trying to attempt to resolve public housing problems. It is a pity that the member for Hanson is still harking back to 1954. Perhaps it might do him a bit of good to bring himself into the 1980s. I must confess that the member for Mawson's proposition is rather interesting and is a way that we can assist people who are trying to transfer into a smaller property and in fact not to place a demand on the public sector housing program. That is what the member for Mawson is driving at. I am not quite sure of the financial implications of this proposal. I will be only too pleased to look at it and to bring down a report for the honourable member in the near future.

CARRICK HILL ART

Mr BECKER: My question is to the Premier, as Minister for the Arts. Will he initiate an immediate investigation into the procedures followed to transport one of South Australia's art treasures to the United States for use in a major exhibition in Washington? The work to which I refer is the Gauguin *Big Tree*, owned by Carrick Hill. This was one of three paintings with a collective value of almost $2 million stolen from Carrick Hill in October 1986. However, it appears that the safe keeping of this world-renowned work again may have been jeopardised during its transportation to the United States, where it will be on loan to the National Gallery of Art in Washington for a major exhibition of works of this French post impressionist.

I have in my possession a copy of a telex sent on 17 March from the National Gallery in Washington to GIF International, the forwarding agents at Port Adelaide. The telex states:

> We are very surprised to learn that the Gauguin from Carrick Hill had arrived in New York. Neither the National Gallery nor Keating had been informed of the shipping date or the airway bill number. This is not the way that we like our shipments to be handled. Can you please let me know why this happened?

The telex is signed 'Mary E. Suzor, National Gallery'.

The Hon. J.C. BANNON: I would be very interested also to know why that happened and I will certainly undertake to obtain a report.

EMERGENCY ACCOMMODATION

Mr DUIGAN: My question is to the Minister of Housing and Construction. What action has the Government taken to help emergency accommodation services provide housing assistance to needy families within our community? Further, is the Minister in a position to gauge the effectiveness of the assistance that has been provided? Emergency accommodation for single parent families on a fixed income, single aged or single young people is the most important and most frequent request made to the Adelaide electorate office for assistance. Those requests are becoming increasingly difficult to meet.

The Hon. T.H. HEMMINGS: The House is well aware that the State Government's overall housing program is geared towards providing effective assistance to the South Australian community, especially in areas to which the honourable member referred. One important component of the housing program is the Crisis Accommodation Program (CAP). It is a joint Commonwealth/State Government initiative which provides capital assistance for emergency and supportive accommodation services. In particular, it addresses the needs for women's shelters, youth refuges and night shelters.

The value and effectiveness of this program is well recognised and I have received many letters of appreciation from those organisations that have received grants under this particular program. CAP provided the necessary funds to Westcare, which is run by the West End Baptist Mission, to build a modern kitchen and improve dining room facilities. I know that the member for Adelaide is aware that this group is one of the major providers of low cost, nutritious food in the Adelaide central business district. I quote from a letter I received from the Superintendent, as follows:

> Your Government commitment and your personal interest in the needs of the poor and the disadvantaged is to be applauded.

I will shortly be making a joint statement with the Federal Housing Minister about grants for the 1987-88 financial year.

WORKCOVER

Mr OSWALD: I address my question to the Minister of Labour. The confidential task force report he received last month identified serious problems with the operations of WorkCover including:

> the inability of the current system to produce 'meaningful management reports' resulting in the corporation 'flying blind', to use the words of the task force, and exposing the scheme to the potential of getting 'out of control' without the corporation's knowledge;
>
> lack of access to data affecting rehabilitation programs;
>
> the purchase of computer software worth $2.7 million which is of little practical use to WorkCover;
>
> 'a severe deficiency in the level of experienced staff in the claims administration function which has led to numerous errors'; and
>
> 'a clear indication of an attitude held by the top management within the agency which reflects an uncoopera-

tive and at times blatantly blocking approach to the corporation's requirements'.

Does the Minister accept the conclusions of the task force that the SGIC is responsible for the major computer system deficiencies and inadequate management controls identified in its report? Will he terminate the agency agreement with the SGIC, and what guarantee will he give that problems like these will not cause massive cost blow-outs in the same way they have with Victoria's WorkCare, or force up premiums on top of the increases already being imposed on the hospitality and other key industry groups?

The Hon. FRANK BLEVINS: I will deal with the last part of the question first because I see the member for Mitcham waving his usual flag: the front page of the Adelaide *News*, which suggests today that an increase of $12 million in premiums is being paid under WorkCover. I will deal with that alleged increase. In effect, there is a $7 million reduction in the premiums to be paid to WorkCover as a result of this latest review. The figures are very clear, and I will give them to the House. The original levy structure was targeted to collect $136 million for the nine months to the end of June 1988. The new levy structure is designed to collect $129 million.

Simple arithmetic indicates that that is $7 million less. The increases that have been mentioned by the honourable member are accurate. There have been some increases, and the Government makes no apologies for that. It is the result of much better data being made available to WorkCover and the board acted quite properly in making adjustments within the overall figure as quickly as possible. All members should understand who makes the decisions on the levy: it is not the Government, because it is not the Government's money. There is no Government money in WorkCover: it is the employers who make those decisions. When the new figures were available to the employers, they immediately made an adjustment, because some industries were underpaying and others were being overcharged.

Mr S.G. Evans interjecting:

The Hon. FRANK BLEVINS: I will give you the figures; I am very happy to do that. The review has resulted in the vast majority of industry classifications—approximately 387—having the same or a lower rate. Approximately 141 industry groups have had their rate increased.

Mr S.G. Evans interjecting:

The Hon. FRANK BLEVINS: Take it up with the board of WorkCover. If anybody is—

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: It is not my money. I am not running the State.

The SPEAKER: Order! I call the Minister to order. The occupant of the Chair always has a great deal of difficulty with the number of interjections from both sides of the House on any particular day. The Chair's position is not made any easier if a Minister invites and responds to interjections. The honourable Minister.

The Hon. FRANK BLEVINS: I was brought up to believe that it was rude to ignore people and when I get at least three or more interjections, I must go through them patiently. I have a table that is available to any member of the Opposition or, indeed, to any member of the House, referring to the decisions of the board of WorkCover on the levies, showing for which industries the levy has increased, for which industries it has stayed the same and which industries have had a reduction. We will not see anything on the front page of the *News* about the overall $7 million reduction. We will not see the front page of the *News* explaining how these 117—

An honourable member interjecting:

The Hon. FRANK BLEVINS: That is four of them. It will not show the 117 industry groups that have had a reduction. It is a swings and roundabouts position. The overall take has reduced marginally.

Members interjecting:

The Hon. FRANK BLEVINS: Are you saying that I am misleading Parliament? If you are suggesting that I am misleading Parliament—

The SPEAKER: Order! The Minister has again fallen into the pattern that the Chair asked him to desist from. Secondly, he is referring to members opposite as 'you' to further compound the problem rather than referring to 'members opposite'. The honourable Minister.

The Hon. FRANK BLEVINS: Members opposite constantly interject and, as they are apparently permitted to do so, I feel it is incumbent on me to answer their questions.

Members interjecting:

The SPEAKER: Order! The Chair did not quite hear the remark made.

Members interjecting:

The SPEAKER: Order!

Mr D.S. Baker interjecting:

The SPEAKER: I warn the honourable member for Victoria. The Chair did not quite hear the Minister's remark but the bit I could hear did seem to imply that members who interjected were receiving the protection of the Chair that the Minister was not receiving. If that is so, I ask him to withdraw the imputation immediately.

The Hon. FRANK BLEVINS: Sir, I am very surprised that—

Members interjecting:

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

The Hon. FRANK BLEVINS: Mr Speaker, I am very surprised that you inferred that from my remarks. Certainly if you did, I withdraw and apologise.

The information is here for members. Obviously the 117 industry groups will not go to the *News* and say, 'Gee whiz! We've had a reduction. Isn't that marvellous?' The first part of the honourable member's question referred to the report carried out by WorkCover on the agencies, not on WorkCover itself.

The report in the *Advertiser* was somewhat misleading, as it gave the impression that it was a report by WorkCover on itself. I was very pleased to receive that report. I have stressed to WorkCover all along, not that it has been necessary, that should any problems at all arise they are to be identified and remedied immediately. I do not want annual reviews or biannual reviews; I want a constant review process. I want a constant adjustment of any anomalies or any problems so that they can be rectified, and that has happened.

The substantial part of the honourable member's question was: do I have any fears that the problems that have been identified will cause some kind of cost blow-out that the Victorian WorkCare scheme is experiencing, apparently, from press reports? I am very confident that WorkCover has a very sound financial base. It will be the end of the year before WorkCover reports, of course, as it is compelled to do on an annual basis, as to what its financial position is, but I am very happy with the way in which the funds of WorkCover are being accumulated and handled.

As regards the author of that report on the problems that WorkCover is having with the agency, that is one view. It is not necessarily my view. It is not necessarily the view of the SGIC. I have called the parties together with a third party, representing myself, to sort through those problems.

So, any question of getting rid of the SGIC as the agency just does not arise.

SEXUAL REASSIGNMENT BILL

Received from the Legislative Council and read a first time.

SITTINGS AND BUSINESS

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

That the House at its rising adjourn until Wednesday 6 April at 2 p.m.

In speaking very briefly in support of that motion, I would remind all members that on one occasion a present member of the Supreme Court, as he was being ejected from this Chamber by the majority decision of the House on Maundy Thursday, turned to wish us all a happy and a holy Easter. Irrespective of the circumstances in which that wish was presented, I am sure they are excellent sentiments, and they are sentiments I would want to extend to all members. Whether or not they in fact put the interpretation on the events of the first Easter that I do, I am sure all members look forward to the opportunity of a restful and relaxing break in the bosom of their families.

The Hon. E.R. GOLDSWORTHY (Deputy Leader of the Opposition): We usually go through this business at Christmas time of patting each other on the back and saying what wonderful people we are. I support briefly the remarks of the Deputy Premier. I know that a habit was established of sitting on Maundy Thursday, and the then member for Mitcham, who obviously held Maundy Thursday fairly sacred, suggested we were being sacrilegious by sitting on that day. If he did nothing else in this place, he got us out on Maundy Thursday. I think we all look forward to the brief respite and I trust that the sittings of the House can be concluded according to the timetable that the Deputy Premier has set down. We have certainly bent over backwards to do our bit to see that the place works smoothly, and I simply endorse the sentiments of the Deputy Premier.

Motion carried.

IRRIGATION ACT AMENDMENT BILL

The Hon. D.J. HOPGOOD (Minister of Water Resources) obtained leave and introduced a Bill for an Act to amend the Irrigation Act 1930. 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

Historically 'ratable land' was land suitable for horticulture and viticulture that could be irrigated by water gravitating from an irrigation channel or pipemain. Rates were only charged against ratable land, and the base rate was calculated on the basis of the area of ratable land in each holding. A fixed quantity of water per hectare was provided in return.

In 1974 the Kingston irrigation area system of channels was replaced with sealed pipemains and metered supplies. Subsequently other irrigation areas converted to pipemains. In order to promote the more efficient use of water allocations, irrigators were permitted to use them to cultivate land that had previously been non-ratable land. The advent of efficient pumps had facilitated the irrigation of land beyond the ratable land limits. The basis of rating an area of ratable land has begun to erode.

Another step towards efficient use of water resources was implemented about the same time. Water allocations were redetermined, taking into account the type of planting. Thus vines, for example, drew an allocation of 10 700 kilometres per hectare and fodder 14 700 kilolitres per hectare. Given these changes, it was a further step to permit irrigators to transfer allocations to other irrigators who could better use them.

The base rate has continued to be set at a fixed rate per hectare of ratable land, regardless that additional area had been planted or that there were differential allocations or that allocations had been transferred. It is reasonable and equitable to abandon this method of setting the base rate and relate it instead to allocations, by expressing it as a fixed percentage of the total allocation of each holding. It is proposed to fix the percentage at 50 per cent as this most closely resembles the current level of base rates. This method of rating does not apply to the Loxton irrigation area or reclaimed irrigation area.

The comprehensive drainage system is designed to control perched water tables and/or the level of the groundwater mound, to ensure that the crop root zone is not waterlogged. It is considered that most irrigators contribute to the problem and would be adversely affected were it not controlled. Drainage rates are payable only by those irrigators whose holdings are directly served by the comprehensive drainage system. There is a perceived inequity in the fact that many irrigators who contribute to the drainage problem and benefit from the drainage system do not contribute to the cost of maintaining it. Recovering both water supply and drainage costs through a single rate will rectify this inequity.

This Bill will provide the power to do this as an alternative to the current practice. It is proposed to adopt this option subject to the advice of the various irrigation advisory boards. The thrust of these amendments is to provide the Government with greater flexibility to deal with these rating issues in conjunction with the irrigation advisory boards.

Clauses 1 and 2 are formal.

Clause 3 makes consequential changes to the arrangement provision.

Clause 4 makes amendments to the definition section of the principal Act.

Clause 5 replaces Part V of the principal Act. Section 54 defines terms used in the new Part.

Sections 55 and 56 set out the powers of the Minister in relation to the supply of water for irrigation, domestic and other purposes. Section 57 places obligations on the owner of land and section 58 enables the Minister to carry out those obligations at the expense of the owner if he fails to perform them. Section 59 establishes a landowner's entitlement to water in accordance with his allocation.

Section 60 provides for allocations and variations of allocations. If an owner reduces the area under cultivation he can request the Minister to reduce or revoke the water allocation with the result that the liability to pay the minimum rate set out in section 65 is reduced or removed completely. If at a later date the owner wants to increase the crop he can apply for an increase in the allocation but

the Minister can only grant the application if sufficient water is available. If additional water is not available the only way an owner can increase his share is by purchasing the whole or part of an allocation from a neighbour. The Minister can review and change allocations every five years but must always base a change on the water requirements of the crop growing on the land.

Section 61 provides for transfer of allocations with the Minister's consent. Division IV provides for recovery of costs by rates. Section 63 (2) will enable the Minister to recover the costs of draining land as a component of the water supply rate. Alternatively, section 66 enables him to declare a separate drainage rate. Section 64 enables the Minister to declare different rates. Section 65 requires the payment of a minimum rate even though no water is used. Any amount so paid is paid on account of the water supply rate (65(2)).

Section 67 and 68 provide for the reduction of rates in certain circumstances. Section 69 provides for liability to pay rates. This replaces a similar provision that has been in the principal Act since 1983. Section 71 protects the Minister where he is unable to supply water because of an insufficiency. Section 72 provides for records. Section 73 provides for the supply of water by the Minister to non-ratable land. Section 74 provides for the drainage of water from non-ratable land and section 75 enables the Minister to discontinue the supply of wter to or drainage of water from land.

Clause 6 repeals sections 119 and 120 of the principal Act in consequence of earlier amendments.

Clause 7 inserts a transitional provision.

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

There are a number of changes necessary to the Sewerage Act 1929, as amended, to create a more appropriate legal base for the continued operations of the Sanitary Plumbers Examining Board and the Plumbing Advisory Board. The procedures for the registration and examination of plumbers and drainers are laid down in regulation 6 made under the Sewerage Act 1929, as amended, and in regulation 27 made under the Wateworks Act 1932, as amended.

The duties for the administration of these functions are vested in the Sanitary Plumbers Examining Board by the provisions of regulation 5 made under the Sewerage Act and regulation 27 made under the Waterworks Act. The duty of the consideration of the cancellation or suspension of any certificate of registration issued pursuant to these regulations is vested in the Plumbing Advisory Board by virtue of the provisions of regulation 7 made under the Sewerage Act and regulation 30 made under the Waterworks Act.

The Crown Solicitor has advised that the enabling powers in the Sewerage Act 1929 under which the Sanitary Plumbers Examining Board was created by regulation in 1929 are somewhat tenuous as regards the power to create the board. Section 13 (1) (v) appears to be the only power under which the creation of the board seems possible. The power to license and charge fees under that Act is also very tenuous. The power to licence and charge plumbers' fees under the Waterworks Act 1932 is more certain. A power to regulate for the licensing of plumbers is contained in section 10 (1) (xiv) of that Act. This power to licence includes an ability to charge in respect to the administrative cost of granting the licence. Any charge beyond administrative costs is invalid.

In view of the opinion that the powers to register persons are somewhat tenuous, the capability of the Plumbing Advisory Board to consider disciplinary actions based on registrations issued and resulting from breaches of the Sewerage and Waterworks Acts or the regulations made under those Acts is also tenuous. Amendments to the Sewerage Act are therefore proposed in order to establish a more appropriate legal base for the continued operation of the Sanitary Plumbers Examining Board and the Plumbing Advisory Board.

Clauses 1 and 2 are formal.

Clause 3 inserts a new Part IIIA into the principal Act. New section 17b empowers the Governor to make regulations in relation to the Sanitary Plumbers Examining Board and section 17c is a similar provision in relation to the Plumbing Advisory Board.

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

FIREARMS ACT AMENDMENT BILL (1988)

The Hon. D.J. HOPGOOD (Minister of Emergency Services) obtained leave and introduced a Bill for an Act to amend the Firearms Act 1977. 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

In 1987 the violent and tragic use of firearms in Victoria and the top end of Australia focused public scrutiny on firearms legislation throughout Australia. Here in South Australia, I, as Minister responsible for the administration of the Firearms Act, undertook to review the effectiveness of controls. As a first step the Commissioner of Police (as Registrar of Firearms) was asked to prepare a report on the matter. The Commissioner reported in November 1987 and made a number of recommendations for change. Also in November 1987 recommendations came before the Australian Police Ministers' Council for the adoption of national uniform minimum standards for firearms controls. To date all States and Territories, with the unfortunate exception of Tasmania, have endorsed those minimum standards.

This Bill seeks to bring into effect the recommendations of the Commissioner of Police and to adopt those minimum standards endorsed by the Police Ministers' Council and not yet embodied in this State's firearms controls. Honourable members should clearly understand that the changes are not an emotional response or a knee jerk reaction to the multiple murders which occurred last year.

The changes were first announced on 21 December 1987 when the Premier issued a paper entitled 'Proposed Changes to Firearms Laws'. In the words of the paper itself the proposals were developed after an objective analysis of the requirements for control. Since the release of the proposals there has been extensive consultation about implementation with a broad range of firearms users. A number of organisations and individuals have approached the process of consultation constructively. With their assistance the broad proposals have been distilled into a workable system of controls. Others have not been so constructive and instead have misrepresented the proposal in an effort to alarm legitimate firearms users.

Consultation occurred in what can be seen as broadly two phases. First, comments and submissions were received on the document issued on 21 December 1987. These submissions were considered in the preparation of the first draft of the Bill. Secondly, a draft Bill and proposed regulations were made available to interested parties on 4 March 1988. The Government has accepted some important aspects of submissions made by representatives of firearms users and the Bill has been amended accordingly.

The objective of this legislation is to prevent, so far as is possible, death and injury as a result of firearms misuse. Honourable members and the community generally should not suffer under the illusion that this legislation will eliminate firearms misuse. It may not prevent every incident of unpredictable psychopathic violence. The Government makes no such exaggerated claims for this legislation. The Government does not regard this legislation as a panacea. No legislation, firearms legislation or criminal legislation, can of itself eliminate crime. Nevertheless it is imperative that appropriate controls exist over access to and use of firearms. This Bill embodies such controls and has the support of the Commissioner of Police and senior officers within the Firearms Division.

The legislation will assist authorities in screening people before they are given the right to own firearms. The legislation will ensure that only mature responsible adults, with a legitimate reason to possess firearms will be granted a licence. This measure will modify the licensing system so that all licences will be endorsed with the purpose or purposes for which the relevant firearms may be used. It will be an offence to use a firearm in a manner not authorised by the licence. In prosecuting such an offence it will be necessary for the prosecution to establish a reasonable inference that the possession or use of the firearm was not authorised by the licence before the obligation falls on the defendant to justify their actions.

Honourable members should note that the proposed regulations under this measure will restrict the availability of semi-automatic or self-loading rifles to a narrow range of sporting and occupational users. In future licences authorising possession of self-loading rifles will be limited to persons with a need for such firearms for club, professional or collecting purposes. Ammunition will only be available legally to persons with a firearms licence or a permit granted by the Registrar. Illegal users of firearms will no longer have ready access to ammunition. A permit to purchase system will be introduced in conjunction with the existing registration system. This will assist in preventing the entry of particularly dangerous firearms into circulation. It will also mean that individuals cannot purchase firearms that are particularly suited to illegal use.

The Bill also makes a number of changes to the manner in which firearms clubs are recognised under the Act. These changes in conjunction with regulations will formalise what has been occurring to date. In view of the important role played by firearms clubs, in what is a largely self-regulated area, it is seen as desirable to embody in legislation both the criteria for recognition and the obligations of recognised clubs.

The Government does not and has never intended to ban firearms that are presently legal. While we are prepared to limit access to self-loading firearms we will not make such controls retrospective. Persons who legally purchased firearms in good faith will not be deprived of their rights to possess and use those particular firearms. Transitional provisions in the Bill will ensure that those rights are preserved. It should be noted that the continuation of those possession or usage rights are based on pre-existing ownership of a particular firearm or firearms. Once that firearm is disposed of the licence holder will be dependent upon the new Act for his or her rights. In addition usage rights cannot be transferred with the firearm. It is the Government's intention that these transitional provisions apply only to firearms purchased prior to the commencement of the amending Act.

The Bill incorporates and revises the Bill introduced on 3 December 1987 entitled Firearms Act Amendment Bill 1987. Honourable members will recall that that Bill represented the translation of the relevant recommendation of the Hill report into legislation. The Bill was introduced prior to the Christmas recess in order to facilitate public comment. Comment on the Bill has been received and the proposals have been modified to some extent. The Bill currently before the Parliament replaces that earlier Bill which will now not be proceeded with.

Finally, the Government believes that this measure does not unduly affect the interests of the legitimate firearms user. While it is accepted that the law will cause minor inconvenience to shooters it is considered that this is more than justified in the interests of public safety. The Government has taken shooters rights into consideration but it has also taken into consideration the rights of 90 per cent of ordinary South Australians who do not own or do not wish to own firearms; the right of ordinary citizens to expect controls over the unwarranted proliferation of firearms in the community, the right to expect that only fit and proper persons own firearms, the right to expect those who are owners of firearms to be held accountable for the use of their firearms. I commend the Bill to the House.

Clauses 1 and 2 are formal.

Clause 3 makes a consequential amendment to the long title of the principal Act.

Clause 4 amends the interpretation provision of the principal Act.

Clause 5 inserts a new Part III into the principal Act.

New section 11 sets out the basic requirement that a person who has possession of, or uses, a firearm must hold a firearms licence authorising his possession and use of the firearm.

Section 12 deals with applications for licences. The Registrar may refuse an application if he is not satisfied that the applicant is a fit and proper person to possess and use firearms.

Section 13 provides that licences will only authorise possession for those purposes endorsed on the licence.

Section 14 requires a person who wishes to purchase a firearm to hold a permit granted by the Registrar to purchase the firearm.

Section 15 provides for applications for permits.

Subsection (5) sets out the grounds on which the Registrar may refuse to grant a permit.

Sections 16, 17 and 18 set out licensing requirements in relation to dealing in firearms and ammunition.

Sections 19 to 21a are general provisions dealing with licences.

Section 21b provides controls on the acquisition of ammunition.

Section 21c prevents the lending, etc., of a firearm to a person who is not authorised by a firearms licence to possess that firearm.

Section 21d provides for appeals from decisions of the Registrar to a magistrate.

Clause 6 makes a change to section 22 of the principal Act consequential upon the definition of 'dealing' in section 5 of the Act.

Clause 7 allows the Registrar to cancel registration of a firearm in certain circumstances.

Clause 8 replaces section 26 of the principal Act.

Clause 9 inserts a provision providing for the recognition of firearms clubs.

Clause 10 inserts a new section which allows a person who would otherwise not be entitled to possess a firearm to continue in possession for the purpose of selling it.

Clause 11 amends section 39 of the principal Act by inserting additional powers to make regulations.

Clause 12 inserts a transitional provision.

Clause 13 inserts a schedule of statute law revision amendments.

For the information of members and for the public record, I table draft regulations under the Firearms Act.

The Hon. B.C EASTICK secured the adjournment of the debate.

CORRECTIONAL SERVICES ACT AMENDMENT BILL (No. 2)

The Hon. FRANK BLEVINS (Minister of Correctional Services) obtained leave and introduced a Bill for an Act to amend the Correctional Services Act 1982. Read a first time.

The Hon. FRANK BLEVINS: 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

This Bill seeks to effect changes to the provisions of the Act dealing with the segregation of prisoners and the interviewing of prisoners by the Parole Board. It is considered necessary that additional grounds for segregation be incorporated into section 36 of the Act.

The current situation concerning segregation is that, pursuant to section 36 (1) of the Act, prisoners alleged to have committed an offence may be ordered to be segregated for a maximum period of 30 days whilst an investigation is carried out. No extension of this period can be effected. Pursuant to section 36 (3), prisoners may be ordered to be segregated for an initial period of seven days upon the grounds of their own welfare, or that they are considered likely to injure or harass another prisoner. This period may be extended by periods of one month subject to the approval of a visiting tribunal which must first allow such prisoners to make representations concerning each proposed extension.

Last year a prisoner who was then in Yatala Labour Prison challenged his continued segregation within the prison. The Supreme Court found that indeed the prisoner had been unlawfully segregated. On the basis of this ruling it is apparent that the grounds upon which a prisoner may be segregated are too limited and that there are a number of grounds on which segregation clearly should be available to prison management, in particular, where a prisoner is likely to attempt to escape from custody or in some other way poses a threat to the security of the correctional institution or to good order and discipline within the institution.

Further, the seven day time limit in subsection (3) of section 36 has proved to be impractical and an inadequate period in which to complete the administrative steps necessary to comply with the requirements of subsections (4) and (5) of section 36. Accordingly, the Bill proposes that this initial period of segregation be 14 days. It is further proposed that the initial period of 14 days may be extended by periods of up to and including two months.

The Government has always been very much aware of the need to ensure that the power of segregation is not abused. Currently subsections (4) and (5) of section 36 provide that any extension of the initial period of segregation by the permanent head is subject to a power of 'veto' by a visiting tribunal appointed under section 17 of the Act and, before making a decision, the tribunal must grant the prisoner the opportunity of making such representations as the prisoner wishes. The Bill proposes further statutory safeguards, first, by removing from the permanent head the power of extending segregation in those cases where a special segregation review committee has been set up for the prison. In relation to Yatala Labour Prison, where a special segregation unit is currently under construction, the Minister will establish a committee entitled the 'Segregation Unit Review and Assessment Committee', which will be chaired by a senior officer of the Prisoner Assessment Committee and include other members such as the Manager of the prison or his nominee, and one or more Assistant Chief Correctional Officers, and any other persons nominated by the Manager. The power of 'veto' is retained by the visiting tribunal.

The second safeguard is that any direction given concerning segregation must be in writing, must specify the grounds upon which it is given, and must be served personally on the prisoner to whom it relates within 24 hours of the direction being given. The Bill proposes no change to subsection (1) and, accordingly, prisoners alleged to have committed an offence may continue to be segregated by the permanent head for a maximum period of 30 days with no extension possible.

Currently the members of the visiting tribunal who fulfil the duties contained in subsections (4) and (5) of section 36 are also those members of the visiting tribunal who undertake the hearing of charges laid against prisoners under section 43 (1) of the Act. There has never been any suggestion that any members of the visiting tribunal who have in the past fulfilled both sets of duties have in any way been compromised by exercising that dual function, or have failed to be objective in exercising their power of 'veto' concerning extensions of segregation. However, in order to ensure that no such suggestion might ever be made in the future, the department will seek the appointment of additional members to the tribunals for the metropolitan area prisons, so that some members will deal exclusively with segregation cases.

The other principal object of the Bill is to limit the Parole Board's statutory obligation concerning the interviewing of prisoners. Currently any or all prisoners can seek an interview by the board, but the board is not obliged to interview a prisoner on his or her request more than once a year. In

the 1986-87 financial year the board interviewed 133 prisoners and parolees. On several occasions prisoners requested interviews before their release on parole. The board is concerned that such requests could escalate and, if this were to occur, the board would be unable to fulfil its other obligations under the Act concerning mandatory interviews pursuant to section 64 (2) of the Act. The Bill accordingly seeks to limit the classes of prisoner who may request an interview to those seen as 'long-term' prisoners, that is, life prisoners, those serving sentences of indeterminate duration (Governor's pleasure) and those serving sentences of more than one year where a non-parole period has not been fixed.

Finally, the Bill clarifies a provision dealing with Parole Board warrants.

Clause 1 is formal.

Clause 2 provides extra grounds on which the permanent head can direct that a prisoner be segregated from other prisoners, that is, if the prisoner is likely to attempt an escape or is a threat to the security, good order or discipline of the correctional institution. The initial segregation of a prisoner pursuant to subsection (3) may be for a period of up to 14 days and may be further extended by periods of up to two months. The decision to so extend the segregation of a prisoner will be made by a segregation review committee if one has been established in respect of the prison in question. If such a committee has not been established, the decision will be made by the permanent head. The decision of either body of course still requires the approval of a visiting tribunal. All directions for the segregation of a prisoner must be in writing and be served on the prisoner within 24 hours. The Minister is given the power to establish segregation review committees.

Clause 3 limits the obligation of the Parole Board to interview a prisoner on his or her request to prisoners who are serving life sentences, sentences of indeterminate duration or sentences for a term of more than one year where a non-parole period has not been fixed.

Clause 4 makes it clear that a warrant issued by the Parole Board for the apprehension of a parolee authorises the detention of the parolee in custody pending his or her attendance before the board.

Mr BECKER secured the adjournment of the debate.

LOTTERY AND GAMING ACT AMENDMENT BILL (No. 2)

The Hon. M.K. MAYES (Minister of Recreation and Sport) obtained leave and introduced a Bill for an Act to amend the Lottery and Gaming Act 1936. 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

This Bill seeks to amend the Lottery and Gaming Act to provide a licensing system for printers and suppliers of instant lottery tickets. In the course of administering the lottery regulations, a considerable number of problems have been exposed through dealings with ticket printers and suppliers. A Working Party established by the Minister of Recreation and Sport in 1987 to examine certain problems associated with the conduct of instant lotteries in hotels and other commercial outlets, revealed serious deficiencies involving transactions with printers and suppliers of instant lottery tickets.

The situation has reached the critical stage where blatant instances of malpractices and substandard methods are being regularly witnessed. This has provoked a groundswell of criticism from the community as well as from organisations licensed to run lotteries and from those printers and suppliers who endeavour to maintain high standards and a reputable image within the industry.

Some of the more obvious areas of abuse are the poor paper texture and adhesion of tickets, the duplication of ticket numbers, the pre-identification of winning tickets, 'sweetheart' deals with lotteries promoters in falsely declaring actual ticket sales, the display of fictitious licence numbers and overcharging for cost of tickets. In addition, because of lack of controls on printers and suppliers, some unscrupulous members of the community have found it to be easy to set up business in this field and to adopt questionable practices and ethics that make for a very lucrative business indeed.

Enforcement officers have also been experiencing considerable difficulty in collecting and recording data from some printers and suppliers in the course of investigating suspect lotteries activities. The proposed licensing system should result in significant benefits in this area of lotteries control. It is the view of Government that the most important issue in the instant lottery area is the proposed licensing of printers and suppliers of tickets, in accordance with rigid standards, as a positive means of eliminating the current spate of problems.

Clause 1 is formal.

Clause 2 provides for commencement of the Act on proclamation.

Clause 3 inserts new Part III providing for the licensing of suppliers of instant lottery tickets. New section 15 defines what constitutes an instant lottery ticket and also what constitutes the supply of such a ticket. New section 16 requires suppliers of tickets to be licensed. The remaining sections are the usual provisions relating to applications for licences, conditions of licences, the term and annual renewal of licences and the cancellation of licences for offences or breaches of licence conditions.

Clause 4 inserts a general regulation-making power in the Act. As the Act now stands, the regulation-making power is limited to lotteries and lottery licences.

Mr INGERSON secured the adjournment of the debate.

FIREARMS ACT AMENDMENT BILL

Order of the Day, Government Business, No. 15:

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

That this Order of the Day be discharged.

Order of the Day discharged.

BRANDING OF PIGS ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 March. Page 3538.)

Mr GUNN (Eyre): The Opposition fully supports the reasons why this Bill has been introduced into the House. Clearly, those reasons are to allow for a more efficient and better trace-back arrangement for pigs that may be contaminated by chemicals or for some other reason. We fully understand how successful the tail tagging and trace back

arrangements have operated with cattle consigned to slaughter. I understand clearly that it is estimated that only 39 per cent of pigs consigned for sale are adequately branded so that they can be effectively identified. I have consulted with representatives of the industry who fully concur with these proposals.

The Bill also creates a situation that will prevent people from giving away or selling brands without notifying the registrar, thus making the trace-back arrangement far more effective. If that current practice continues it will void the requirements of this Bill and therefore render the whole aim of this scheme ineffective.

The industry is an important one for South Australia, and it is very important that commonsense should prevail. I say to the Minister on this occasion that I sincerely hope that he has entered into the necessary discussions with all sections of industry. We do not want a repeat of the activities that took place with the agricultural chemicals legislation where a set of conditions was imposed upon the industry before it fully understood or was in a position to make adequate comment.

I do not have a great deal of knowledge about the pig industry. Others in this Chamber have far more experience than I, but I want to place on record that the pig industry is one of a number of industries in the rural sector which is very important to South Australia. It has become more sophisticated over recent years—it has become capital intensive—and where very large operations employ the most sophisticated equipment and health and hygiene standards are imposed it is essential to make sure that disease does not break out or pass on to the total number of pigs in any one establishment.

Therefore, I am happy to support these provisions. I have had discussions with the United Farmers and Stockowners, and the Minister's departmental officers who will have the responsibility for administering these provisions have kindly briefed me. I see no problem with the legislation. I sincerely hope that, if problems do arise, the Minister will be in a position to take the necessary action to iron out any difficulties. I support the second reading.

Mr BLACKER (Flinders): I, too, support this Bill. Having, as of tomorrow, left the pig industry to concentrate on other farming activities, I can speak in retrospect, I suppose, of my concern for the industry and my concen about contamination and the spread of disease. I have spoken on many occasions in this House about my concerns, particularly in relation to exotic diseases and any trace-back method that could be adopted. I do not believe that we can be too tough in the branding of stock to enable a very effective and efficient trace-back scheme to ensure that, if an outbreak occurs, every possible action can be taken to ensure that that outbreak is contained and brought under control as soon as possible.

This Bill goes a long way to strengthening the penalties, definitions and criteria that apply to the branding of pigs. Although the member for Eyre has quoted only 39 per cent as being adequately branded, I find that figure surprisingly low. I thought that it might have been higher than that; I thought that there was a greater element of responsibility amongst pig producers than obviously has occurred. So, if this legislation does nothing more than improve that position then it is certainly worthwhile. I support the Bill.

The Hon. M.K. MAYES (Minister of Agriculture): I thank the shadow Minister and the member for Flinders for their support. I think that we all know that the purpose of this Bill is to assist the industry. I thank the members for their comments, which are very relevant, in relation to what has been happening in the industry on the national and international scene. I take on board the shadow Minister's comments that if there are problems the Government will endeavour to immediately address them. If the industry encounters problems it should immediately raise them with me through my department; I would be happy to address them if not immediately, if it requires legislation, as soon as it is possible within this Parliament. I thank the Opposition for its support.

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

GAS BILL

The Hon. R.G. PAYNE (Minister of Mines and Energy) brought up the report of the select committee, together with minutes of proceedings and evidence.

Report received.

The Hon. R.G. PAYNE I move:

That the report be noted.

The select committee, as members can see from the report, met on nine occasions to consider whether the Bill with which it was charged would be satisfactory for the purpose of the merger described in the legislation. I think it is interesting to note that, unlike some select committees, all the persons who appeared before the select committee appeared by way of invitation rather than in response to an advertisement, which is part of the normal process with select committees—inviting interested parties or persons who may come before the committee if they so desire or place written submissions before it.

The guts of the matter is that there could be some query about the valuation arrangements put forward with respect to the South Australian Oil and Gas Corporation and the South Australian Gas Company. The position with the Gas Company was relatively simple in that a market valuation could be arrived at by taking note of the share values, whereas with respect to the South Australian Oil and Gas Corporation, some other method was needed to arrive at a valuation. In the event, a figure of the order of $95 million was settled upon, together with a figure that was derived from the gas price share of something like $8.50 or $21 million, being the two totals used to then derive a ratio or proportion between the two companies proposed to be merged. The result in straight terms is 82/18. A small point of a percentage could be introduced, but for the purposes of simplifying thinking most of the time the select committee used the ratio of 82/18.

The select committee heard evidence from a number of authorities relating to that ratio and/or the valuations. It was said (and subsequently a copy of material was obtained for the select committee) that a valuation for the South Australian Oil and Gas Corporation of $320 million could be applied. Clearly a big difference exists between $320 million and $95 million, the figure to which I referred earlier. In the event, a person who had been responsible for that much higher valuation was approached to come before the committee and willingly did so. A Mr Webber, who also prepares a weekly newsletter, *IRAC*, advised us that he was the managing director of Red Weaver Investments.

Committee members were of the view that it was Baker Hindmarsh which had put itself behind the report relating to the $320 million valuation that I have already mentioned. It turned out, on advice from Mr Webber, that he had a consultant relationship, together with the editorship of *IRAC* weekly, with Baker Hindmarsh. The gentleman concerned

had that weekly which went to sharebrokers and the investment industry. He was a qualified professional, and explained to the committee that he had 18 years in the resource sector closely watching and being involved with shares and stocks.

As I understand it, he had arrived at the valuation of $320 million by doing some proportionate relating to a value known for Santos, making the assumption that in effect put South Australian Oil and Gas, per medium of a number of other assumptions with respect to their percentage of interest in the Cooper Basin, on a par of about one-third of Santos. With some other adjustment, we had the figure of $320 million.

I thought that Mr Webber was a very valuable witness before the committee, because he responded frankly and freely to questions. When asked how these valuations can be arrived at and be different, he quite openly and frankly volunteered the fact that in a two week period another company with which he had been involved had been valued at $10 million, $20 million, and $50 million over that quite short period. Also, under some very sensible questioning from all members of the committee from the range of politics, he answered that it was really the relationship between the two valuations that was not only relevant but also important. During further discussions and questioning he agreed that 82/18 was a not unrealistic figure and could quite sensibly be used for the purpose for which it had been used.

One member in the House during the second reading debate was of the view that shareholders of the Gas Company had been done in the eye and taken to the cleaners. He thought that that was less than fair to this grand old company (as he described it), which had been around since the year dot—almost 100 years—that it was sad to see what was happening to it, and so on. One could contrast that with the attitude of Sir Bruce Macklin, the Chairman of that very body, the South Australian Gas Company, with his view which could not have been more markedly different from that of the member to whom I have referred.

He made quite clear, beyond doubt, and without equivocation, in direct questioning that in his opinion it was a fair deal and a good deal for the shareholders of the Gas Company. In fact, he had already attested to that position over his signature as Chairman of the board in the memorandum of advice to all shareholders of the South Australian Gas Company.

I was rather surprised at the attitude of the member to whom I am referring because over the years I have come to the conclusion that, of all members opposite, he had more than a modicum of understanding of these matters, particularly in relation to finance. In fact, I can remember his pointing out to us quite often that he has expertise in this area and was associated in the early part of his career with the banking profession. I have not been reluctant to accept the fact that he usually, when talking about money, comes up with something that is halfway reasonable, plausible, and stands up to some examination. I can only assume that on this occasion he had not really had time to absorb the situation, because he was taking on the Chairman of the South Australian Gas Company who, I am sure, everyone in this Chamber would admire for his longstanding service to South Australia and the obvious integrity he has always displayed in these matters, along with his business acumen generally. In fact, it is intended, should this legislation proceed through both Houses, that he be the continuing Chairman of the new board of the holding company contained within the Act.

I do not raise this point with any other purpose than to illustrate that the member has made unsubstantiated claims. The committee listened to them and took action to probe and ascertain whether that was the case, even though it did not really believe that the honourable member was on the right track. I have demonstrated to the House that point, and the Chairman of the board has disposed of the matter. The independent expert in the matter, as required under the National Companies and Securities Commission statements of guidelines in this area (Release No. 116), points out that a definite independent expert needs to be appointed to examine the proposed merger and report on it with respect to its advantages or disadvantages to shareholders as to whether or not it proceeds and also provides valuation figures.

Once again we hear those words 'fair and reasonable consideration' yet we have this claim that fairness did not apply. I do not want to labour that point any longer. All the witnesses who came before the committee put forward sensible arguments that the proportion of 82 per cent to 18 per cent should apply. Once committee members reached that conclusion, there was not much to concern themselves with. After all, if the experts had made an honest mistake in judgment, at the end of the day, on the basis of 82 per cent to 18 per cent, the Government still had a 2 per cent wrong attribution in respect of the valuation of SAOG and the Gas Company. That point was made clear by the Chairman of Sagasco when he appeared before the committee. Indeed at page 78 of the evidence, he is reported as saying:

> If, in fact, there has been a miscalculation in favour of us [the Gas Company], 82 per cent of that calculation belongs to the South Australian Government. I do not think that there is a miscalculation and, if there is and if it is $10 million, 82 per cent belongs to the Government, so it does not seem an issue to me.

So, if we have not finally buried that issue, we have at least started to inter it decently. The protection of the Government's interest in respect of the ownership of SAOG has been cleared up to the satisfaction of the committee. The proposal was supported not only by the experts whose job it was to give skilled independent advice, but also by the Chairman of the SAOG Board (Mr Ron Barnes) and the Chief Executive Officer (Dr Bevan Devine).

I have already referred to the attitude of the Gas Company. The committee was then faced with the need to see whether the legislation was considered to be satisfactory for its stated purpose. Some minor amendments are listed in the schedule attached to the report. In the main they are cosmetic and correctional, although one or two that relate to the qualifications of persons who would be authorised under the Act will be of substance after the Bill has passed both Houses.

The committee received an assurance from the Federated Gas Employees Industrial Union through Mr Dan Moriarty and from the Gas Industry Salaried Officers Federation through Mr Ray Bailey. Both those organisations support the measure as proposed. In reply to questions as to whether they supported the Bill after reading it, they said that they did, but they raised two matters that need to be communicated to members.

First, they had tried to have written into the legislation earlier, in discussions with me as Minister and as the result of an approach by letter, that any special rights and conditions that they now enjoyed should be enshrined in the legislation in a different way from that in which they were provided for in the original draft of the Bill. It was explained that opinion had been obtained that, because the awards were Federal awards, legislating on a State level in that vein other than the provision already in the Bill would have no force, so that route had not been chosen. Without cheering that point, the two organisations accepted it.

I found the second matter raised by the two organisations to be of some interest. They said that they hoped that in future provision could be made to help employees to obtain shares in the new company. That seemed to be an excellent idea. Although at this stage I do not think that such a proposal should be written into legislation providing for a merger, because here we are in effect trying to free up two organisations and allow them to act in a more commercial manner than they have acted in the past, that suggestion is worth examining because in that way employees could be given a direct interest in the outfit that employs them. Indeed, Sir Bruce Macklin agreed that it was a good idea, and I suggest that that may augur well for the hopes of the members of those organisations.

Other members of the committee may wish to raise other matters that came before them. I thank all members of the committee: it was one of the better committees of which I have been a member. There was a definite interest on the part of members to ensure that what the legislation provided was satisfactory and that it was in the interests of South Australians that this matter should proceed. That attitude contributed to the excellent way in which the committee arrived at the conclusion which is now before the House and which has led me to move that the committee's report be noted.

The Hon. E.R. GOLDSWORTHY (Deputy Leader of the Opposition): The Opposition does not argue with anything that the Minister has said in moving that the select committee's report be noted. However, the inquiries of the committee firmly established the correctness of Liberal policy before the most recent State election, a policy that was so roundly criticised by Labor members who were seeking to ensure their re-election. After all, however the Government tries to dress up this legislation, it represents an initial step towards privatising not only SAOG but also Sagasco.

Mr Becker: They are tiptoeing.

The Hon. E.R. GOLDSWORTHY: Yes, they are tiptoeing down the path, but they cannot take a big step initially because the trade union movement has spent so much money (I understand about $250 000) in misrepresenting the Liberal Party's policy in this regard during that election campaign. So, we applaud the Government for now accepting the correctness of the Liberal Party approach to some of these Government or semi-government instrumentalities. It was perfectly clear from the evidence that we are going down that track. One witness even said that it was a step towards privatisation.

The witnesses were all lucid and their comments useful. I have no quarrel at all with the way in which the Minister conducted the committee, or indeed the findings of the committee, but I simply wish to reiterate and put on record one or two facts. The proposal of the Liberal Party was roundly condemned and grossly misrepresented. The other interesting material before the committee involved not only the principle of privatisation but also the value which was put on the South Australian Oil and Gas Corporation at the time of the last State election. That was also roundly criticised in some quarters and used to the distinct disadvantage of what was being promoted at that time. I think it is pretty clear from the evidence that the valuations of companies can vary very markedly indeed. The value that the market may place on a company or an asset might be quite different from that which may be advanced by people who sit down, do their book work, tote up the assets of the company, and come up with a conclusion.

One question in which we were particularly interested was to see whether a reasonable deal had been struck for the taxpayers of South Australia, in other words, the owners of South Australian Oil and Gas. As the Minister has correctly stated, when you get to the bottom line, it is whether the 82 per cent shareholding in the holding company (which the Government retained) and the 18 per cent (which goes to Sagasco shareholders) is a fair split. The value that the market may place on a company was probably most accurately described by the witness to whom the Minister referred. I shall quote from that witness's evidence a little later.

The Liberal members of that committee were eager to see that the public were not done in the eye in terms of this merger. I do not reflect on the valuations put on these companies by Capel Court, which was engaged to make the valuation. In the event, it came up with a range of values and the Gas Company directors, as one would expect, were intent on seeing that the valuation of SAOG would be held as low as possible so that its shareholders would not be disadvantaged. The Gas Company advisers came back with an even lower figure of $95 million, which the Government then accepted, and Capel Court suggested that it was acceptable within the range. I thought that that evidence was interesting.

There was some discussion as to the role of Capel Court and whether it represented anybody in particular. Questions were asked as to whether it represented the interests of Gas Company shareholders, the interests of SAOG, or just who it represented. The stock answer given was that it was neutral, but the witness from Capel Court indicated that his brief was to look after the shareholders of Sagasco. That does not cast any reflection on his valuations. I will refer to some of the evidence, and I might say that it was at the instigation of the Liberal members of the committee, particularly the member for Victoria, that this witness, Mr Webber, gave evidence. He had a few interesting things to say and nobody could doubt his qualifications. The evidence states:

> **The CHAIRMAN:** It would be useful to us in establishing what weight we should put on information that we receive from you if we knew what your professional qualifications were. Do you have any economic qualifications?—I have a Bachelor of Science and Mathematics.

Obviously, he was not a nincompoop. The evidence further states:

> That seems reasonable?—I have spent 18 years in the resources sector in acquiring knowledge about companies and assessing companies.
>
> **The Hon. E.R. GOLDSWORTHY:** So, you have a speciality in this particular field in the resources sector—the share market?—Since I am also Managing Director of Redweaver, which is a resource investment company, yes.

Nobody could argue about his credentials. I think that all members of the committee thought that his evidence was interesting and, in my view, it was accurate. He was then asked how he went about valuing SAOG, and he stated:

> With that in mind we looked at SAOG and tried to find a way that we felt was fair for the share investor. Such a process is to use comparable companies. SAOG has some magnificent assets. We had to find companies which were comparable and were therefore restricted to those in the Cooper Basin; Santos, Delhi, Vamgas and so on. One can draw relationships between SAOG and these two companies, but it is again difficult. SAOG has one third of the interest in all the South Australian permits of Delhi. Those two have about one-half of the interests of Santos in those permits, but there are also other factors involved.

The evidence further states:

> **The CHAIRMAN:** When you refer to Delhi are you talking about the interest now held by Esso?—Yes, it is still held as one entity and has 18 per cent in that unitisation. The Delhi sale went through at $984 million in April 1987, which was about the same time as the SAOG transaction.

Later in his evidence, talking about his initial valuations, the witness stated:

If I were to use that today I would have to adjust that because the market has fallen and I would say the market value of SAOG today is still $250 million.

That is after the share market crash. The valuation he put on it was $320 million. The evidence later states:

Using your valuation which puts $320 million on SAOG and an enhanced value on Sagasco, if you did your sums, would the 82/18 split be valid? That is the bottom line, it is not?—Yes.

He gave an indication that he was not in a position to argue about that 82/18 split because, as I said, it is the bottom line, but nonetheless I thought his evidence was quite interesting, because it gave a market view of what SAOG was worth. It fully justified the valuation which the Liberal Party placed on that magnificent State asset at the time of the last State election. As I said, the whole policy was grossly misrepresented and a lot of people were in a real funk about the valuation that had been put on it.

Having said that, I was interested in the evidence about the role of the Government's advisers Dominguez Barry Samuel Montagu in all of this. They gave forthright evidence and were keen for the Bill to be passed, because they would get a fee of $500 000 when it passed both Houses of Parliament. One could say that they have more than a passing interest in this—they have a real interest. I have no complaint about their evidence, which was forthright and straightforward. After hearing a lot of the evidence, I thought that I was in the wrong game, but nonetheless initially they put the deal together and they will get $500 000 for their trouble. I asked the witnesses about this dealing or speculation in shares. There was a sudden surge in the price of Gas Company shares and it appeared that someone may have got wind of this transaction. I was satisfied with the answers on that topic. I inquired what these Chinese walls were which were supposed to separate the advisory and investment arms of companies. These are the walls that say that the right hand does not know what the left hand is doing in a company and I was satisfied with the witnesses' responses to those questions.

If I were to give a judgment on it, I would think that the Gas Company shareholders have done reasonably well. The witness to whom I referred earlier gave the impression that there was likely to be more in it for the Gas Company than for SAOG. He suggested that it was like a tortoise getting into bed with a hare. He likened SAOG to the hare and the Gas Company to the tortoise. Because of the nature of the beast, the Gas Company would make progress only slowly. It is a public utility with restrictions so, in his judgment, it could only make slow progress.

The Chairman of the Gas Company (Sir Bruce Macklin), who has been on the board for 27 years, suggested that the restrictions on the Gas Company inhibited it from doing anything for its shareholders—I am paraphrasing his remarks—so that the Gas Company directors obviously welcome this freeing up of the restrictions on the company. However, that must be balanced by the fact that the Government will still control the price of gas. In terms of what is in it for the shareholders, the Government will still have a fair say.

The only other comment I want to make is that both of these companies are highly geared, to use the appropriate terminology. Their debt to equity ratio is something like 80:20. In other words, in the private sector they would be pretty shaky. Both of them have an enormous debt burden, so I can understand that that needs to change. It is perfectly obvious that the next step down the privatisation path must be taken. The companies must raise capital and, if SAOG's potential is to be realised, it needs a fairly massive injection of funds in the near future. The evidence in relation to the ability to raise funds, post stock market crash, indicates possible difficulty. Nonetheless, it is perfectly obvious that it must happen.

As the witness to whom I have referred (Mr Webber) said, this company's attractiveness to the public will only be enhanced to the extent of what the Government gets out of it. He did not put it like that, but that is what he meant. He gave good evidence and talked about institutional investors being invited to take a slab of this company. He mentioned those who have some expertise in this field. I could not find any fault in what he said and I noticed that Government members of the committee listened to what he had to say with a great deal of interest.

I have no argument with any of the other witnesses. They were all forthright, honest and on the same wavelength: that the merger should occur and it is a step in the right direction. The union witnesses have been mentioned. For a long time the Liberal Party has advocated employee participation in the ownership of companies. If we are to improve productivity in this country and do something about our international indebtedness, which is still ballooning, we will have to do something about increasing productivity. One of the real ways in which the incentive can be improved for people who work for companies and manufacturers is to provide them with the opportunity to get a stake in the company. Incentive schemes should be provided so that they can share in the ownership of the company.

It has certainly worked in the privatisation plans of Great Britain, the plans which the Labour Party has so roundly criticised but which have helped to turn around the economy of that nation in no uncertain terms with respect to some of its enterprises. One hears all sorts of complaints about British Telecom and the transport industry but the fact that a lot of shares in those enterprises were taken up by employees has improved productivity enormously. I was pleased to note that the union witnesses were interested in those schemes. I applaud them, because there is nothing like a slice of the cake in terms of ownership to provide a bit of incentive to make a thing pay.

All in all, it was a good committee, and the Opposition supports the Bill. The stance of the Liberal Party at the last State election was fully justified and I congratulate the Government on taking this step down the privatisation path, although it was a fairly halting one initially. I am sure that there will be a major stride in the not too distant future.

Mr HAMILTON (Albert Park): In thanking the House for the privilege of serving on the Select Committee on the Gas Bill, I also give my support to the amendments proposed by that committee. I do not wish to reiterate the statements made by the Minister and Deputy Leader of the Opposition: suffice to say that I found the evidence given to the committee very enlightening, as all members did, especially as I had not been involved in such a matter before. It raises a question that I will not traverse about the use of more select committees of the Parliament.

In his usual polite manner, the Minister settled one particular issue most generously. He is not one to make accusations or impute improper motives to other members. From my point of view, the reflection had been made in this House when this Bill was first debated that the shareholders were not getting a fair go. I refer members and the public to the booklet put out about the proposed merger of the South Australian Gas Company and SAOG, signed by Sir Bruce Macklin. Obviously I will not read it all, but it did state:

In making their recommendations, your directors have taken account of the following matters:

Expert's report: Capel Court Corporation Limited has advised independently that the merger proposal is fair and reasonable, having regard to your interest, and the transfer of SAOG to Sagasco by the Government is at a fair consideration.

Capel Court's report is set out later. In part 4 of the document, referring to gas consumers, the report states:

The interests of South Australian gas consumers will continue to be protected since the reticulation activities of Sagasco will be isolated in the new subsidiary and gas tariffs will continue to be regulated by the Government.

It further states, relating to the 'Nature of Investment' in part 5:

Your Directors also note the significance of the Government, as a substantial and committed shareholder, which recognises the need for additional capital and has indicated its intention to give appropriate consideration to any suitable raising of equity at the earliest appropriate time.

I believe that the Government's stance on this merger was appropriate. The committee, in listening to all the evidence provided to it, was of the unanimous view that this Bill be supported with, of course, the proposed amendments.

I have served on a number of committees and this select committee was similar to that on which I had served before, in that members were most desirous of getting to the nub of the Bill. Whilst there was a small amount of politicking, which one has to expect, I suggest, in the main it was carried out in a very fair and reasonable manner. I believe that all members of the committee are to be congratulated on the way in which they conducted themselves.

Finally, I would give recognition to those who gave evidence before the committee. In my opinion, it was given in an unstinting manner. Obviously, the questions raised were very probing and some had political connotations, quite obviously. But it was forthright and frank, and I reiterate that it was a very enlightening experience to have served on that committee.

Mr D.S. BAKER (Victoria): I, too, add my thanks to those members who sat on the committee for the forthright manner in which people entered into the debate. I also thank those who gave evidence. I did not quite detect the same amount of politicking as the previous speaker: I thought it was one of those few committees when there was an absolutely bipartisan approach at all times, and that is why we have come out at the end of the day with this unanimous decision which is for the good of South Australia.

I will just reiterate a couple of points already made. I will not delay the House for long. First, I will look at what we were asked to do. I guess we were asked to look at Sagasco, as an old company, and I believe it was proved that it had many undervalued assets. Sir Bruce Macklin, in his evidence, stated that, and quite clearly said that many of those assets were in the books at less than replacement cost. The other company concerned was SAOG, which has a 14 per cent strategic shareholding in the Cooper Basin, one of the biggest and most strategic companies in the basin.

The other factor common to both companies, as the Deputy Leader pointed out, is that both have an unacceptable debt/equity ratio of some 80 per cent, so they were really hidebound in what they could do or how they could perform as companies because of that debt/equity ratio. It was stated in evidence that the Government had put some $33 million into SAOG for exploration and, because of financial constraints, the Government did not want to put any more money into the risk that is associated with exploration. It was quite well stated by the Deputy Leader that the Government did not want to go right down the privatisation track, for obvious reasons, but it had to get this company in order so that something could be done which would be a good deal for the taxpayer. Bevan Devine, the General Manager of SAOG, had some quite interesting things to say about equity. He stated:

If you follow universal practice in the industry, it is that you use equity capital for the real risk stuff, like exploration, and you use borrowed capital for creating longer term assets. You do not use borrowed capital to explore.

That is really what it is all about. SAOG was hidebound as to where it was going because any further guarantees by the Government to increase its borrowings or any further funds put in by way of loans by the Government for exploration could only affect its debt/equity ratio, and really are not the sorts of thing that governments want to get involved in.

I put forward a scenario that was canvassed during the evidence and was agreed: perhaps the best way to go about this and to get the best deal for the taxpayer would have been to float SAOG on the open market—therefore, you could get a market capitalisation of its value—and give Sagasco shareholders pre-emptive rights to their amount of shareholding. If it was done that way and the Government had gone along that track, the full value would have been realised for SAOG. All that has happened at present is we have SAOG and Sagasco put together in the 82/18 split. It is all ready to privatise, but the next step has not been taken.

Of the examples given to us on the value of SAOG, the ones I was most interested in showed the value of SAOG in a market capitalisation form. There is no way to value a company other than on its market value. If you want to buy or sell anything, you have to go out and get what the market will pay or you buy it at what the market demands. That is why the evidence of the consultant, Mr Webber, was very succinct and forthright. He valued SAOG, as a comparison to Santos, at $320 million.

The other example to which he alluded, but which was brought forward in other evidence, was the Esso/Delhi deal of some $980 million, where percentages can be analysed, and it shows, taken on either the valuation of Santos or the valuation of Delhi, that the value of SAOG is substantially more than was given in the merger. However, in an in-house merger, provided the 82/18 is adhered to, it really does not matter.

I would have had one criticism, and that is because the 82/18 was decided before all this valuation went on. State Development had got together with DBSM, and had a preliminary discussion with SAOG. Having been asked what it was all worth, SAOG was then left out of it. It was then decided that it would be a 82/18 split, but what happened after that? It is substantiated by the valuations, but they are not relevant in a market capitalisation of the assets of the companies involved. I do not criticise that; that is fine. The only criticism I would have was that there may have been a way of going around the 82/18 other than it being done, as it appears to me from the evidence, by State Development.

There is no question in my mind that, on the evidence given, SAOG was grossly under-valued if one takes market capitalisation into account. I was very interested to hear the Deputy Leader bring up the figure of $250 million at which Mr Webber, the consultant, valued it post crash, because it tallies exactly with the evidence given to the committee, which was that the market had taken 20 per cent plus off the value of companies listed on the Stock Exchange. That fits neatly into their initial valuation of $320 million. In fact, when one compares it with the Esso-Delhi deal it fits very neatly into that deal.

The other criticism that I have—and it is of course tempered because the Opposition supports what is going on—is that in the 82/18 merger SAOG was put together with

Sagasco—this evidence was given—and the end valuation of SAOG was $95 million. That made it fit into the 82/18 merger. However, when the deal was put to the Sagasco shareholders and the Capel Court valuation was used, that valuation was that SAOG was worth between $125 million and $150 million. There is considerable difference between $150 million and $95 million and Capel Court quite rightly in its evidence—and quite rightly it was stated in all the evidence that was given—stated that there can be a range of values. It seemed rather strange to me that the same valuation had to be downgraded to $95 million to make it fit into the 82/18 merger, but when it is proposed to sell it in the marketplace the valuation is lifted to from $125 million to $150.

In summary, I think it is fair to say that the Government has Sagasco Holdings in a position where it can readily privatise it. There is absolutely no need for the Government to hold an 82 per cent shareholding in that company. In fact, evidence was given that if it stays like that it will inhibit the future of the company, a future which is very bright in Australia.

The committee received a lot of evidence to suggest that there will have to be an injection of capital of some $50 million to $100 million into the company in the form of equity to get the company going. So the question then is: what will the Government do; what is going to happen; and how will that money be raised? Evidence was given by the experts that one may be able to have a rights issue, but that would water down the shareholding a little. One may be able to go down the convertible notes route, but that has some problems if the Government still has a major shareholding—that is, over 50 per cent—and the company is not seen as performing. However, I think that the very interesting thing is the share placement route and it would appear from the evidence that, for the Government to get the dead equity ratio into something sensible and to allow the company to exercise its greatest potential, the share placement way is probably the best way to go.

Evidence was also given that if we go down that route—and I would advise the Government to do it as quickly as possible—it should get a company into it that has expertise. Santos happens to be that company. If this job is to be finished—and I hope that the Minister will keep us informed and give us a time schedule of how the Government is going to finish the job now that it has started—the sooner that we can get the Government's involvement down and the sooner that we can get private enterprise involved in the holding company, the sooner that will start returning to the taxpayers of the State the true value of the company, which is $300 million-plus not $95 million.

In passing, I comment, as did the Deputy Leader, on the DBSM success rate. We were told that they are retained as consultants to the Government to find merger deals and that, once they find a deal, they are paid on the success rate. I agree with the Deputy Leader that no doubt that success rate fee is much greater than the success rate fee of the people who sit in this House. Be that as it may, I would have thought that the Government would want to look at those types of contractual arrangements because, if your advisers are being paid on a success rate, that is how you get a prearranged 82/18. It may be thrust in another situation when the best advice or the broadest range of advice may not be accepted, because there is no doubt that there is a vested interest by DBSM to get this thing through, signed and sealed very quickly. I do not criticise that; all I say is that for the taxpayer of South Australia there may be a better way to go.

I compliment the thought that was raised about employee participation in shares, and I urge the Government to look at that. I think it is one of the great advances in recent years in employer/employee relations, that shares be issued to employees. As the Deputy Leader said, it has been very successful in Great Britain and if it comes into this country and is tried we will find that employer/employee relationships will dramatically improve and we will get on, especially in a company like Sagasco Holdings. That company will progress in a way that it has been held back in the past because of too much government control.

I thank the members of the committee for their cooperation in the way in which evidence was taken and comments made, and I look forward to the Minister's reply and the future of Sagasco Holdings, because it has a big future if we can only get the Government's participation down and let it out into private enterprise to work for the taxpayer.

Mr GREGORY (Florey): I support the adoption of this Bill and before I briefly refer to my comments I wish to take up something that the member for Victoria commented on a short while ago. He commented on the fee paid for the success of this merger of $.5 million.

I was astounded to hear him criticise that method of payment, because I thought that the philosophy of his Party was that workers should be paid on a piece work rate, and that is precisely what this company is being paid. For the successful completion of a task one gets paid. My understanding of piece work in industry is that if you do not produce the article and pass the inspection test you do not get paid for it and for every one you do produce you get paid so much. What is the difference? It is all right for workers to get paid a couple of bob a garment in the sweating industry but, when it comes around to people who wear suits and operate in big business, apparently it is not all right. I have never had many worries about people who get paid an appropriate amount of money for the work that they do. I have never been envious of that, because I believe that people ought to be paid for what they do and if you pay peanuts you get monkeys. In this exercise we do not want monkeys.

The Hon. E.R. Goldsworthy interjecting:

Mr GREGORY: The member for Kavel sometimes gives a very good rendition of a monkey, beating his chest, thumping and roaring and carrying on in this House, and I think they call them gorillas.

The Hon. E.R. Goldsworthy interjecting:

Mr GREGORY: And as the gorilla gets old and grey like the member for Kavel he cannot climb up there because he is too heavy.

The Hon. E.R. Goldsworthy interjecting:

Mr GREGORY: Yes. I rather enjoyed being on this committee because it very exhaustively, and I think at times very sharply, questioned all the people who sought to appear before it to give evidence. I want to pay a tribute to the people who attended, some of whom at very short notice travelled some distance to be there and were very informative.

I thank officers of the Gas Company; the Chairman of the board; officers of the Government; the technical advisers from the corporate organisations that advise the Government and the company; the independent adviser in Adelaide who prepared his own assessment of the value of the respective organisations being merged; and, in particular, the union officials who attended at very short notice to give evidence to the committee. The main thrust of the questions was around the percentage placement of the shares in the new company—82.2 per cent to the Government of

South Australia and 17.8 per cent to the shareholders of the former South Australian Gas Company.

All the evidence submitted, irrespective of the values placed on the various organisations—whether that valuation was conservative or wildly enthusiastic and inflated—when all put together roughly came out within the 82.2 per cent and 17.8 per cent configuration. Depending on the view one had, it would have been a percentage point one way or the other. When closely questioned, everyone said that it was a matter of judgment: no-one really quarrelled with it.

Mr Webber gave evidence and had what I considered the high valuations. He agreed that the 82.2 per cent and 17.8 per cent were about right. He agreed that it could be a little bit one way or the other, but it really did not matter. The two organisations were mutually merging for each other's benefit. The Government officers, whom I found highly skilled and very informative, were prepared to back their judgment and statements and said the same thing. The representatives from Capel Court also said the same thing. The representatives of Dominguez Barry Samuel Montagu said the same thing. It was not an issue as far as I was concerned.

I was pleased to see that this exercise will complete the merging of two companies—one Government and one owned by shareholders in Australia and possibly overseas—into a larger company that will be headquartered in Adelaide. The company will have the ability to do things other than simply supply gas to residents of South Australia and possibly explore for oil and gas in South Australia. I hope the company will operate successfully on an Australia-wide basis and, if managed properly with directors pointed in the right direction and attracting the appropriate amount of finance, could one day become bigger and rival Santos.

With this merger, in the Bill before Parliament, we are freeing up two organisations so that they can be more entrepreneurial in Australian business. That will mean that we will have another large organisation headquartered in South Australia, run by South Australians for the benefit of all people in Australia. I support the Bill.

The Hon. R.G. PAYNE (Minister of Mines and Energy): I thank honourable members who have contributed to the debate. They have continued on in the way in which they functioned as members of the committee during its hearings. I wish to correct one or two points raised by members. First, all members of the committee would understand why I propose to correct this point. Comment has been made of the gearing of SAOG as it is. Because we are on the public record, it might lead to some misapprehension about SAOG as it now stands.

All members would agree that when the Chairman, Mr Barnes, and Dr Devine appeared before us the matter was canvassed and a point made very strongly and vehemently by Mr Barnes (a former Under Treasurer of State with an understanding of whether a company is in good order or otherwise in terms of finance) that SAOG was in a sound position and very capable of meeting any commitments it had. That is not to say that in order to go out and explore it could not be in a better position. It is not as though it was threatened, shaky, or anything like that.

I noticed a difference between the two Opposition members who spoke in that one said that we were already on a privatisation kick whilst the other, the member for Victoria, said that we were in a pre-privatisation phase. It is not critical to attach a name to this proposal, except that it is not really accurate to describe as privatisation the following scenario:

In the morning the Government and the people of the State own one corporation—South Australian Oil and Gas Corporation—and at the end of the day, if this merger goes through, it owns 82 per cent of a much larger outfit containing two separate component parts.

I cannot see how that is privatisation: we are appreciating rather than disposing. At the back of the argument with respect to what might be a possible valuation on a market basis for SAOG, if we were dealing in a fire sale there might be some validity to the higher figure mentioned. Since this is a merger, it was very fair of the member for Victoria to point out that he was simply canvassing another way that a value could be fairly attributed to SAOG, which is not the one before us.

I point out also, in respect of the two valuations of $95 million and $120 million to $125 million, which have been somewhat hammered, that evidence was given by David Sasson, one of the signatories to the memorandum presented to all Gas Company shareholders attesting that it is a fair deal and independent, and there was a difference of some months between the two valuations. I do not suggest that that absolutely explains the two valuation figures and stops any further comment, but that difference existed and the point overlooked whilst speakers have been making that point. Clearly, everyone agreed that 82/18 is the crucial bit, and it is valid to use that approach with respect to valuations of companies in a merger of this nature.

When I was on my feet earlier I forgot to put in what I thought was a most delightful description of what is proposed in this merger. Mr Higgs of DBSM said that it was a backing into of one organisation by the other. That was an extremely descriptive outline of what we are calling the merger proposal before the House. One could continue to demonstrate that it is not privatisation. The Government gets no cash out of this deal when it goes through. There is a fee, as referred to, paid to one of the groups but the Government is not in that position: it simply is helping to free up some outfits so that they can operate more successfully. As the member for Florey pointed out, it should result in a larger company, which can operate on a South Australian basis for the benefit of the State and all South Australians. I commend members for their approach to this matter and I ask them to support the noting of the select committee's report.

Motion carried.

In Committee.

Clauses 1 to 6 passed.

Clause 7—'Licence fee.'

The Hon. E.R. GOLDSWORTHY: This clause refers to a licence fee being paid by a licensee who reticulates gas. As I understand that Sagasco is the only authority in this State that supplies reticulated gas, can the Minister assure members that it is the only authority licensed to do so?

The Hon. R.G. PAYNE: I can give that assurance at this stage.

The Hon. E.R. GOLDSWORTHY: What is the licence fee and is it paid into revenue?

The Hon. R.G. PAYNE: It is the existing 5 per cent of revenue. That has been collected for some years, under both the previous Administration and the present Administration.

The Hon. E.R. GOLDSWORTHY: Does the Government expect that position to change with the inauguration of the new freed up company?

The Hon. R.G. PAYNE: As Minister, I have no plans for that to change and I am not aware of any such plans.

Clause passed.

Clauses 8 and 9 passed.

Clause 10—'Compulsory acquisition of land.'

The Hon. E.R. GOLDSWORTHY: Is this the normal provision enabling the gas supplier to acquire land compulsorily for its operations?

The Hon. R.G. PAYNE: There is no change from the existing provision. A similar provision exists in the legislation that is being repealed. However, it refers to Sagasco rather than to a licensed supplier of gas. In this provision we have tried to be less specific, but it expresses a similar power.

Clause passed.

Clauses 11 to 15 passed.

Clause 16—'Fixation of maximum prices for reticulated gas.'

The Hon. E.R. GOLDSWORTHY: Will the Gas Company or the subsidiary company still be in a monopoly position as to the reticulation of gas? This clause imposes control on the price of gas. That places a real constraint on the operations of the company, but that seems to be necessary if the company is in a monopoly position, otherwise it could charge what it liked. Am I to understand that this major constraint is Government policy?

The Hon. R.G. PAYNE: The Deputy Leader is correct. The exclusivity or monopoly that Sagasco has will continue in regard to this utility. Essentially, this is in principle the same as the present situation that applies in respect of price control. Section 29a of the old Gas Act has been reworded to express more clearly the machinery arrangements as to how a price may be arrived at.

Clause passed.

Clauses 17 to 19 passed.

Clause 20—'South Australian Gas Company to become Sagasco (Holdings) Limited.'

The Hon. R.G. PAYNE: I move:

Page 8—
Line 28—Leave out 'Company' and insert 'holding company'.
Line 30—Leave out 'Company' and insert 'holding company'.
Line 31—Leave out 'Company' and insert 'holding company'.
Line 32—After 'public company' insert 'limited by shares'.

These amendments give a more correct description of what is intended by the legislation.

Amendments carried; clause as amended passed.

Clause 21 passed.

Clause 22—'Transfer of assets.'

The Hon. R.G. PAYNE: I move:

Page 9, line 11—After 'request' insert 'by the holding company or the utility company'.

This amendment has been moved to make clear what is specifically meant by the clause.

Amendment carried.

The Hon. E.R. GOLDSWORTHY: Where will the $1.3 million in lieu of stamp duty referred to in subclause (6) come from? The Gas Company picked up the tab for Capel Court. Will it pay the $1.3 million?

The Hon. R.G. PAYNE: That is to be paid by the Gas Company. Under the terms of the merger, that is 82 per cent of the Government's money coming back to itself.

Clause as amended passed.

Clause 23—'Transfer of employees.'

The Hon. E.R. GOLDSWORTHY: I am interested in the wording of this clause. It provides that the Minister will publish the names of the Gas Company people and that he may publish the names of those in SAOG. What is the difference? He is to list those from the Gas Company, but he may list those from SAOG. Is SAOG trying to keep them at arm's length, or what is going on?

The Hon. R.G. PAYNE: I think it is quite clear—in fact, we had some minor evidence on this before the committee. A very large number of employees in the Gas Company would need the kind of protection envisaged in this Bill, whereas the provision relating to SAOG is not nearly so clear. A few, or hardly any, employees in SAOG might need this continuity expressed in this way.

The Hon. E.R. Goldsworthy interjecting:

The Hon. R.G. PAYNE: The protection intended by the transfer is more likely to apply to employees of Sagasco and is less likely to apply to SAOG employees because of other awards which apply.

Clause passed.

Clause 24 passed.

Clause 25—'Certain profits of utility company to be transferred to reserve.'

The Hon. R.G. PAYNE: I move:

Page 10—After subclause (3) insert:
(4) A reference in this section to a financial year is a reference to any period that constitutes a financial year of the utility company for the purposes of the Companies (South Australia) Code.

The reason for this amendment is that, as I understand it, the Gas Company uses the calendar year rather than the more commonly accepted period of the financial year and therefore this amendment provides for that possibility.

Amendment carried.

The Hon. E.R. GOLDSWORTHY: This clause puzzles me. I think the sense of it is that there will be a statutory reserve account and the Government will take a rake-off. I do not have any idea of the meaning of subclause (3) which defines the formula. I would be very doubtful if the Minister understood it.

The Hon. R.G. Payne interjecting:

The Hon. E.R. GOLDSWORTHY: I do not want anything so technical that I do not know what it is about. Will the Minister explain what that clause is about, what the Government's rake-off will be and, in layman's terms, how much it will be?

The Hon. R.G. PAYNE: In general terms, the formula sets out to determine the amount of excess profit earned by the gas utility in the event of that happening. It sets the maximum profit that the utility can make. The reference to the reserve fund provides, as I understand it, for two profit situations: either by greater efficiency as a result of effort within the utility, or a windfall type of gain due to a purchase of some very cheap gas, for example, which subsequently could be reticulated. As the representative of Government, it seemed to me that, in that circumstance, some provision ought to be made for some of the profit to be applied for the benefit of the people who were mentioned by the member for Victoria and also the Deputy Leader earlier in the debate, that is, the people of South Australia who will actually be the consumers. I am assured that this formula provides for a situation where an excess profit would not then all be paid out to shareholders.

The Hon. E.R. GOLDSWORTHY: That highlights the sort of bind you are in when you have a monopoly. The advantages of freeing up this Gas Company are extolled. Sir Bruce told us in evidence only a day or so ago that they felt they were constrained by the limits on their ability to do something for these shareholders, but all this clause does is highlight to me the bind we are in when a Government or semi-government organisation is in a monopoly situation. The Government will take what in somebody's judgment is excess profit and the formula spells out how that will happen. I would be very surprised whether anybody, including the Minister, understands that formula.

Unless somebody has sat down and explained rather carefully to the Minister the sort of formula which will determine the excess profit and the level at which it will be struck, I would not expect him to understand the formula. The returns to the shareholders of the Gas Company are

regulated in two ways: first, in terms of price control on gas and, I think with a monopoly like this, there is no other option, otherwise they could charge the earth; secondly, this other fancy provision which will cream off the top something which in somebody's judgment is excess profit.

The whole exercise seems to make a farce of freeing up the Gas Company so that its shareholders and the company can enjoy the benefits of the free market, because obviously that is not what it is. I am interested to ascertain just how subjective this excess profit formula is. The way it is written it is mumbo jumbo. I have some mathematical qualifications, but I read the formula a couple of times and it could have been a foreign language.

The Hon. R.G. PAYNE: My understanding is that it is not ungenerous. It allows for the Gas Company to make a profit of the bond rate plus 2 per cent after tax. I am advised that in this instance the Gas Company regards the provision as being quite fair and eminently reasonable in the circumstances. Accordingly, I draw that to the attention of the Deputy Leader. There has been no battle for agreement in this area.

Clause as amended passed.

Clauses 26 and 27 passed.

Clause 28—'Gas fitters.'

The Hon. R.G. PAYNE: I move:

Page 10, line 25—Leave out 'a certificate of competency granted by the Board' and insert 'registration in accordance with the regulations'.

Some difficulty has existed in this area. The Gas Fitters Examining Board was previously provided for in regulations, but it is now proposed to regularise that situation. Since drafting this provision, it has been discovered that these words should be inserted in order to provide a more accurate statement of the situation, because some people have qualifications which are more in the nature of registration than a certificate of competency. It is not intended to prevent those people from being able to carry out the work lawfully as specified in the clause.

Amendment carried.

The Hon. E.R. GOLDSWORTHY: I have a question regarding the size of the $10 000 penalty. It appears in subsequent clauses for a range of offences. What is the rationale in having a penalty of $10 000 for a whole series of offences? The first offence is pinching gas; that is what this clause is about. I suppose it could be argued that $10 000 is a suitable penalty for pinching gas but the same penalty applies to a person who tinkers with apparatus. The penalties are a bit stiff for some of the offences. Some are worth $10 000 and some are not. It seems that someone dreamt up a figure of $10 000 and wrote it down for every offence, no matter what it is.

The Hon. R.G. PAYNE: Nearly all of these penalties and the offences to which they apply exist in the Act that this Bill repeals. However, the penalties have not been changed for a very long time. Although the increase is large, it has been based on Crown Law advice as to what is appropriate. Because of the danger of a gas explosion or gas inhalation causing death, there is a necessity to make sure that this is strongly regulated and controlled so only competent people work on gas installations.

Clause as amended passed.

Clauses 29 to 34 passed.

Schedule.

The Hon. R.G. PAYNE: I move:

Page 13—Leave out clause 2 and substitute:

2. Where, immediately before the commencement of this Act, a person held registration of a particular class as a gas fitter under the regulations to the Gas Act 1924, that person will be taken to have been granted, upon the commencement of this Act, registration of the corresponding class under the regulations to this Act.

Amendment carried; schedule as amended passed.

Title passed.

Bill read a third time and passed.

ELECTRICITY SUPPLY (INDUSTRIES) ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 23 March. Page 3441.)

The Hon. E.R. GOLDSWORTHY (Deputy Leader of the Opposition): The Opposition supports the Bill. From my discussions with the Minister and the Electricity Trust of South Australia, I understand that there is nothing retrospective in the arrangements that have been made in the past for the supply of electricity at concessional rates, and that this simply frees up the ability of ETSA to give concessional rates to industries establishing within a 42 km radius of Adelaide, which seems to me to be eminently reasonable.

The Hon. R.G. PAYNE (Minister of Mines and Energy): I reiterate the assurance that I gave to the Deputy Leader on this matter. He also asked whether many agreements had been entered into. I advise that only one agreement is in force at this time.

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

ROAD TRAFFIC ACT AMENDMENT BILL (No. 2) (1988)

Adjourned debate on second reading.

(Continued from 23 March. Page 3441.)

Mr INGERSON (Bragg): I rise in support of this Bill. It is a simple measure that has principally been brought about by the case of *Dunsmore v Krasser* in which there was a difficulty in making sure that the analysts figure and the figure accepted by the court were one and the same. The Opposition considers that any Bill of an administrative nature that can only improve legislation should be supported, and it has no difficulty supporting this Bill.

The major concern of a couple of Queen's Counsel with whom I discussed the measure was what would occur if the blood should denature at any stage or if there was an accident in collecting the sample. Officers at the Forensic Science Centre made very clear to me that there were very few problems with breakage and with denaturing of the blood itself. Kits are made for them through the State Supply Department and they have a direct input into the type of preservative used. They are happy with the way the whole program has been set up and there are no major problems with contamination of the preservative and the storage of samples.

I was not aware that there is very little breakdown in the alcohol level in blood when it is stored for up to a week or more, provided it is not stored in hot conditions. I was surprised to learn that because, as in swabs taken in the trotting industry, I thought there would be a significant breakdown of some drugs. Provided a sample is stored correctly, there is little breakdown in the alcohol level. As a consequence, the Opposition has no difficulty in supporting the Government in correcting the legislation. It is to be hoped that the measure will become effective as soon as

possible so that any problems within the Forensic Science Division can be alleviated.

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

IRRIGATION ON PRIVATE PROPERTY ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 March. Page 3536.)

The Hon. P.B. ARNOLD (Chaffey): I certainly support this measure. The matter has been outstanding for quite some time and considerable problems have existed for people operating under the Irrigation on Private Property Act. It goes back as far as 1983 when the State Bank indicated to the Sunlands Irrigation Advisory Board that it considered the securities required by the board were not adequately covered under the Irrigation on Private Property Act, and a number of objections were raised by the bank.

In his second reading explanation, the Minister has set out the objections raised by the bank. The bank was forced into a position of advising boards operating under this Act that in the circumstances, because of the inadequacies of the Act, it would not be in a position to make further financial assistance available until the position had been clarified. As a result of that, the Sunlands Irrigation Advisory Board made representation to me back in 1986. On that occasion it was in relation to the fluctuating interest rates, which have a bearing on this Bill.

As a result of that representation, I took up the matter with the Premier and received an explanation from him. Many of the problems highlighted by the irrigation boards, particularly the Sunlands Irrigation Advisory Board, will be corrected I believe by the Bill. Earlier last year, during the Address in Reply, I raised the issue as it had been presented to me and subsequently received a letter from the Minister of Water Resources dated 3 September 1987 in which he said:

> I refer to your comments during the Address in Reply debate in the House concerning amendments to the Irrigation on Private Property Act. This matter has been the subject of lengthy discussions between the appropriate Government departments and the bank involved. Originally the proposal was being considered as part of a general review of Acts dealing with water resources matters.
>
> However, earlier this year, following further representation from the irrigation boards, arrangements were made with the Parliamentary Counsel to prepare separate draft legislation. The draft Bill is now available and it is intended to discuss its contents with the bank and the irrigation boards to obtain their endorsement of its proposal. Following these discussions which are expected to be held by mid-September 1987, a settled Bill will be prepared. It is anticipated that the Bill would be ready for introduction to Parliament this session.

The Bill now before the House is the result of representations made over a considerable period by numerous bodies, including me on two occasions. I am pleased to indicate the Opposition's support for the Bill's speedy passage through the House.

The Hon. D.J. HOPGOOD (Minister of Water Resources): I thank the honourable member and the Opposition for their support.

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

ADJOURNMENT

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

That the House do now adjourn.

Mr HAMILTON (Albert Park): I have listened with a great deal of interest in the past couple of weeks, and particularly today, to discussions about the outrageous document that was circulated during last Saturday's Federal by-election in the seat of Port Adelaide concerning Housing Trust matters. I commend the member for Price on his vigilance in this matter, and I will on another occasion raise a question about the handing out of leaflets at polling booths. One of the things I have heard repeatedly over many years since I have been in this place has been criticism of the South Australian Housing Trust.

I would like to go on the public record in commending the Housing Trust for the manner in which it looks after the overwhelming majority of its tenants. It has carried out its duties commendably, not only in assisting its tenants in what one would call normal work duties but, more specifically, involving itself in areas which I do not believe are necessarily its duty. I have noted over many years the manner in which people working particularly down my way at West Lakes, Semaphore Park (by Bower Cottages), Port Adelaide, and also within the Adelaide office, have responded to the numerous inquiries and requests made through my office on behalf of my constituents. I have tried to give recognition to that in some small way, a matter on which I do not want to praise myself. Coming back to the question of Housing Trust rentals, I noticed an article in the *Advertiser* on Saturday 12 March this year which related to housing. Written by real estate writer, Frank Vains, it is headed 'South Australian Housing Trust kicks another goal'.

It talks about the fact that Magarey Grove was established by the South Australian National Football League, the Delfin Property Group, the West Lakes Mall and the Woodville council. I commend those people for that, but it makes no mention of the involvement of the South Australian Government in providing that land. I think that was a serious omission and it was a bit sad that the council and those people did not mention it. Suffice to say, however, that I commend the Government. The article goes on to discuss the manner in which Housing Trust tenants have been looked after, as follows:

> Not only were Mrs Myna Taylor, of Seaton, and her fellow trust neighbours in their front gardens to witness the excitement of Magarey Grove's birth but Mrs Taylor said later it was probably the biggest event their street had seen. When she, her late husband and their four children moved out of temporary accommodation at the old Centennial Park army barracks 34 years ago, it was to a new Housing Trust development maisonette at Seaton/Royal Park that they went. 'It was a dream come true', she said, watching Magarey Grove coming to life in front of her three-bedroom home. So, how had the trust treated them? 'The trust has been marvellous, just marvellous', Mrs Taylor avowed, as she watched Andrew Jarman (last year's Magarey Medallist) give Jim Handby (at 85 the oldest winner present and medallist in 1928) a hand to shovel soil around the gum which commemorates Jim's medal win. From her widow's pension, Mrs Taylor pays rent of $42 a fortnight, compared with £2/9/- a fortnight in 1954.

This is the crux of the article:

> Later the State Bank obligingly did a turn or two which showed that £2/9/- in 1954 was the equivalent of $35.98 today, and that $42 today was worth £2/17/2 back in 1954. So, Mrs Taylor's spontaneous accolade for the Housing Trust seems to lead to a further pat on the back for its policies, because the rent differences over all those years is remarkably small. If Myra Taylor's experience is any criterion the South Australian Housing Trust has real friends out there where it counts.

I reiterate what I said earlier. In my experience the Housing Trust has done a remarkable job in terms of the way in

which it assists its tenants. That leads me to the manner in which the trust, particularly in the western suburbs of Adelaide, has embarked upon a program of urban consolidation. Urban consolidation amounts to knocking down one or two double unit homes and then building on those and adjacent blocks a large number of units for elderly and retired people who have for many years been tenants of the South Australian Housing Trust. The trust does not move in and force them out; it enters into negotiations with these people over a period of months—sometimes years—to seek their concurrence to shift them within a very short distance of where they have lived, in some cases for 30 or 40 years.

At the completion of the building of these new units, the trust, if the tenant still desires, moves them back into these new units. Without exception the tenants who have moved into these new units have praised the trust for the manner in which they have been assisted. I have on numerous occasions heard many people—even in this place—knock the Housing Trust. I cannot speak too highly of the manner in which I, and I believe my constituents, have been ably and well served by the General Manager of the trust and those who respond to the issues in my electorate. The member for Price concurs in those sentiments.

Having mentioned what the trust has been doing, I believe that there is need—and I believe the trust is addressing this issue—for further urban consolidation in terms of the concept that has been introduced in the Seaton area of my electorate. There is no doubt that there is room for this not only in my electorate but also in that of the member for Price, who has a specific interest in this area. He too may look at what the trust is contemplating in his area, because the western suburbs of Adelaide need more accommodation—and the Minister recognises this—for those whom the Labor Party represents. Indeed this applies to some of those people who the Labor Party does not represent or who do not vote for it. Nevertheless, I believe that urban consolidation, on which I will have more to say later this year, is one of those ideals and concepts on which I believe the Minister and the trust should be commended.

Mr OSWALD (Morphett): In the short time that I have available this evening, I would like to address my remarks to the lack of planning that has gone into transport and arterial roads in my electorate and the electorates to the south. In peak hour time Brighton Road has virtually reached saturation point, and the link from Brighton Road to the north via Tapleys Hill Road has reached an intolerable level of traffic density. Despite this, the Government has continued to roll back year by year the starting time for that construction. Local residents have been through the upheaval of being told that they will have to move. The Highways Department has been through the exercise, in most cases, of purchasing properties, yet the Government continues to roll back the starting date for that very important project. We should analyse what is happening in metropolitan Adelaide in relation to starting dates which continually get rolled back by the Highways Department.

One of the biggest problems in the Glenelg area—and this applies to residents in the western and south-western suburbs who live on the plains—is the growing population base south of Darlington. We hear figures thrown around that by the year 2010 another 100 000 people will be living south of Noarlunga Centre and that before the turn of the century another 100 000 people will live south of Darlington.

Because the Government has not produced industry in the south and has not been able to preside over the increase of employment there, the areas to the south are becoming large dormitory suburbs of Adelaide. Those suburbs will continue to grow in population, and, if the Government does not do anything about employment, those people will have to come up to the plains of Adelaide to work. This is where the problem starts. It starts because the residents come up to Adelaide, arrive at Darlington, and then where do they go? They commute to the city and they must go somewhere. They therefore track down Brighton, Morphett, Marion and South Roads, thereby congesting these roads.

We should ask ourselves several questions. First, what is the Government doing about holding these people down in the southern region and providing employment in that region? That is a very real question. I know that there are problems in setting up industry down there, the first of which is the cost of freight. To transport a raw product over the hill face and down to the southern region is becoming uneconomical. Because it is becoming an extremely costly business to set up industry in the south, a lot of industries are not going down there. So, as an alternative they have to look towards high intensity employment in the types of industries which employ a lot of people but which do not require freighting of raw materials into the area. The Government, unfortunately, has been very tardy in this area. We are not seeing employment growth in new industry in the south commensurate with the long-term plans for residents.

Mr Tyler interjecting:

Mr OSWALD: I cannot hear the interjections opposite. I am not terribly interested in them, but the point we must understand is that it is all right—

Mr Tyler interjecting:

Mr OSWALD: If the honourable member is referring to an industry that might have located in Lonsdale, I can only hope that there will be many more. We are talking of another 100 000 people living between the cliff face at Darlington and Aldinga Beach between now and the year 2010, so we cannot hang our hat on one new industry that has set up in Lonsdale; we must have continuous updating and upgrading of the existing industries and new industries that will absorb these people. We must be efficient traffic planners for the future, but if industry and employment are not provided in the south, and if the 100 000 plus new residents in the south will have to come to the plains for employment, then it could be argued that the Government knows nothing about long-term strategic transport planning.

The latest thing I have heard from the Highways Department is that the third arterial road has been put so far on the back burner that officers in the department have ceased working on it. For those of us who live on the plains, this is one of the most appalling things we have ever heard because South Road has reached a certain density of traffic. That was relieved the day that Ocean Boulevard was opened. Everyone rejoiced and said that it was fine and would take the pressure off South Road. Now we have a situation where the traffic density has built up again on South Road to the same volume as before Ocean Boulevard opened. The Government did something about widening Flagstaff Hill Road and the bottleneck there, but it kept on building and planning for tens of thousands of homes in the south. These roads cannot take the traffic.

If we are not going to provide employment in the south, the Government will have to come to grips with the need to provide these arterial roads. We all know what happens at Darlington. The Government has not addressed the problem at Darlington because, as soon as the green light goes on South Road and the traffic flows, cars bank up to Flagstaff Hill. The member for Fisher would be well aware of that. As soon as the light turns red on South Road and

green at Flagstaff Hill, down comes the traffic, the cycle is short and problems occur. It has built up because of the building of homes in the south. I have never said that we should not build homes in the south as it is a delightful area but, if we are to build in the south, the Government will have to come to grips very quickly with long-term strategies on how to get people down to Adelaide or provide employment for them in the south.

Mr Tyler interjecting:

Mr OSWALD: I do not think that anyone disagrees. It is the lack of activity in planning that I am criticising—the lack of planning for what we are to do. I was told by a well informed officer within the Highways Department that the third arterial road is so far on the back burner that it has almost fallen off and that officers are not working on it, and that absolutely appalled me. Without the third arterial road coming into Adelaide, we will be in diabolical trouble.

Mrs Appleby interjecting:

Mr OSWALD: The honourable member would not know. You are history in this place. Instead of worrying your mind about transport matters you ought to start looking for employment in the south. She will not be here much longer—we all know that given the result in Adelaide and Port Adelaide and what has happened in the southern suburbs. However, I will not be digressed by such matters.

I am trying to get through to the Government a matter of the most serious import to members on the plains. The other problem with which we need to come to grips is that, even if we build the third arterial road, on which a Liberal Government would move very quickly, all that this Government is doing is emptying out traffic from the south about a kilometre further north. It has made no provision for the additional traffic to travel up Morphett, Marion, South and Goodwood Roads.

The Government has started to do the underground work on South Road and Anzac Highway and we are pleased to see that start. However, the Government seems to work about one or two years ahead. If another 100 000 people are to reside south of Darlington and if we are not already talking about the widening of South Road and other roads to cope with the extra traffic, I submit that the roads will not take it.

In peak hour now the roads are virtually full and the Government has not come to grips with that. We have to get people from the south to the city as the Government is not providing employment in the south. They must get employment on the plains and therefore they will require transport. The Government is turning a blind eye. If it does not know how to handle the situation it ought to hand over the portfolios to members on this side and ask the member for Bragg to sort it out for them.

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

Mr FERGUSON (Henley Beach): During this adjournment debate I wish to refer to parliamentary privilege or Parliamentarians' right to freedom of speech. I do believe that the publication of the Joint Select Committee on Parliamentary Privilege of the Commonwealth of Australia was right when it stated:

> Members would fear to express themselves with the bluntness and directness parliamentary life so frequently demands and Parliament would become a shell devoid of content or meaning if what was said or done by members in debate and proceedings in Parliament could be called into question outside of Parliament. We would be taking a giant step backwards to the days of the fourteenth century and executive ascendancy.

An analogy may be made with the immunity that judges of superior courts enjoy from any form of civil action arising out of anything they may say or do in court in the course of a trial. This immunity is grounded on the principle of public policy that they should be able to perform their duties free from fear that what they do or say may later involve them in litigation.

Moreover, there is a very compelling consideration that Parliament is the utlimate forum for debate of national (and presumably State) issues and, accordingly, it is essential that the widest possible protection be given to members' parliamentary utterances. I stand behind those sentiments absolutely and I do not think Parliament could work if it was not for the removal of restraints against litigation. Similarly, I do not think that a member could give the service and protection to his electorate that he can do now, if what he said in the House was subject to litigation. Despite having expressed those sentiments I find myself in agreement with the *Public Service Review* of December 1987 (page 9) that expressed these views:

> The association is concerned at recent attacks upon members conducted under parliamentary privilege. By reacting swiftly to attacks on traffic inspectors, in which an inspector was identified by name, the association succeeded in turning critical attention back on to the attacker.
>
> The key to achieving relative satisfaction in events of this nature is for the association to be rapidly appraised of the event with full details. One body of opinion holds that things said under parliamentary privilege are beyond redress from outside Parliament. The association takes the view, however, that it is not prohibited from communicating with Parliament on such an issue, as transpired in the traffic inspector's case. Such communication can become a counter-attack. Moreover, should the issue have overflowed from the Parliament into the public media, the association is perfectly entitled to pursue the issue in the media. All of these things were done in the traffic inspector's case and the association is inclined to adopt that procedure as a model for such events.
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> Members who are subjected to the indignity of attack under parliamentary privilege should waste no time in seeking association assistance. The association has investigated the course of redress available to people attacked under parliamentary privilege. Advice received from the Clerk of the Parliament on the matter is as follows:
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> > Any person aggrieved by excessive use of parliamentary privilege may be able to get another MP to attack the perpetrator of the abuse within Parliament. The aggrieved person may also use the public media, either by paid advertisement or by briefing a journalist, to remedy the issue. Theoretically any aggrieved person may also contest the position of the attacker in the next election and debate the issues before the attacker's constituency. While there is a mechanism of the Parliament for a privileges committee, it has not been activated for a long time. It is implied that the mechanism is rather toothless since Parliament is considered to be without constraint to its members.
>
> Unfortunately, public servants may be restrained under the GME Act from such response and in such cases the PSA can act to pursue its interests.

Not only has the Public Service Association been concerned at the remarks that have been made about public servants under parliamentary privilege, but also other people have expressed concern that senior public servants, particularly if they are female, appear to be the butt of innuendo and attack, without the production of a single shred of evidence from certain members of the State Parliament. The Federal Joint Select Committee on Parliamentary Privilege was so concerned about the misuse of the privilege that it made the following recommendation:

> That, at the commencement of each session, each House agree to resolutions in the following terms:
>
> *(a)* That in the exercise of the great privilege of freedom of speech, members who reflect adversely on any person shall take into consideration the following:
>
> 1. The need to exercise the privilege of Parliament in a responsible manner.
> 2. The damage that may be done by unsubstantiated allegations both to those who are singled out for attack and to the standing of Parliament in the community.
> 3. Very limited opportunities for redress are available to non-members.

4. The need, while fearlessly performing their duties, to have regard to the rights of others.

5. The need to satisfy themselves so far as is possible or practicable that claims made which may reflect adversely on the reputation of others are soundly based.

(b) That whenever, in the opinion of a presiding officer, it is desirable so to do, he may draw the attention of the House to the spirit and to the letter of this resolution.

I believe that, in view of the way the debate has been going in the past few years (and I do not wish to enumerate the times that this has occurred as one has only to refer to *Hansard* to pick up where in fact it has occurred), perhaps the Houses of Parliament ought to give consideration to following such a course of action.

I notice in the Joint Select Committe on Parliamentary Privilege Final Report that a Mr Anthony, a former member of Parliament (who I assume is Mr Doug Anthony but I do not know), suggested to that committee that a member who has made an imputation of misconduct or impropriety against another member could be called upon to produce evidence at least of a *prima facie* nature and that, if this evidence could not be produced, the member could be named. Mr Anthony noted that the model he proposed could be adopted to cover non-members of Parliament also.

Now, I am not suggesting that this is the course of action that this Parliament ought to proceed with, and in the final analysis the Joint Select Committee on Parliamentary Privilege which concluded its final report in October 1984 did not accept Mr Anthony's proposals, but it is sufficiently significant that a former member of Parliament should be prepared to suggest that this remedy might occur.

The Federal Committee on Parliamentary Privilege, in trying to find a solution to this problem of the unbridled use of privilege, also had to grapple with the fact that for reasons which I stated earlier Parliamentarians must be able to maintain the ability to say without fear and in an unbridled way what they would like to say in the House. The final solutions from the committee in Canberra are interesting, but lack of time does not permit me to enumerate them. However, in due course this House may have time to consider them.

Motion carried.

At 5.47 p.m. the House adjourned until Wednesday 6 April at 2 p.m.