HOUSE OF ASSEMBLY

Wednesday 4 April 1990

The SPEAKER (Hon. N.T. Peterson) took the Chair at 2 p.m. and read prayers.

PETITION: RAILWAY CROSSING BOOM GATES

A petition signed by 169 residents of South Australia praying that the House urge the Government to install boom gates at the May Street and Clark Terrace railway crossings at Albert Park was presented by Mr Hamilton.

Petition received.

QUESTIONS

The SPEAKER: I direct that the following answers to questions without notice be distributed and printed in *Hansard.*

JUSTICE INFORMATION SYSTEM

In reply to **Hon. B.C. EASTICK (Light)** 22 February.

The Hon. J.H.C. KLUNDER: There have been three break-ins on Government premises resulting in computing equipment, associated with the Justice Information System, being stolen or damaged. A computer terminal, printer and associated equipment valued at $2 000 was stolen from Department for Community Welfare premises at Enfield in 1988 and ink was sprayed into equipment at the Department for Community Welfare, Magill premises resulting in damage amounting to $300. Although no security system was in operation at the time, security monitoring equipment has since been installed.

In June 1989, the Gawler Police Station was broken into whilst unattended and a computer terminal, printer and associated equipment valued at $2 000 was stolen. Security devices were not installed. The Police Department is currently conducting an assessment of all police JIS terminal sites with a view to enhancing security measures. It is emphasised that JIS security cannot be breached by the stolen equipment. The teminal would require connection to a dedicated JIS terminal outlet to be operable and a user identification code and password.

DUAL FLUSH CISTERNS

In reply to **Hon. J.P. TRAINER (Walsh)** 20 March.

The Hon. S.M. LENEHAN: As members would be aware, over the past decade Caroma Industries has been the leading company in Australia in the development of dual flush toilet cisterns. Its initial range of dual flush cisterns had capacities of 11 litre full flush and 5½ litre half flush. With further development, 9/4½ litre dual flush versions were designed. As previously stated by the honourable member, these reduced dual flush versions provide additional water savings to the earlier 11/5½ versions.

However, there are instances where the reduced volumes from these units do not provide a satisfactory flush when coupled with an existing older style WC pan. Hence the innovation by Caroma to incorporate in their design a means of converting the cistern from 9/4½ to 11/5½ litres. The Engineering and Water Supply Department ensures that cisterns comply with standard performance requirements and mandatory water use limitations. I am assured that the new range of Caroma 9/4½ cisterns comply with both aspects.

In accordance with my response in Parliament on 20 March 1990, Caroma was contacted to discuss the reason for the means of conversion, which consists of a float arm extension, not being available as a spare part. Caroma has indicated that the float arm extension is not compatible with the majority of previously produced Caroma cistern inlet valves. In addition, whilst the new 9/4½ litre cisterns will perform satisfactorily with the majority of existing 11 litre WC pans, they recommend that, for the optimum flushing performance and hygiene, the installation consist of a complete new pan and cistern. It would, therefore, appear that customer complaints and installation problems would occur if the float arm extension was available as a spare part. Unfortunately, it is not compatible with the majority of previously produced Caroma inlet valves.

DISTRICT COURT JUDGMENTS

In reply to **Mr FERGUSON (Henley Beach)** 28 February.

The Hon. G.J. CRAFTER: The rate of interest is regulated pursuant to section 35g (2) *(a)* of the Local and District Criminal Courts Act. That section provides that a court may include in the judgment an award of interest in favour of the creditor. The interest is calculated at the rate as fixed by the court. Rule 302A of the Local Court Rules currently provides that the rate of interest shall be $10 per centum per annum. This rate is applicable to the District Court and the Local Court of Adelaide. A similar rate is also applicable to the Supreme Court. At this stage there is no proposal to increase the amount.

NEIGHBOUR DISPUTES TRIBUNAL

In reply to **Mr De LAINE (Price)** 1 March.

The Hon. G.J. CRAFTER: The problem of the resolution of disputes between neighbours is a difficult one. The Government is looking at several options and, in particular, is evaluating community mediation centres. Adapting existing judicial institutions to deal with disputes between neighbours is another possibility.

Many disputes can now be satisfactorily resolved through the courts, and many cannot, for a variety of reasons. In many instances the dispute will not be resolved by legal or any other action because the neighbours, or one of them, simply do not want to change their behaviour. On the evidence to hand, a case for establishing a separate tribunal for resolving neighbour disputes cannot be made out, but making the courts more accessible, cheaper and providing them with appropriate remedies is something that the Government will be exploring.

ELECTION OF SENATOR

The SPEAKER laid on the table the minutes of the Joint Sitting of the two Houses for the choosing of a senator to hold the place rendered vacant by the resignation of Senator Janine Haines.

PUBLIC WORKS COMMITTEE REPORT

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

Port Adelaide, Outer Harbor No. 6 Berth—Wharf Extension.

Ordered that report be printed.

QUESTION TIME

MARINELAND

Mr D.S. BAKER (Leader of the Opposition): When does the Minister for Environment and Planning intend to submit to His Excellency the Governor for approval, under section 63 of the Planning Act, the hotel, convention and reception centre scheme proposed for the Marineland site?

The Hon. S.M. LENEHAN: As the honourable member will know, we have Government by Cabinet in this State. In fact—

Members interjecting:

The Hon. S.M. LENEHAN: I was under the impression that, when Opposition members were in Government, that was the same system under which they operated, but I acknowledge that it is a long time ago. I assure the honourable member that I shall not be imparting that sort of information to the House. Obviously, the decisions with respect to the Marineland redevelopment affect a number of Ministers and Government departments, and those decisions will be taken at the appropriate time and in the appropriate way.

SPRAY DRIFT

The Hon. T.H. HEMMINGS (Napier): Will the Minister of Agriculture indicate what stage the Government has reached in its consideration of the need for legislative measures relating to the control of spray drift from the use of agricultural chemicals?

The Hon. LYNN ARNOLD: This is a very important area which has been concerning a number of people in the community for some time. A proposal was being discussed last year with respect to spray drift and the possibility of legislation, and I know that that received a variety of reactions. There has been very close contact between officers of the Departments of Agriculture and of Environment and Planning, and I have been in discussion with my colleague the Minister for Environment and Planning on this very matter.

The stage at which we are now is that the Director-General of Agriculture, Dr John Radcliffe, and the Director-General of Environment and Planning, Dr Ian McPhail, are jointly working on how this matter can best be resolved. Before I detail the way in which they are carrying out this work, I should point out that any suggestion that the final recommendations have already been made as to what action would be taken with respect to spray drift and the use of chemical sprays on farms is totally incorrect. Under these two Directors-General, a joint working party has been established, comprising representatives of the Departments of Agriculture and of Environment and Planning. That working party will, as its name suggests, work on the issue. The working party consists of Department of Agriculture representatives, Mr Nick Brooks, Senior Plant Protection Agronomist; Mr Mikael Hirsch, Farm Chemicals Branch Registrar; and Mr Alec Smith, Manager of the Department of Environment and Planning's Air Quality Branch.

A steering committee is also being brought together to ensure that the views of all the various interest groups affected by any proposals will be given due consideration. The steering group will include representatives from the farming community, chemical industries, aerial agriculture, conservation, health and community groups, as well as delegates from the appropriate Government departments. We hope that the report of the working party will be available by the beginning of August 1990. At that stage, we will be in a clearer position to know whether or not there is a need for legislative or regulatory action in this area.

MARINELAND

Mr S.J. BAKER (Deputy Leader of the Opposition): Will the Minister for Environment and Planning confirm that, before deciding to use section 63 of the Planning Act to facilitate the proposed hotel, conference and convention centre development on the Marineland site, the Government had legal advice that this was an inappropriate use of this section of the Act and one likely to be successfully challenged; and will she explain why the Government ignored this advice?

Section 63 of the Planning Act allows the Government to speed up developments by overriding other requirements of the Act. However, I have been informed that the Government received legal advice that it should not be used for this project. This information is supported by one of the documents tabled recently by the Minister of Industry, Trade and Technology. I refer to page 596 of those documents, which is part of a 'Marineland Action Plan' prepared by the former Department of State Development in February 1989. The document states:

> It should be emphasised that the ultimate fast track section 63 should be avoided if at all possible, that is, any development project proposed by Zhen Yun should be consistent with existing planning and environmental considerations and regulations.

The Government's refusal to heed this advice has resulted in a challenge to the project which is likely to further delay it. As a result of this challenge, I have also been informed that the Government is now considering withdrawing the section 63 process and, instead, having the project proceed under section 43 of the Planning Act through the interim operation of a supplementary development plan.

The Hon. S.M. LENEHAN: Obviously, the honourable member did not hear my answer to the last question but I will restate it. He obviously did not want to hear, and the Opposition is now hell-bent on trying to destroy yet another project in South Australia.

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: It is interesting that the member for Hanson talks about getting it wrong. It is interesting in terms of the successful movement of dolphins from that site. I am sure he was delighted with the successful move but, never mind, we are proceeding in terms of my personal responsibilities in this matter and I would take this opportunity to congratulate personally all the people involved in the successful training and movement program. The relevance to the question is that the Opposition is determined in one way or another to prevent future developments in this State. I have made my position—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: We have noted often on this side of the House that, when the Opposition has nothing to go on, it reverts to personal abuse and insults, and it is interesting that we again have a situation of personal abuse and insults coming from members opposite. However, I am quite used to this lowest form of attack, as we all are on this side. It is probably the reason we remain on this side

of the House and they remain on the other side and will do so for some time.

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: My point is amply made, given the baying from the Opposition; the absolute baying like wolves. I make it absolutely clear that the decisions on this matter will be taken by the Cabinet, and they will be given to the community and the Opposition when they have been taken.

ACCESS CAB SCHEME

Mr FERGUSON (Henley Beach): I direct my question to the Minister of Transport. The Minister recently made an announcement regarding the Access Cab scheme being extended to children with disabilities. Can the Minister explain what this will mean for those children?

The Hon. FRANK BLEVINS: I thank the member for Henley Beach for his question.

An honourable member interjecting:

The Hon. FRANK BLEVINS: Somebody said it was a dorothy dixer. I make no comment on that, but I think that in the past few months of the parliamentary sitting I have not had one question from the Opposition—

The SPEAKER: Order! The Minister will direct his answer through the Chair.

The Hon. FRANK BLEVINS: Thank you, Mr Speaker; the fact is that I am out of practice. However, the question is important, because I have announced that we are extending the Access Cab scheme to children under the age of 16. The reason for that is very clear. I could never understand when I took over the portfolio and had responsibility for the Access Cab scheme why children were excluded.

It seemed to me that, if it was considered desirable for adults to have the benefit of this scheme, and the benefits are very great indeed, the benefit to children was self-evident. Very rarely does one get telephone calls of a favourable nature in one's ministerial office. Ministers get lots of telephone calls complaining about this, that or the other, but it has been astonishing the number of phone calls that my office has received from grateful parents and relatives of children who are now able to take a much fuller part in our community. We can all be very pleased about that.

Governments spend lots of taxpayers' money in one form or another, but I cannot think of any taxpayers' money that is better spent than in looking after the disabled children in our community. I also point out to the member for Henley Beach that the scheme has been extended in various forms to the country. We did not want to upset arrangements that are already in place in certain country towns and provincial cities; instead, we have enhanced those arrangements, many of which are *ad hoc* arrangements. We have not gone in with a big stick and ordered stretch Falcons for the Access Cabs scheme. We have identified the existing facilities in provincial cities and country towns and worked out how we can help those communities to better use those facilities to assist a wider range of people. The Government will finance the expansion of those services.

Mr Lewis: Didn't you count Murray Bridge?

The Hon. FRANK BLEVINS: The member for Murray-Mallee interjected quite out of order that, somehow or other, the Government has not looked after Murray Bridge. If the situation in Murray Bridge is so bad, I cannot understand why the honourable member has not taken it up with me before. He cannot be terribly concerned about it if the best he can do for his constituents is by way of an interjection, which is out of order. If the member for Murray-Mallee has some queries about the inadequacies of the service in Murray Bridge, I suggest he research it thoroughly and write to me. Of course, the Government will deal with any inadequacies that turn up. The scheme is excellent and the Government ought to be congratulated. I know that the recipients of the scheme—the disabled children in our community—are very grateful indeed.

WORKCOVER

Mr HOLLOWAY (Mitchell): Will the Minister of Labour advise the House whether WorkCover has made any estimate of the number of employers expected to gain bonuses under the bonus and penalty scheme that is to be introduced by WorkCover from 1 July next? Will he further say what are the percentage reductions in levies? Will the Minister—

Members interjecting:

The SPEAKER: Order! The honourable member will resume his seat. As members are aware, legislation dealing with WorkCover will come before the House later today. I ask the member for Mitchell to be very careful in phrasing his question and his explanation because it could easily be out of order.

Mr HOLLOWAY: Thank you, Mr Speaker. I understand that this matter does not impinge on the amendments in that Bill. Will the Minister inform the House how many employers are estimated to pay penalties under the scheme and what additional levies they will have to pay?

Members interjecting:

The SPEAKER: Order! The honourable Minister.

The Hon. R.J. GREGORY: As I remarked yesterday, it is amazing how members opposite seem to have a different view about WorkCover when a question is asked from this side of the House, especially when it refers to some benefit for employers who look after the interests of their employees and may affect employers who have no care or consideration for the welfare, health and well-being of their employees. WorkCover has been operating for about two and a half years and, during that time, it has been gathering information that can be used in a bonus and penalty scheme. One of the features of a Canadian scheme similar to WorkCover is the bonus and penalty scheme. It has operated there for over 60 years.

Mr Ingerson interjecting:

The Hon. R.J. GREGORY: The member for Bragg says that those schemes do not work. I suggest that he goes to Canada and asks the people who operate the schemes, the trade unionists and the employers whether they want to change any aspect of the scheme. The answer that he would get from all of them would be a resounding 'No'. If he were to go to Saskatchewan, he would find a scheme that was well run, fully funded and properly supported by all the people there.

An honourable member interjecting:

The Hon. R.J. GREGORY: They don't even know where it is—it is in the Commonwealth.

Mr Lewis: Well, we can pronounce it better than you can.

The Hon. T.H. Hemmings: You didn't have your valium today, did you?

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

The Hon. R.J. GREGORY: It has been a very difficult period of time in gathering this information so that it can be used. We are confident that, when this is introduced, about 80 per cent of the employers will receive a bonus, and that bonus will be well received, particularly when it is

considered that the current highest rate of payroll is 4.5 per cent. If that was doubled or even trebled, those employers would still be paying less than they would have paid under the previous workers compensation scheme. We have employers actually polling and bludging on employers who do the right thing. They have taken the attitude, 'Blow the expense; because it is cheap, we will not take positive action to ensure that the workplace is safe.' The bonus and penalty scheme will be used first as a carrot to encourage people to save money but, if they do not, it will be used as a stick to ensure that they do.

Mr Ingerson interjecting:

The Hon. R.J. GREGORY: The member for Bragg asked, by an interjection, why we did not introduce a bonus scheme in the past. I draw his attention to my earlier remarks when I said that, because the scheme has been operating for only 2½ years, it is very difficult to gather the exact information required to introduce such a scheme. To be able to do it in 2½ years is a considerable achievement.

We think that about 8 per cent of employers who are in the system will receive penalties ranging from 10 per cent to 50 per cent over the two years. We are also fairly confident that the worst employers (150) will be hit with a supplementary levy which will double their current levy. That will be a very good financial incentive to ensure that they do play the game and protect the interests of their employees. Also, very small employees who pay less than $200 a year will be excluded from the bonus and penalty scheme because, as can be imagined, even a small claim could lead to radical fluctuations in their levy rate. The introduction of such a scheme will ensure that those employers causing the most damage and expense to WorkCover will be paying, as they ought to pay, and those who are playing the game will get a small relief from the bonus.

MARINELAND

The Hon. E.R. GOLDSWORTHY (Kavel): My question is directed to the Minister for Environment and Planning. Did the Government receive any legal advice in respect of the use of section 63 of the Planning Act regarding the Marineland project and, if so, what was the advice?

The Hon. S.M. LENEHAN: I thought that was the question that was asked previously. This is now the third question on the topic with respect to this matter, and I have answered it. The Government will announce its decision once Cabinet has assessed the situation and made that decision.

SAMCOR

Mr MEIER (Goyder): My question is directed to the Minister of Agriculture.

Members interjecting:

The SPEAKER: Order! I cannot hear the question. The member for Goyder.

Mr MEIER: Did union officials demand the sacking of the General Manager of Samcor, Mr Meharg, because he was in conflict with them over throughput on the new mutton line at Gepps Cross and, if not, what was the reason for the board's decision to terminate his employment? I have been informed that one of the reasons for Samcor's growing financial difficulties is union refusal to cooperate in the introduction of a new mutton line. Samcor's latest report to this Parliament states that the new system 'would see Samcor become even more competitive in the marketplace'. The reason the financial crisis has occurred is the refusal of union officials to allow the line to be worked at full capacity, thus reducing productivity. I have also been informed that a member of the board undertook the negotiations with the union and that those negotiations were totally against what management wanted.

The Hon. LYNN ARNOLD: I am advised by the board of Samcor that the reasons for the termination of the employment of Mr Meharg are: contrary to direction (and I will paraphrase this statement to make it sensible for the House) the customer base had not been extended—it had been eroded; the current financial situation and the erosion of the financial base; lack of proper standards of financial management and accounting; and lack of confidence of senior management and customers. These are the reasons given to me by the board for the unanimous decision at which it arrived. By 'unanimous' I mean the decision arrived at by all members of the board present at that meeting.

With respect to what the union movement may or may not have requested, I understand that it has had significant differences with Mr Meharg over a period of time, and it communicated its views as to what it believes should happen at Samcor at a deputation received by me in January, I think. I will have to confirm the exact date of that meeting.

A number of points were put forward about award restructuring and mention was made of the mutton line. I indicate that, as the honourable member has indicated, the mutton line throughput has been well down. As an indication of the situation, I cite the following figures. From October to the present the throughput on the cattle line was 67 722 whereas for the previous year for the same period of time it was 67 257; in other words, the figures are almost identical despite a fee increase in Samcor. For the pigs line for the period 3 October to the end of last week the figure was 61 246, whereas for the previous year it was much lower at 49 881. The mutton line has shown a serious drop away with the figure over this period of time being 258 931, whereas for the previous year it was 343 902.

It appears that almost the total part of that fall away took place from the end of the week ending 8 January which, I understand, was the period from which the new mutton line might have commenced—but I will have to confirm that date. As to which party was responsible for the problems, during the discussions on the mutton line many different points of view have been expressed. I am advised by the Acting Chairperson that this matter can now be satisfactorily resolved and that discussions with the unions will result in the reopening of the line. In fact, I am advised that the mutton line reopened on Monday 2 April.

Mr D.S. Baker: Who is the Acting Chairperson?

The Hon. LYNN ARNOLD: Rita Freeman is the Acting Chairperson and I believe that she is doing a very capable job having taken over during a difficult situation. So, the mutton line has reopened and one can, therefore, make one's own judgments about the way in which previous discussions proceeded and why the mutton line was operating at that level of under capacity.

ABORIGINAL EMPLOYMENT

Mr De LAINE (Price): Can the Minister of Aboriginal Affairs give details of the 1 per cent challenge that he launched last Friday to statutory authorities and local government to employ more Aboriginal people?

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I am pleased to have the support of the shadow Minister of Aboriginal Affairs on this matter by way of interjection because on Friday he joined me at the launch of the 1 per cent challenge and I know that he supports this strategy. He would be aware, of course, that Aboriginal unemployment is currently about 35 per cent and that Aboriginal people make up the highest number of unemployed in South Australia. Across the board, the statistics tell a tragic story. Indeed, the median income of Aboriginal people is half that of Australians as a whole. So, obviously we are keen to move away from strategies that reinforce welfare dependency and to encourage economic independence for Aboriginal people in this State by achieving equity with other Australians in employment and education.

The 1 per cent challenge has been launched to encourage statutory authorities and local government to aim for at least 1 per cent Aboriginal employment within their work force. Of course, this scheme is an extension of the 1 per cent goal in Public Service departments in South Australia, and I am pleased to report that the Government is close to reaching that target, having achieved a level of .95 per cent in the middle of last year. We are not talking about tokenism: we are talking about equity, and a range of subsidised, recruitment, training and development packages is now available to assist statutory authorities and local government in providing jobs and in providing Aboriginal people with the right training for meaningful career paths. The strategy places emphasis on permanent jobs, recruitment and career development practices that encourage more opportunities for career advancement for Aboriginal people.

Already, in the eight weeks since it began, the Aboriginal Employment and Development Branch within the South Australian Department of Employment and Technical and Further Education has, in conjunction with various statutory authorities and agencies, helped create about 27 positions. It is envisaged that at least a further 56 positions will be created by 30 December. I believe that this is a meaningful extension of the Government's 1 per cent goal in the Public Service, and I look forward to continued support from both sides of this House.

DUNCAN INVESTIGATION

The Hon. H. ALLISON (Mount Gambier): I direct my question to the Minister of Emergency Services. Did police interview any political identities in connection with allegations of political interference in the investigation of the Duncan murder and, if not, why not? One of the major reasons why this task force was appointed was a front page article which appeared in the *Advertiser* on 3 August 1985. This article carried the headline 'Enquiry Thwarted by Political Cover-up' and alleged that at the time of the investigation police had been given a political direction not to interview a man prominent in South Australian legal affairs thought to have been in the vicinity of the crime at the time it occurred. However, the report tabled yesterday contains only two paragraphs of brief reference to political interference, and even this gives no indication that this specific allegation, made in 1985, has been investigated.

The Hon. J.H.C. KLUNDER: I must admit that I am a trifle disappointed in the member for Mount Gambier. This particular situation has been around for about 18 years and it has been gone over with a fine tooth comb by everyone who had a tooth comb and who wanted to have a go at it. I would have thought by now that any information that has not already surfaced has not surfaced because it is not there. The report was released without names for a very clear purpose: to avoid incriminating or implicating people who had nothing to do with the situation but who, as a result of all the rehashing, had had his or her name dragged into the situation. I do not think that any further purpose will be served by members of Parliament speaking under privilege, trying to rehash the situation again.

CHEMIGATION

Mr ATKINSON (Spence): I direct my question to the Minister of Agriculture. What is the Government's assessment of the new pest and disease control technique known as chemigation? The water based chemigation technique is renowned overseas for its potential to help produce clean food, while avoiding the laying of further chemical residues in the soil. Its promoter, American entomologist Dr John Young, has just arrived in Australia for a three month stay at the Agricultural Engineering Centre at Werribee. I understand that chemigation can be harmful if it is not applied with strict care or if crops are watered excessively.

The Hon. LYNN ARNOLD: The Department of Agriculture is not only watching with interest developments in the area of chemigation but also playing an active role in ensuring that this particular methodology is used appropriately and does not bring worse damage rather than minimising damage and minimising the use of chemicals. Chemigation, which is the application of chemicals through irrigation equipment, places very high requirements on the reliability and uniformity of the irrigation equipment used. It also requires that especially rigid measures be used by the people using the irrigation equipment; that they ensure that they do not over-expose plants or soil to chemicals through chemigation.

Environmental exposure can be controlled in dripper systems, but the concept is believed to be most widely used in sprinkler systems. Use of sprinklers in chemigation is a matter of serious concern where toxic or persistent chemicals are involved, as the operation is not obvious to those who pass by. If one walks by a drip irrigation or sprinkler system, one may not be aware that not only water, but chemically impregnated water is coming out, and the need for supervision therefore becomes particularly important.

Further, if a sprinkler becomes stuck, there is the possibility of a heavy overdose on plants, which could kill the plants and cause contamination of the soil. As a result of some bad experiences in the past, the E&WS Department requires unidirectional valves on water mains used for irrigation purposes to avoid back-flow of chemicals if a blockage occurs within the irrigation system. So, there are problems with the use of chemigation.

On the other hand, clearly, there is the opportunity for less chemical use to result—in other words, a cost saving and an environmental saving—and we must ensure that, where those advantages can be achieved with proper management, the appropriate extension work is done with people in the farming community. As a result of that, the visit of the internationally acclaimed expert, Dr Young, is being taken advantage of. He will be taking part in a workshop at the Loxton Research Centre to help advise farmers and those working with farmers about the possibilities of chemigation. So, this has some possibilities but needs to be handled with appropriate care in order to obtain that the full environmental and economic benefits.

SEAFORD EFFLUENT

The Hon. D.C. WOTTON (Heysen): My question is directed to the Minister for Environment and Planning. Bearing in mind the Minister's professed enthusiasm for protecting the marine environment, why did she not ensure that the relevant Government authorities under her control use appropriate and environmentally sensitive methods such as woodlotting to dispose of effluent from the new Seaford Pumping Development rather than pumping the treated effluent out to sea?

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: I find it interesting, again, that the question has to be couched in derogatory terms. I believe that the people of this State see my concern for the marine environment not as something which is professed but as something which is a reality. One need only look at the fact that last year I introduced into this House the Marine Environment Protection Bill, and we are now in the process of debating the Marine Environment Protection Bill introduced this year. With respect to the question of woodlotting, I have made it very clear on a number of occasions that the disposal of treated effluent could occur in a number of ways. Woodlotting is one of those. Certainly, it is something that this Government supports.

The Minister of Agriculture, the Minister of State Development and I have recently approved the commencement of a woodlotting program for the Bolivar treatment works. We acknowledge that this is a pilot project. Despite the mirth of the former Leader of the Opposition, I should like to inform him that thousands and thousands of trees—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: —have been planted at Bolivar. We must be sure that we have the correct species of tree and that we monitor the amount of treated effluent in terms of the proportion—

Members interjecting:

The SPEAKER: Order! The Chair cannot hear the response.

Members interjecting:

The SPEAKER: Order! The Leader is out of order.

The Hon. S.M. LENEHAN: I find it rather amazing that the Opposition would ask a question about woodlotting and then indicate, by way of interjection, that members opposite know absolutely nothing about the technical side of the success of such projects. When I attempt—

Members interjecting:

The Hon. S.M. LENEHAN: It most certainly was. To my delight and joy I was around. We are embarking upon a pilot project which will monitor all the variable factors to ensure that in future we will have successful woodlotting projects, and—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: I am going to continue with this answer, irrespective of the fact that the Opposition might try to drown me out. Not only are we determined that this will be a successful pilot project for South Australia, but I can inform the House that other parts of Australia are very interested in the kind of project that we are embarking upon at Bolivar.

With respect to individual sewage treatment plants, I have already announced that a number of sewage treatment plants in this State will not pump secondary treated effluent into the marine environment, but they will look at a number of alternatives. One will certainly be woodlotting. A second will be to use the secondary treated effluent for agricultural and other horticultural purposes, as now happens with the Bolivar sewage treated effluent. Thirdly, we will look at trying to divert some of this secondary treated effluent for recreational purposes, for watering golf courses, ovals and other projects. I am already looking at some of these for the southern community.

Again, as I have acknowledged time and again in this Parliament, we will also be looking to implement whatever is the latest world-wide technology in terms of moving from secondary treated effluent to the next stage (which is not full tertiary treatment to enable us to drink the water, because that is prohibitive in terms of expense) to remove the kinds of things from the secondary treated effluent which are causing some of the problems to seagrasses in the gulf. I have openly acknowledged that in a number of speeches that I have made in this Parliament.

This Government is absolutely committed to the protection of the marine environment. The attempt by the shadow Minister to score some sort of cheap political points on this issue will fail, because the Opposition does not understand the issues relating to the disposal of effluent in South Australia. I shall be very happy to provide a thorough briefing to the honourable member when he has the time and at his convenience.

MURRAY RIVER

Mr QUIRKE (Playford): Is the Minister of Water Resources aware of a recent report in the *Advertiser* which quotes the member for Murray-Mallee, who states that sludge from Murray Bridge is being pumped into the Murray River?

The Hon. S.M LENEHAN: I thank the honourable member for his—

Members interjecting:

The SPEAKER: Order! The member for Murray-Mallee is out of order.

The Hon. S.M. LENEHAN: I suspect that the member for Murray-Mallee does not wish to hear the answer to the question, but he will. I am aware of the article in the *Advertiser* entitled, 'Sewerage in Adelaide Water Supply Area', in which the member for Murray-Mallee is suggested as saying that 'sludge from the sewage treatment works at Murray Bridge was being pumped'—note the terminology—'into the Murray River in an area from which 80 per cent of Adelaide's tap water was drawn during drought periods'. The member for Murray-Mallee goes on to make some other quite inaccurate claims. In terms of the article, it contains—

Members interjecting:

The SPEAKER: Order! The Leader is out of order. The Minister.

The Hon. S.M. LENEHAN: In terms of the article, it contains several quite 'gross' errors. I am very surprised that the member for Murray-Mallee is so ignorant of the facts about this matter. For the benefit of the people of South Australia, I should like to put on public record the corrections to those errors. Sludge from the sewage treatment works at Murray Bridge is not pumped into the Murray River—the sludge is channelled into lagoons. It is dried—

Members interjecting:

The Hon. S.M. LENEHAN: If you like to listen, you will hear.

Members interjecting:

The SPEAKER: Order! Although the Chair has no intention of restricting the mirth of honourable members, there is a responsibility for the House to allow the question to be answered so that we can all hear the answer.

The Hon. S.M. LENEHAN: Despite the mirth about the fact that it is pumped into lagoons, I would like to make clear that in these lagoons it is dried in the sun and stored on site; it is not, as the member for Murray-Mallee said, pumped into the river. While I think it is amusing that the member for Murray-Mallee finds the complete exposure of his inaccuracies funny, I do not believe that the people in his electorate or the people of Adelaide will find it funny. The honourable member is wrong in stating that the treated water is a major cause of algal blooms. The treated effluent which goes into the river contributes in a very minor way to the nutrient content of the river—in fact, it is about 1 or 2 per cent. I think that is important; we are talking about 1 or 2 per cent contribution.

The member for Murray-Mallee then states that the water is used to supply the Adelaide metropolitan area. The pipelines that supply the Adelaide metropolitan area are upstream of Murray Bridge. Every member on this side knows that. The member for Murray-Mallee does not even know where we draw our water.

An honourable member interjecting:

The Hon. S.M. LENEHAN: My colleague suggests that perhaps the honourable member thinks that water flows up hill. I would not be surprised, from what we have heard. Obviously, the honourable member is not aware of the actions being taken by the Government. I have announced the actions on a number of occasions but again, for the benefit of the Opposition, I will announce the Government's intentions. In fact, as I have stated on a number of occasions, the Engineering and Water Supply Department is currently looking at options to divert all treated effluent away from the Murray River. In fact, I can inform the honourable member so that he can—

Members interjecting:

The Hon. S.M. LENEHAN: That is another interesting revelation. The member for Custance does not understand the difference between effluent and sludge. This is becoming bizarre.

Members interjecting:

The SPEAKER: If the member for Murray-Mallee wishes to hear the end of the answer I warn him to watch his manners. Once again I raise the matter of not being able to hear the response to the question.

The Hon. S.M. LENEHAN: While the member for Custance obviously participates in skiing and other boating activities on the Murray River, it is rather amazing that he does not understand the difference between sludge and effluent; indeed, it is treated effluent.

An honourable member interjecting:

The Hon. S.M. LENEHAN: He must be; perhaps I should ask whether he is actually doing that.

The SPEAKER: Order! The Minister will direct her answers through the Chair.

The Hon. S.M. LENEHAN: As I have announced previously and will announce again, there will be no treated effluent; it is different from sludge because there is no sludge currently going into the Murray River from Murray Bridge. No treated effluent from Mannum or Murray Bridge will go into the river from June next year.

HOMESURE

Mr SUCH (Fisher): Will the Minister of Housing and Construction confirm information the Opposition has received from an employee of Homesure that advice has been given to the Minister that the cost to the Government of the Homesure program for this financial year will be no more than $1 million and, if the Minister will not confirm this, how much does he now say the program will cost the Government to 30 June 1990?

The Hon. M.K. MAYES: At this point it would be very hard to predict exactly what Homesure will cost the Government. We are still actively promoting Homesure. If the honourable member is not aware of this, I inform him that we have launched a further bus pack advertisement program as well as a series of radio advertisements, which will cover the whole of South Australia, to advise the community exactly what Homesure is and how it can help those people who are suffering some distress through their home mortgage repayments.

Unfortunately, it would appear that the Opposition's negative campaign against Homesure has caused a good deal of confusion. As a result, a number of South Australians believe that the scheme has been cancelled. Constituents of mine have responded in a way that confirms in my mind that, because of the negative publicity given to the scheme by the Opposition, people think the scheme has been scrapped. Some people confuse the scheme with HomeStart.

Because of that confusion, those people who would probably be able to enjoy some relief through the Homesure scheme have not taken up that opportunity. As a result, the Government is adopting a high profile, promoting the Homesure scheme to ensure that people who are confused or who have not taken the opportunity to inquire through the Homesure office find out what it can offer them. At this point I have no prediction about what it will cost the Government. As the responsible Minister, I am embarking on a program to ensure that every South Australian who is entitled to benefit from the Homesure scheme does so.

DOG CATCHERS

Mr HAMILTON (Albert Park): Will the Minister representing the Minister of Local Government seek urgent discussions with the Local Government Association and local government representatives to ensure that local councils provide dog catchers at weekends, in accordance with the Act? Last Monday, I waited upon four elderly Hendon residents who stated that, allegedly, they are being terrified at weekends by at least three Rottweiler dogs. Yesterday, my office was again approached with a similar complaint from other constituents. Section 7 of the Act states:

> At least one person who holds an appointment as an authorised person for that council must be engaged upon a full-time basis in the administration and enforcement of this Act within the area of that council unless the Minister consents to some other arrangement.

I emphasise the words 'must' and 'enforcement'. My constituents have alleged that the majority of local councils are not complying with this section of the Act; hence they are being terrified at weekends.

The Hon. M.D. RANN: I will certainly refer some of the more immediate problems to my colleague in another place, the Minister of Local Government. However, having anticipated some of the points that the honourable member raised and for the interest of members opposite, I can advise that the Dog Control Act places a clear obligation on councils to administer and enforce the provisions of the Act relating to the registration and control of dogs. The Act contemplates that duty being carried out at all times, weekends included. It provides that councils shall appoint a person to be an authorised officer under the Dog Control Act on a full-time basis unless the Minister of Local Government consents to some other arrangement.

The Act also provides police officers with the same powers as are provided to authorised officers appointed by councils. However, their involvement is generally limited to more serious breaches of the Act. Concerned residents are able to take action, especially in respect of marauding dogs, at weekends as well as during the week. Most councils have an after hours emergency telephone number, possibly involving an answering service, but it should still be possible for residents to be referred to an appropriate officer of the particular council at weekends. It is arguable whether a barking dog constitutes an emergency although, in some cases, it could well do and it may be that, for barking dog complaints, councils would be reluctant to act outside normal hours. As to the other valid issues raised by the honourable member, I will refer them to my colleague in another place.

STATE GOVERNMENT INSURANCE COMMISSION

Mr INGERSON (Bragg): What is the latest advice the Premier has received from the State Government Insurance Commission on the status of the $520 million put option it has on the Collins Exchange office tower in Melbourne? Does that advice confirm the view that the commission could lose up to $100 million through its involvement in this project?

The Premier said in response to an Opposition question on 25 October last year about this put option that he would consult the commission about this matter. While the Premier has not reported back to the Parliament since that question was asked, a number of events have raised further questions about the future of this project.

At the time the SGIC entered into this put option, the Tricontinental Merchant Bank and the Australian Stock Exchange were proposed as its major tenants. Tricontinental has now folded leaving massive debts and the Stock Exchange has decided to move to another Melbourne building. The Melbourne property market has softened considerably and an article in the *Financial Review* of 20 March quoted property sources as saying the SGIC could be overpaying by up to $100 million on its put option unless the Collins Exchange attracted a major tenant by the completion date of March 1991.

The Hon. J.C. BANNON: The first point is that the put option is not exercisable until the date of practical completion. That is certainly not the case at the moment as construction is still proceeding. The situation is not an immediate one in the sense that not only is there obviously time for tenancies to be found but the option itself is not exercisable until that completion time. It must be exercised by June 1992. SGIC advises that the property is valued in excess of the eventual value of the put option and, if it acquires the building, its long-term value will certainly match the put price.

MOTOR VEHICLE AIR BAGS

Mrs HUTCHISON (Stuart): Is the Minister of Transport aware of the efficacy or otherwise of the use of motor air bags as a device in the prevention of injury in motor vehicle accidents? If so, does he intend to raise this matter with ATAC when it next meets? A number of articles have appeared in the press recently advocating the use of such devices. Also, I believe that a visiting lecturer on road safety from the USA in Australia at the moment advocates their use.

Mr S.J. Baker interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: The Deputy Leader is always very helpful. The question is an important one and I have read with interest over the past week the debate in Australia on the question of air bags. There was a meeting of quite eminent surgeons who have a great deal of concern about the road toll and the horrific injuries with which they have to deal. It was reported that air bags are compulsory in America. They are very effective in preventing head and face injuries, particularly in head-on collisions. Some commentators have said that they should be made compulsory in Australia.

Some sections of the industry have quoted figures and suggested that it would cost $5 000 or $6 000 in relation to each vehicle if such a policy were implemented here. However, for some reason, they can be included in vehicles in America for approximately $600. In my view, something is wrong with those figures, particularly when it is reported also that air bags are installed in the American model of the new Ford Capri being made in Australia and exported to America but not in the Australian model. Some things do not add up. I know that production runs are much greater in America but it just seems common sense to me that, if air bags could be installed at the point of manufacture, it should not be a terribly expensive exercise at all. When compared to the human and financial cost of dealing with injuries, I believe it would be very worthwhile.

Next month in Perth there will be an ATAC meeting of the Commonwealth Minister and all State Ministers, and I intend to have placed on the agenda for discussion the question of air bags. I believe that, if an Australian design rule were implemented over a period, it could be done in this country quite economically. I believe also that it would be cost-effective when one takes into account the horrific social and financial costs of injuries, and we may even see further reductions in compulsory third party and other insurance costs. So, I think this matter is well worth pursuing, I intend to do so in the way I have outlined, and I thank the member for Stuart for raising the issue.

PREMIERS CONFERENCE

The Hon. B.C. EASTICK (Light): My question is directed to the Premier. As the Victorian Government has publicly stated its intention to seek, at this year's Loan Council meeting and Premiers Conference, to pass on some of its massive debt problems to the other States, will the Premier say whether he has been consulted by either the Victorian or Federal Government on this issue and what action he intends taking to safeguard South Australia's full financial entitlement from Canberra for the next financial year?

The Hon. J.C. BANNON: It is still too early for discussions to have commenced on the Premiers Conference and loan arrangements with the States, although a few gung ho statements were made by both the Government and the Opposition during the recent election campaign about what might happen to the States and what the outcome might be. Of course, we are awaiting the swearing in of the new Government, and I will then take up some of the issues raised in that context.

As far as discussions with my fellow Premiers are concerned, again, they have not commenced at this stage, but we will be looking among ourselves to see in what way we need to address the problems of State financing, particularly borrowings, at this year's Premiers Conference. Obviously, it will be a fairly tough one, the Federal Government having signalled that it will be concentrating specifically—

Mr D.S. Baker interjecting:

The Hon. J.C. BANNON: It will certainly be less tough than if the Coalition had been elected.

The Hon. D.J. Hopgood interjecting:

The Hon. J.C. BANNON: Yes; in fact they were specifically targeting the States to try to find the shortfall in the promises they had made. However, it will still be a difficult outcome and the Federal Treasurer has already focused on the question of borrowings in particular. So, there will need to be some discussions on that situation. Certainly, it is not my intention, nor do I believe that the Commonwealth would assist in any such outcome, to see any State penalised or in any other way disadvantaged vis-a-vis another State in their particular financial problems.

DEPARTMENTAL AMALGAMATION

Mr M.J. EVANS (Elizabeth): My question is directed to the Deputy Premier. What is the current status of the proposed amalgamation of the Department for Community Welfare and the Health Commission and, in particular, what safeguards will be put in place to ensure that the resource allocation now devoted to preventive health measures will not be diminished by any such amalgamation?

The Hon. D.J. HOPGOOD: In the sense that this matter was canvassed three or four years ago, there is no proposition to amalgamate the Health Commission with the Department for Community Welfare. The proposition currently being discussed with officers of both instrumentalities is, first, that there should be a common network of service delivery throughout the State which would involve human service delivery irrespective of whether it is predominantly in the community welfare or health fields.

Secondly, it is proposed that such a network should be monitored and superintended by a joint division of the two instrumentalities. Basically, that joint division would be the existing State wide services of the Health Commission reshaped a little to take account of the new realities. I can certainly give the honourable member the assurance that there is no suggestion at this stage, nor would it be my intention at any future stage, that this should be any sort of excuse for a massive reallocation of resources between, say, community health and community welfare, or *vice versa*, or that it will involve disability services, however much, as the honourable member knows, we may need additional resources for that area.

So, basically, that is the proposition, and we see as very promising the prospect of the sort of networking, which to a degree already exists, in these areas being made more comprehensive and being rather more sophisticated in its application and more sensitive to the needs of the ultimate clients.

MINISTERIAL STATEMENT: STIRLING COUNCIL

The Hon. M. D. RANN (Minister of Employment and Further Education): I seek leave to table a ministerial statement by my colleague in another place, the Minister of Local Government.

Leave granted.

CHILDREN'S PROTECTION AND YOUNG OFFENDERS ACT AMENDMENT BILL

The Legislative Council intimated that it had agreed to the House of Assembly's amendments: No. 1 without any amendment; and No. 2 with the amendments indicated by the annexed schedule.

LEGAL SERVICES COMMISSION ACT AMENDMENT BILL

Received from the Legislative Council with a message drawing the attention of the House of Assembly to clause 7, printed in erased type, which clause, being a money clause, cannot orginate in the Legislative Council but which is deemed necessary to the Bill. Read a first time.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This Bill makes a number of amendments to the Legal Services Commission Act 1977. The Bill inserts a new section 18a which empowers the Legal Services Commission to impose a statutory charge over real property. The imposition of a statutory charge will enable the Legal Services Commission to extend the number of persons qualifying for legal aid.

The purpose of the statutory charge is to secure the right of the Commission to require a contribution from some clients and to guard against the wasting of legal aid funds. It is not intended that the Commission will automatically foreclose on properties as soon as the matters for which legal aid were granted are finalised. The question of recouping funds would be assessed in each case. The rights pursuant to the charge would normally be exercised when the property is sold or transferred or when the applicant dies. However, the Commission would have a discretion to foreclose at an earlier time.

The advantages of providing a scheme for the imposition of statutory charges are as follows:

it will allow an extension of legal assistance to applicants who possess valuable assets but who do not have sufficient liquid assets to pay legal costs immediately or the income to support borrowing against those assets;

it will allow applicants with fixed assets having reasonable incomes to qualify for legal assistance. The charge is then, in effect, collateral for a loan to be paid-off over an agreed period of time according to financial means;

in certain border-line cases, where the merits are doubtful, but where the applicant is insistent on pursuing the claim, it will protect the legal aid fund against possible abuse. It would enable the Commission to assess the application again, on the merits, when the case concludes in light of the findings of fact and all other relevant considerations, all of which are by then known quantities rather than mere predictions;

in the case of elderly people, legal assistance could be made available and payment could be made from the estate at the time of death;

where a legal aid client has a financial stake in the proceedings, in the form of a future liability to make a considerable contribution, they may be more inclined to

behave in a reasonable fashion in giving instructions. This may assist to overcome criticisms which are levelled from time to time against legal aid bodies that they are funding unmeritorious litigants.

The Legal Services Commission has formulated preliminary guidelines relating to the imposition of a statutory charge. The circumstances where the Director of the Commission may require the payment of costs to be secured by a charge on land include:

where the Commission's means test sets out a contribution in excess of $2 000 and (in the normal application of the test) aid would be refused on the basis that the applicant had sufficient means to take the matter to the assessed stage on a private basis before seeking reconsideration of the application for aid, but where it appears to the assigning officer that the contribution assessed cannot reasonably be raised;

where the Commission's means test sets a contribution in excess of $2 000 and taking into consideration the prospective costs of the matter, legal aid would be granted from the outset, then as a substitute to direct or instalment contribution, a charge to the level of the required contribution may be levied upon any interest in real estate registered in the name of the applicant;

in Family Law matters where aid is sought on behalf of an applicant to institute proceedings for property settlement and those proceedings may result in:

(i) an order for use and occupation in favour of the applicant in respect of real property in which the applicant has an interest;

(ii) a transfer of interest in real property to an applicant for legal aid costs, where there is no additional property settlement in favour of the applicant such as to enable payment of legal costs as a final contribution;

(iii) a purchase of the spouse's interest in real estate by an applicant for legal aid, the consideration for such purchase being raised by way of loan which does not incorporate sufficient funds to pay legal costs.

The Director, Legal Services Commission has advised that the South Australian Legal Services Commission is the only legal aid body in Australia which does not have power to impose a charge either by reason of statute or by reason of the practice of the Lands Titles Office. The Lands Titles Office in South Australia will not register a statutory charge or a caveat for the Commission, even when a client applicant has executed a written agreement, unless the property is also the subject of a litigation for which legal assistance is required.

The Directors of Legal Aid, in conjunction with the Office of Legal Aid Administration of the Commonwealth, have established a national and uniform means test for legal assistance. Although there are some State variations, the principles embodied are largely the same—the purpose being to ensure that legal assistance is equally available to all Australians. An important component of the uniform scheme is the ability to levy a statutory charge.

The Bill also provides for an increase in the Commonwealth representation on the Commission from one to two. The involvement of Commonwealth representatives on the Commission is a means of developing the Commonwealth's understanding of the work of the Commission and of improving communication between the Commonwealth and the Commission. The presence of two representatives should enhance the communication without adversely affecting the workings of the Commission.

The Bill also amends section 15 of the Act dealing with the employment of staff by the Legal Services Commission. Currently, the section provides that a legal practitioner or other person shall be appointed and shall hold office upon terms and conditions determined by the Commission and approved by the Governor.

In consequence of this provision, whenever a person is appointed to the staff of the Commission, the Governor approves the terms and conditions of the appointment.

The Legal Services Commission has requested that an amendment be made to the Act to remove the requirement for the Governor to be involved in the approval of the conditions of all staff. The current procedure is considered to be unduly cumbersome. The Bill provides for staff to be employed on conditions determined by the Commission from time to time. This provision will provide greater managerial flexibility and is consistent with provisions applicable to some other statutory authorities.

Finally, the Bill makes a minor amendment to reflect the change in name of the Legal Aid Commission of the Commonwealth to the Office of Legal Aid Administration of the Commonwealth.

Clauses 1 and 2 are formal. Clause 3 amends the definition of 'legal costs' in section 5 by setting out that it includes interest payable on account of legal costs. This ensures that interest as well as the principal sum owing on account of legal costs can be secured by a charge under new section 18a.

Clause 4 amends section 6 of the Act which relates to the constitution of the Legal Services Commission. The amendment provides for a further member to be appointed to the Commission, namely, a second nominee of the Attorney-General of the Commonwealth.

Clause 5 amends section 10 of the Act which sets out the functions of the Commission. The Commission is currently required under section 10 to cooperate with the Legal Aid Commission of the Commonwealth. This body is now known as the Office of Legal Aid Administration of the Commonwealth. The reference to the body is substituted with a reference to 'any body established by the Commonwealth for the purpose of the administration of legal aid'.

Clause 6 amends section 15 of the Act. Some obsolete subsections are removed and the section is amended to provide that the terms and conditions of employees of the Commission are as determined from time to time by the Commission. Currently the Governor approves the terms and conditions in each individual case.

Clause 7 inserts a new section 18a into the principal Act. The section facilitates the securing of legal costs payable by an assisted person by a charge on land in which that person has an interest. The charge may be imposed pursuant to a condition of assistance and may be registered on the title. If default is made in payments on account of legal costs, the section provides the Commission with powers of sale over the land. The section provides that registration fees and stamp duty are not payable in respect of such statutory charges.

Mr INGERSON secured the adjournment of the debate.

STATUTE LAW REVISION BILL

Received from the Legislative Council and read a first time.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

This Bill contains various amendments of a superficial nature to seven Acts, namely, the Art Gallery Act, the Bail Act, the Bills of Sale Act, the Equal Opportunity Act, the Legal Practitioners Act, the South Australian Health Commission Act and the Summary Offences Act. The amendments fall into four broad categories, namely:

(1) Conversion of penalties into divisional penalties placed at the foot of sections or subsections. In translating the various penalties into the appropriate divisions, no changes have been made to the level of the penalties except where no direct equivalent exists, in which case the penalty has been taken up to the nearest division.

(2) Conversion of all provisions into gender neutral language.

(3) Deletion of obsolete or spent material, e.g., commencement provisions, arrangement provisions, exhausted transitional provisions, references to repealed Acts, etc.

(4) Substitution of old 'legalise' language ('hereinbefore', 'therein', 'thereafter', etc.) and other antiquated language with modern expressions, and substitution of the ubiquitous 'shall' with the now preferred plain English words 'must', 'is', 'will', as appropriate.

Care has been taken by the Commissioner of Statute Law Revision in preparing this Bill not to make any substantive changes to the law contained in the various Acts and to make as little change as is reasonably possible in implementing the Government's overall objective of achieving plain English, gender-neutral legislation.

Clause 1 of the Bill is formal.

Clause 2 provides for commencement by proclamation.

Clause 3 effects the amendments contained in the seven schedules. Subclause (2) is a device for avoiding conflict between the amendments in the schedules and any subsequent amendment to an Act that may intervene between the passing of this Act and the bringing into operation of the schedules.

Mr INGERSON secured the adjournment of the debate.

INDUSTRIAL RELATIONS ADVISORY COUNCIL ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

JAMES BROWN MEMORIAL TRUST INCORPORATION BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

It seeks to broaden the objects upon which the trust operates so that the trust is permitted to extend its operations to provide care for the aged and infirm or those in need of charitable assistance regardless of their financial position. Currently, the trust is limited to providing for the poor and destitute or those persons suffering from lung diseases.

The James Brown Memorial Trust Act ('the Act') was established in 1894 following an application to the Supreme Court for construction of the will of Jessie Brown. The principal purpose of the Act was to enlarge the categories of the poor who could be assisted and to make specific provision in respect of persons suffering from lung disease.

The trust has owned land at Belair since 1894, which first operated as the site for a sanitorium for the treatment of sufferers of tuberculosis, then from 1967 as Kalyra Hospital and arrangements are now underway to operate the premises as a nursing home.

In 1893 Estcourt House at Tennyson was acquired by the trust for the treatment of crippled children. In 1955, Escort House was sold to the Children's Hospital. Further, the trust has operated hostel accommodation and 'pensioner flats' in various suburbs.

Amendments to the Act were requested in order that the trust may extend its operations to provide care for the aged and infirm, those who lack sufficient means or persons who are otherwise in need of charitable assistance.

After consultation with solicitors acting for the trust, it was agreed to include the following further provisions:

(a) a presumption that a testator intended to benefit the trust if the institution to which the benefit was left was owned or operated by the trust at the time of execution of the will or when the will takes effect;

(b) the retrospective validation of acts or omissions of the trust which are authorised by the Bill;

(c) the ability of the trust to amend its provisions upon the approval of the Attorney-General.

Clause 1 is formal.

Clause 2 provides for the repeal of the James Brown Memorial Trust Incorporation Act 1894.

Clause 3 sets out the various definitions that are to apply under the Act.

Clause 4 provides for the continued existence of the trust as a body corporate. Those persons who are the trustees of the trust immediately before the commencement of the new Act will cotinue as trustees. The Declaration of Trust provides for the appointment of new trustees (as required).

Clause 5 which is similar to section 6 of the existing Act, allows the trust, or any two trustees, to apply to the Supreme Court for advice or direction as to matters affecting the trust.

Clause 6 provides that an act or proceeding of the trust or of any committee of the trust is not invalid by reason only of a vacancy in its membership or a defect in the appointment of a member.

Clause 7 provides that the Declaration of Trust supersedes all trusts created by or under the existing Act, or under the last will and testament of Jessie Brown, deceased.

Clause 8 relates to the construction of certain instruments. The provision is intended to operate in cases where property is given for the benefit of an institution owned or operated by the trust. In such cases, the property will be taken, subject to any order or direction of the Supreme Court, to have been given for the benefit of the trust.

Clause 9 is intended to validate certain acts or omissions of the trust that may have been performed or made before the commencement of the new Act.

Clause 10 will allow the trust to amend the Declaration of trust with the approval of the Attorney-General.

The schedule sets out the Declaration of Trust for the James Brown Memorial Trust. The declaration sets out, amongst other things, the trust purposes, the powers of the trust and the proceedings to be followed by the trustees.

Mr INGERSON secured the adjournment of the debate.

LIQUOR LICENSING ACT AMENDMENT BILL

Second reading.

The Hon. G.J. CRAFTER (Minister of Education): I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

It amends the Liquor Licensing Act 1985. The Liquor Licensing Act which came into effect on 1 July 1985 was the culmination of a comprehensive review of the State's liquor licensing laws and administration which included an exhaustive process of industry and public consultation. This Bill does not alter the finely balanced philosophy and policy of the 1985 Act but merely incorporates housekeeping amendments to improve the administration and enforcement of the Act. The Bill expands on some definitions, in particular the definition of 'live entertainment', to accommodate the common and popular discotheque where the entertainment comprises pre-recorded amplified music. The respective roles of the Licensing Court and the Liquor Licensing Commissioner have been clarified in relation to matters ancillary to an application without affecting the concept of the two tiered licensing authority or the division of powers and responsibilities between the court and the Commissioner.

In order to curb the 'sham meal' practice, particularly in relation to hotels and entertainment venues on Sunday nights and hotels which do not meet the requirements for a late night permit, the Bill tightens the provisions of the Act which authorise a licensee to sell liquor at any time to a diner for consumption with a meal. Under existing legislation some licensees use 'sham meals' as a means of operating discotheques on Sunday nights and after normal trading hours.

The Bill relaxes the provisions for the grant of a producer's licence to allow the licensing authority to grant a producer's licence where it is satisfied that the applicant is a genuine wine maker who will in due course establish his or her own wine making facilities at or adjacent to the licensed premises. Currently, the premises must actually be used for the production of liquor and this restricts genuine wine makers new to the industry.

The Bill also expands the grounds on which a council may intervene in proceedings before the licensing authority to include the question of whether, if an application were granted, public disorder or disturbance would be likely to result. This provision, together with the current practice of the licensing authority to require applicants for late night permits to obtain the views of the local council, will further protect the rights of local residents.

Provision is also made for the licensing authority to approve agreements or arrangements between the holder of a wholesale licence and an unlicensed agent allowing the agent to be remunerated by reference to the quantity of liquor sold, provided that the authority is satisfied that the agent is a fit and proper person and that the nature and scale of the operation is such that a licence is not appropriate.

The Bill also strengthens the provisions empowering a member of the Police Force to require a person whom the police suspect on reasonable grounds to have consumed or to be in possession of liquor on prescribed premises or in a public place to provide evidence of age.

Clause 1 is formal.

Clause 2 provides for commencement of the Act by proclamation.

Clause 3 amends various definitions. The definition of 'live entertainment' is expanded to include functions at which recorded music is played by a disc jockey. A definition of 'public place' is inserted. The definition of 'retail licence' is tightened to make it clear that all general facility licences that are not wholesale licences are included in the definition.

Clause 4 obliges the Commissioner to provide inspectors with an identity certificate which must be produced on request.

Clause 5 makes it clear that the Licensing Court has jurisdiction to deal with any matter that is ancillary to the other areas of its jurisdiction, except for the assessment of licensing fees.

Clause 6 makes it clear that where the court is reviewing a decision of the Commissioner to refuse the transfer of a licence, the transferor, as well as the transferee, is a party to the review proceedings.

Clause 7 re-casts section 22 so as to include a power to award costs against a person who exercises a right of objection frivolously or vexatiously.

Clause 8 tightens the 'ancillary meal' condition of a hotel licence, by making it clear that the alcohol has to be sold in the dining room to the diner for consumption in the dining room with a meal served in that dining room. A similar provision is made in relation to designated reception areas.

Clause 9 effects a similar amendment to the ancillary meal provisions relating to entertainment venue licences.

Clause 10 provides that a club that is required by licence conditions to purchase its liquor from a hotel or retail liquor merchant must do so either from a licensee in the vicinity nominated by the licensing authority, or from a group of licensees nominated by the authority. A name change of the old Adelaide Democratic Club to the Adelaide Sports Club is reflected in this section

Clause 11 provides that it is to be a condition of a wholesale liquor merchant's licence that he or she can only sell by retail during the same hours as apply to a retail liquor merchant. This clause also provides that the condition that 90 per cent of a wholesale liquor merchant's gross turnover must be derived from sales to liquor merchants also includes sales to persons licensed to sell liquor pursuant to Commonwealth law.

Clause 12 expands the provision relating to the grant of producers' licences, so that such a licence can be granted to a person who is a wine maker and who satisfies the licensing authority that he or she will in the near future be operating the relevant premises as a winery.

Clause 13 makes it clear that a limited licence authorises the supply of liquor as well as the sale and consumption of liquor.

Clause 14 amends the conditions of a limited licence. It is made clear that not only admission charges but other forms of charge are covered. It is provided that a limited licence cannot be granted if the licensing authority believes that some other licence would be appropriate or that an extension or variation of an existing licence would suffice to cover the planned event. It is further provided that such a licence must not be granted if the licensing authority is satisfied that the venue of the proposed event cannot lawfully be used for the sale, supply or consumption of liquor.

Clause 15 adds a further condition to those licences that authorise sale of liquor for consumption off the licensed premises. The condition requires that the liquor be supplied from the licensed premises unless the licensing authority approves otherwise (for example, from adjacent unlicensed premises).

Clause 16 adds further situations in which licence conditions can be imposed, varied or revoked. This may be done when the licensing authority approves a person to assume a position of authority in a body corporate that holds a licence, or when the Licensing Court approves certain profit-sharing arrangements between a licensee and an unlicensed partner or other person. It is also provided that licence conditions can be imposed, varied or revoked on an application of the licensee for some other imposition, variation or revocation of conditions.

Clause 17 makes it clear that a licensing authority may permit an applicant to vary an application between the dates of lodgment and hearing of the application, providing that all parties are advised of the variation a reasonable time before the hearing.

Clause 18 deletes the provision that enables the licensing authority to require advertisement of certain specified classes of application and replaces it with a generalised power to require advertisement of any class of application.

Clause 19 inserts a new provision that provides that the licensing authority may require an applicant to produce any specified documents that the licensing authority believes to be relevant to determination of the application.

Clause 20 makes it clear that the licensing authority must look to the operation of the licence in determining whether annoyance, disturbance, etc., is likely to be caused if the licence were to be granted.

Clause 21 provides that the licensing authority, in determining whether to grant an application for a late night permit or entertainment venue licence in respect of uncompleted premises, must be satisfied that the premises are of an exceptionally high standard.

Clause 22 makes a similar amendment to the section that deals with removal of a licence from old premises to new unfinished premises.

Clause 23 is consequential upon the insertion of new section 58a in the Act.

Clause 24 provides that the surrender of a licence is only effective from the day on which the Commissioner endorses acceptance of the surrender on the licence.

Clause 25 provides that a licensee may, during the currency of the licence, apply for approval of the designation of an area as a dining area or reception area.

Clause 26 makes it clear that the power to extend the trading area under a licence covers premises adjacent to the trading area, as well as an adjacent area.

Clause 27 provides that a lessor will be presumed to have consented to the grant of a liquor licence in relation to the leased premises if, at the time of granting the lease or assigning it to the lessee, he or she knew that liquor was to be sold or supplied on the premises by the lessee.

Clause 28 broadens the application of this section so that where a company is under receivership or management the receiver or manager can continue to carry on the company's business under the liquor licence.

Clause 29 extends the right of the Commissioner of Police to intervene to not only applications for licences, but to any application under the Act. The right of local councils to intervene is extended to include a clear right to intervene on the ground that the grant of a particular application would cause undue disturbance, annoyance, etc., to residents or others who work or worship in the area.

Clause 30 provides a right of objection on similar specific grounds.

Clause 31 makes it clear that a licensing authority can permit an objector to vary his or her objection between the times of lodgment and determination of the proceedings, provided that all parties are notified of the variation a reasonable time before the hearing.

Clause 32 provides that, where a 'BYO' endorsement is removed from a restaurant licence, a fee will be payable as if a new licence were being granted. A provision is inserted empowering the licensing authority to attach a condition to a retail licence setting out the method of licence fee assessment in respect of liquor that has been produced by the licensee, thus enabling a value to be determined for such liquor as if it had been purchased by the licensee for retail sale. The provision setting out the basis for licence fee assessment is made to apply to all classes of licence, not just to general facility licences. It is also made clear that the provision exempting export sales means export sale for consumption outside Australia. The sale of liquor to a person who holds a restricted club licence only is deemed not to be sale to a liquor merchant. It is further provided that where a minimum licence fee is payable it is payable in a single instalment.

Clause 33 provides for the payment of a minimum licence fee on the grant of a licence during a licence period.

Clause 34 provides for the payment of a fine where a licence fee, or any instalment, is more than 14 days overdue. At the moment a fine is payable only where an instalment is overdue.

Clause 35 provides that the Commissioner must specify the period of deferment when exercising the discretion to defer payment of a licence fee.

Clause 36 extends the power to estimate a licence fee to the situation where a licence has not been in force for the whole of the relevant assessment period. The Commissioner must assume, in making an estimate, that the business was not only of the same nature but also the same scale during the whole of the assessment period.

Clause 37 gives the Commissioner the power to credit overpayments in fees against the licensee's future liability for licence fees. Any credit must be paid on surrender or cancellation of the licence.

Clause 38 provides that any amounts due and payable by a company may be enforced against persons who were directors of the company at the time the liability arose, and also against any company that was a related company at the relevant time. Registration in a court of competent jurisdiction of Licensing Court orders is provided for so that such orders may be enforced as if they were orders of the relevant court.

Clause 39 provides that a person who manages the business pursuant to more than one licence is exempt from this section if the licences relate to separate parts of the same premises. It is made clear that infringements of subsection

(2) are offences and also that an unlicensed person who manages the business under a licence for more than 28 days without the approval of the licensing authority is guilty of an offence.

Clause 40 provides that not only is a licensee guilty of an offence for an infringement of this section but so also will the unlicensed person be guilty of an offence. A power is given to the Licensing Court to approve an arrangement between a wholesale liquor merchant and a commission agent, provided that the court is satisfied that the agent is a fit and proper person to so act and also that the agent is not holding so many similar agencies that he or she should more properly hold an independent licence. An exemption from this section is given in relation to agreements for disbursing profits to a person in a position of authority in a company that is a licensee or to any other person approved by the licensing authority.

Clause 41 makesCqitclear that an infringement of this section is an offence.

Clause 42 gives an exemption from this section to a person who is a lodger or resident of the licensed premises, or who is a guest of such a person and is supplied the liquor by the lodger or resident. Such a lodger or resident may also take liquor away from premises. For the purposes of these exemptions, a resident is a person who is the licensee or manager, or a member of the licensee's or manager's family.

Clause 43 provides that consent of the licensing authority is not required for the provision of entertainment on premises adjacent to licensed premises if the adjacent premises are the subject of a licence under the Places of Public Entertainment Act 1913.

Clause 44 provides that the Commissioner of Police, instead of any member of the Police Force, may lodge a complaint in relation to noise coming from licensed premises. This amendment is only for the purpose of consistency throughout the Act—other similar provisions give these powers to the Police Commissioner.

Clause 45 amends the penalties for sale of liquor to minors to the nearest equivalent divisional fine.

Clause 46 provides a defence for a licensee charged with an offence of permitting a minor to be on premises subject to a late night permit or entertainment venue licence. The licensee will not be guilty of an offence if he or she took reasonable steps to remove the minor or prevent the minor from entering the premises.

Clause 47 prohibits a minor from playing the game 'keno' while on licensed premises. It is also an offence for a licensee to permit a minor to do so.

Clause 48 adds a power for a member of the Police Force to require a person in a public place who is suspected of being a minor and of consuming or being in possession of liquor in that public place to give evidence of his or her age.

Clause 49 defines licensed premises to include areas appurtenant to licensed premises, so that the powers conferred by this section may be exercised in relation to minors who are just outside of the actual licensed premises.

Clause 50 changes a fine to a divisional penalty and makes a consequential amendment.

Clause 51 provides that it is grounds for disciplinary action against a licensee that is a body corporate if a person who occupies a position of authority in the body corporate is not a fit and proper person to occupy such a position. Further grounds are added where a licensee sells or supplies liquor otherwise than in accordance with the authorisation conferred by the licence, where a licensee contravenes the Act or an order made under the Act, or where the licensee alters the licensed premises without the prior approval of the licensing authority. The latter ground can found a complaint by a local council.

Clause 52 makes it clear that the power to impose conditions on a licence pursuant to disciplinary action being taken against a licensee is not limited to those conditions specifically provided for in subsection (3) of the section.

Clause 53 creates an offence of falsely impersonating an authorised officer.

Clause 54 broadens the scope of the power to enter and search premises to include not only licensed premises but also any other premises on which an offence against the Act is suspected to have been committed. The power to confiscate liquor is widened to cover liquor suspected to be in the possession of a person unlawfully or for an unlawful purpose.

Clause 55 amends a penalty provision to bring it to the nearest divisional fine.

Clause 56 is a consequential amendment.

Clause 57 repeals the Grand Prix provisions that expired on 30 June 1986.

Clause 58 brings the general penalty provision into the divisional penalty system.

Clause 59 provides that criminal liability of directors will be incurred not only when the body corporate is convicted of an offence but also where the body corporate is found guilty of an offence but not convicted.

Clause 60 extends the evidentiary provisions of the Act to cover disciplinary proceedings against a licensee as well as proceedings for an offence. Five new matters are to be deemed proved in the absence of proof to the contrary, namely; an allegation in the complaint that a person is a minor, that a licence is subject to specified conditions, that a person is a manager of licensed premises, that a person occupies a position of authority in a body corporate and that a person is an inspector. If it is proved that a person has advertised or otherwise represented that he or she will sell liquor, it is deemed proved (in the absence of proof to the contrary) that he or she has sold liquor. A certificate from the Commissioner as to a delegation of powers under the Act is proof (in the absence of proof to the contrary) of the matters certified.

Clause 61 extends to two years the period within which proceedings for offences against the Act may be brought.

Clause 62 changes regulatory offence fines to divisional penalties.

Mr INGERSON secured the adjournment of the debate.

MOTOR VEHICLES ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 21 March. Page 691)

The Hon. D.C. WOTTON (Heysen): The Opposition supports the legislation, but I want to put questions to the Minister and might look to making changes to the Bill at the appropriate time. The legislation before the House aims to simplify procedures for the issue, renewal and transfer of the registration of motor vehicles by providing for the issue of a new temporary permit to drive an unregistered motor vehicle in a case where an application for registration or renewal of registration cannot be processed immediately; for the issue of a permit upon payment of a nominal fee and a premium for insurance if the Registrar returns an application for registration or renewal of registration; and

for the Registrar to return an application for registration or renewal of registration and any money paid.

The Bill also seeks to simplify procedures for the issue and renewal of drivers licences and learners' permits by providing *(a)* for the issue of a new temporary licence or learners' permit where an application for the issue or renewal of a licence or permit cannot be processed immediately; and, *(b)* for the Registrar to return an application for the issue or renewal of a licence or a learners' permit if the application is not properly completed. Further amendments introduced in this legislation seek to protect vehicle buyers by tightening the transfer of registration procedures to deter manipulation of the system by those involved in car theft rackets. All members of the House would realise that this is a very serious occurrence, and I will deal with that in more detail later in the debate.

This legislation introduces a number of procedures: first, by requiring a former owner to give to the new owner the current certificate of registration or a current duplicate issued in the name of the former owner; secondly, by requiring an applicant who is unable to effect the transfer of registration in accordance with the above procedures to apply for registration of the vehicle in his or her name (if this option is exercised, the applicant would be subject to the possibility of a police inspection and subsequent check against stolen vehicle records); thirdly, by empowering the Registrar to record a change in ownership of a registered motor vehicle without actually registering the vehicle in the new owner's name or removing the former owner's name from the register; and, finally, by providing for a notice of transfer to be, in the absence of proof to the contrary, proof in all legal proceedings of a change of ownership of a registered vehicle. The Opposition supports those procedures.

I was interested to note that no reference was made to the need to do something about the turning back of speedometers. On a number of occasions, I have had the opportunity to talk to second-hand car dealers, who have expressed some concern about that. I understand that it happens far too often. Far too often previous owners take the opportunity to turn back the clock on a car to attract a higher price for that vehicle, and I should have thought it advisable, when considering this legislation, to look at some sort of check for that.

I should be interested in the Minister's comments on that subject, and whether he sees it as a major problem or whether he has received any recommendations from the department at various times. The amendments relating to the transfer of registration are designed to limit the potential for car theft and to protect the former owner from legislation which makes the registered owner guilty of an offence, even though he or she may have disposed of the vehicle.

I am told that these measures have been sought by the insurance industry, which has argued for some time that the Registrar should be empowered to exercise more control through the registration process to curb vehicle thefts. I also understand that the amendments reflect the outcome of a working party on vehicle theft which was established last August and comprised representatives of the Department of Road Transport, the police, the RAA and the Insurance Council of Australia.

I was interested to read an article in the *News* of 12 January this year under the heading 'Record thefts to hit car owners', which states that motorists are facing an increase in car insurance premiums with vehicles stolen in South Australia set to reach record levels this financial year. It goes on to refer to the comments of the Insurance Council of Australia which has issued the warning based on figures for the first six months of the 1989-90 year.

We are told in this article that up until 31 December last year 6 938 vehicles had been stolen in South Australia since 1 July: an average of 1 156 vehicles a month—which is a staggering figure. The figure has put South Australia on target to break the 14 000 stolen vehicle mark for the 1989-90 year. The article goes on to say that, if more than 14 000 vehicles were stolen, the level would exceed by 16 per cent the 1988-89 total of 11 969—the record amount for a financial year.

The article explains that the figures include all stolen vehicles except vans and trailers. The interesting point is that this article indicates that 10 years ago only 5 850 vehicles were stolen in South Australia in a year. So, it is quite an exceptional increase. A police spokesman is reported to have said that the 1988-89 recovery rate of 90.6 per cent was being maintained, while the ICA Regional Manager, Mr Noel Thompson, said that the number of vehicles being stolen was a big talking point among insurers.

Mr Thompson is quoted as saying that, obviously, the number of stolen cars has to be reflected in increased premiums. He also said that there were two areas of action which may halt the increase of stolen cars: greater diligence by owners to secure their vehicles and increased security measures installed by makers.

I was interested to look at some comparisons of car thefts in the States. In particular, reference was made to car thefts in New South Wales, and the NRMA released some rather staggering figures in May of last year. It goes into some detail to refer to what it describes as the players in car thefts. It suggests that there are four categories into which the people involved in car theft can be grouped; namely, professionals, joy-riders, petty thieves and fraudulent claimants. It states that, as shown by the charts, the proportion of fraudulent and petty theft claims have reduced from the 1987 levels, while the incidence of professional theft has increased. It refers to some relevant points which it suggests should be noted.

The first is that joy-riding claims make up over a third of the total number of thefts in 1988, yet account for less than a quarter of the total claims pay-out. It was indicated that that was virtually identical with the 1987 result. It says that petty theft claims have decreased in proportion to the total number of thefts from the 1987 result of 25.9 per cent to 21.6 per cent in 1988. As a proportion of the total cost, the petty theft element has decreased from 17 per cent in 1987 to 15.5 per cent in 1988. It says that both can be seen as a function of the stagnant route of 'theft from' claims and the lower overall number of car thefts combining to produce the reduced amount of petty theft.

The article says that of most concern is the increasing proportion of professional thefts, because it is the most expensive theft experienced. It indicates that the cost of professional theft has increased considerably and comprises the largest proportion of the total theft pay-out.

Looking at interstate comparisons, we see that, although New South Wales still has the highest theft rate, it has decreased the most on previous years results and is at its lowest since 1981. Other States, such as Victoria, the Australian Capital Territory and Western Australia, have also shown marginal decreases in theft occurrences on last year's peak theft frequency. It is interesting that South Australia's theft frequency has remained stationary, while Tasmania is the only State to show an increase over last year's results. Therefore, it is appropriate that this legislation provides measures and takes into consideration the grave issue of vehicle theft in this State.

Going back to the legislation, further amendments are deemed to be in the category of housekeeping. Those

amendments are to provide that a vehicle registered at a reduced registration fee may be transferred if the balance of the fee is paid in respect of the unexpired portion of the registration; to provide the Registrar with discretion whether to cancel registration in an instance where registration of a vehicle is neither cancelled nor transferred within 14 days after the transfer of ownership of the vehicle; to provide for various permits to be carried in vehicles in accordance with the regulations rather than to be affixed; and to remove the need for the Registrar to issue registration labels in respect of Government vehicles. That last matter is of some concern to the Opposition. We cannot help but wonder, when we consider this legislation, whether some of the measures may have been prompted by the unfortunate circumstances in which the Minister of Emergency Services found himself some short time ago. Many of us could fall into that category and make the same mistake. The statistics suggest that a large number of people make that same mistake, but one cannot help but wonder whether these measures have been prompted by that situation.

A number of questions need to be asked because I would like the Minister to give me some information. The first relates to some of the troubles which have been experienced with the introduction of the on-line computer system and the cost. I was interested to turn up the *Hansard* proceedings of the Estimates Committees in September last year when this matter was considered at some length. A number of questions were asked at that time. One was asked by my colleague, the member for Bragg, who was then the shadow Minister of Transport. He asked whether a tender had been let for the Motor Registration Division's registration and licensing system; if so, what was the name of the company; at what cost had the tender been let; further, if so, what guarantees were there for the successful completion on time and within budget; and what were the criteria used for the selection? Much detail was provided at that time.

A question was also asked by the then member for Spence. He referred to the fact that the Auditor-General had again commented on the slow progress of the on-line Motor Registration Division project. He asked when it was likely to be completed. Mr Hutchinson answered at the time that the project would be completed by August 1990. He was also asked whether it would include registration and licensing components. The licensing component has never previously been given a date.

The member for Bragg asked about the costs associated with the on-line project. He was told that an additional $1.456 million in funding over the 1988-89 budget was set down for the on-line project. Since the Tonkin Government approved an on-line computer facility for the Motor Registration Division, we realise that progress on implementing the system has been slow. Will the project be completed by August this year, as was suggested in the Estimates, and, if not, why not? What is the projected total cost now of introducing the on-line facility? I should also be interested to learn what benefits the Minister anticipates will be enjoyed by both motorists and staff of the Motor Registration Division when the on-line facility is operational. A number of questions could be asked in regard to that issue, but I should be pleased if the Minister could answer those.

There are also questions about the Government's intentions, if any, to conduct a wide publicity campaign to inform the motoring community about proposed changes in the registration of motor vehicles. I see that as being essential. I think that it is vital that an education campaign be provided for. Another matter is: if and when the Minister proposes to release the working party report on motor vehicle theft, I see that as being well overdue. I would appreciate the answers to those questions as well.

The only other matter to which I want to refer is the concern of the Opposition that the Government fleet vehicles should not be issued with registration labels. However, I will discuss that issue at the appropriate time when moving an amendment. The Opposition has spoken with a number of organisations and individuals including the Royal Automobile Association, the Insurance Council, the South Australian Road Transport Association, the Bus and Coach Association and other organisations that generally support the measure before the House. As I said, at the appropriate time I will move an amendment. The Opposition supports the legislation.

Mr BRINDAL (Hayward): I, too, support the legislation. However, I would like to take this opportunity to raise a few matters related to the operation and efficiency of the Motor Registration Division. I know that the Minister is concerned about this matter since, in private correspondence to me, he has amply demonstrated his concern both for the employees of the division and for the clients whom it serves. However, recently a number of matters have come to my attention which lead me to question the efficacy of the record keeping processes within the division and to question further the on-line computer system referred to by the honourable member on this side of the House.

I cite two specific cases. A gentleman, one of my constituents, recently bought a motor vehicle and subsequently received a notice of conviction for a traffic offence in New South Wales relating to the time prior to the purchase of the motor vehicle. When the elector sent a photocopy of his registration papers from our Motor Registration Division to the New South Wales police, they wrote back saying that they had gleaned their information from the South Australian Motor Registration Division and that he would have to correct the anomaly there. He went to the Motor Registration Division seeking to clear the anomaly and, despite the fact that he has documentation to show that the mistake was clearly the Motor Registration Division's, he finds that he has to pay $15 to have it rectified. That is a small matter.

The second matter is much more serious. It involves a young elector who had lost his wallet or had it stolen two years ago. The wallet contained a driver's licence. The elector reported this to the police and obtained another South Australian driver's licence. Subsequently he went to the Northern Territory, where his driver's licence was cancelled by the appropriate motor registration body there and he was issued with a Northern Territory licence and Northern Territory registration plates for his motorcycle. However, since that time, his parents have received documentation related to a speeding offence which was allegedly committeed by their son, despite the fact that he was interstate.

The offence was expiated by the payment of a fine, obviously by the person who was representing himself as their son, but their son still had the demerit points relevant to the offence taken from him. Subsequently again, there is now a legal action pending against the son for a traffic infringement related to driving on the wrong side of the road and a court action has been initiated in that respect. I will not take the time of the House by detailing the representations these people have made to the police, but I will certainly take up the matter with the Minister and give him the names and details of the people involved, because I have every confidence that the Minister will look into the matter.

I just highlight those aspects of the matter, because it concerns me that there are instances where something is not going as well as it should with the record keeping processes of the division. Whether it is related to the computer or whether it is related to some other aspect, I find it worrying. It is germane to the sort of legislation that the Minister is attempting to have us pass here. He is attempting to correct things to make them better, so I raise those matters in the spirit of this debate. I will provide information to the Minister and I have every confidence that he will look into the matter. I support the Bill.

The Hon. FRANK BLEVINS (Minister of Transport): I thank members of the Opposition for their support in the second reading debate, especially the member for Heysen and the member for Hayward. The member for Heysen asked a few questions which I will answer very briefly and, if further information is required, and it will be on some of the questions, I will have to give supplementary answers. I will get that information for the honourable member. I was interested in the comment made by the member for Heysen relating to the turning back of speedos. From memory, and I will check this, the turning back of speedos is already prohibited under the Road Traffic Act, but I will have it—

The Hon. D.C. Wotton: It is still happening.

The Hon. FRANK BLEVINS: Lots of things prohibited under law still happen. I wish just the passing of an Act of Parliament was sufficient to stamp out a practice, but it does not quite work that way. The member for Heysen quite properly pointed out that the Bill before us relates to quite significant changes in procedure to enable us to use the on-line computer system effectively and also to have some back-up legislation in case the computer, or any terminal, is down at any particular time, so that the whole business of motor registration does not grind to a halt until people iron out whatever bug it is that is causing the problem.

In addition, the proceedings referred to by the member for Heysen give some assistance in relation to the matter of stolen vehicles. There is no doubt that theft of motor vehicles is one of the biggest areas of crime today; it is certainly expanding enormously. However, I do not think we should despair about that, because there are a number of things we can do to reduce it dramatically. There are things that can be done not just by Governments and Government agencies in sharing registration information with police and so on, but by manufacturers to make motor vehicles much more secure and much harder for people to steal. It always makes me smile that one pays $20 000 for a new motor vehicle and the locks on it would cost about 20c cents of that $20 000.

It is an absolute disgrace that any 7 year old with a coathanger can knock off $20 000 worth of vehicle and drive it away. That is absolutely absurd. Motor vehicle manufacturers should apologise to their customers if that is the best they can do for the prices they charge. It makes one wonder what we are doing in protecting them. Having said that, I should also point out that there are things that Governments can do and this Bill is helpful in that regard.

The member for Heysen asked me some specific questions in relation to the on-line system. I wonder whether he has done his homework because, in last year's Estimates Committee, I think August was given as the operational date for the program. I am very pleased to be able to tell the honourable member that, at this stage, that is on target. As regards the total cost, I will have to get that figure for the honourable member, and that will be available later today or sometime tomorrow.

The benefits are many. More accurate information will be available and all members would be aware of the problems that arise with the hundreds of thousands of transactions that are carried out every year, especially when they are done manually rather than by computer. There are delays and errors; altogether, the system is not as efficient as it could be. Simply put, the department uses hundreds of people in numerous locations to do tedious work. All that takes time and does not lead to complete accuracy, so the benefits will be many.

There will be some reduction in staff, through attrition. Some of the most horrible things that I have seen in the Public Service are the huge rooms where young people, mainly young women, sit day after day doing the mind-rotting work of entering things into computers—manual data entry. In this day and age, people should not have to do such work to that extent. It is unnecessary. In days gone by there was no other way of doing it, but these days there is.

I commend the Tonkin Liberal Government, and specifically the Hon. Michael Wilson, who steered this particular proposal through Cabinet. That Government should also be commended for the Justice Information System. They were good decisions. The fact that the public sector did not have the expertise to carry out those decisions without a great deal of financial or other pain is another question. Certainly, the intention was good and I applaud the Tonkin Government for those decisions.

The member for Heysen asked whether the public would be notified of any changes. The answer to that is, simply, 'Yes'. Whenever there are changes to licensing provisions or procedures, the Department of Road Transport will provide the appropriate publicity. It is no good making changes if people do not know about them. I am not sure when the report of the working party will be released but, if and when it is released, I will get that report to the Opposition straightaway. I will have to ask my officers and the police just how much information they want to release. It seems to me that, if a task force is set up to try to combat crime, it may not be judicious to let the very people at whom the task force is aimed know what is proposed. There may be a lot of information that can be released and I have no interest in keeping that to myself. Any information that can be released ought to be released.

The member for Hayward gave two examples to the House of problems that his constituents have encountered with the Motor Registration Division. I will take from *Hansard* the details of those problems and any further details that the member for Hayward wishes to give me, such as names. If people are wrongly losing demerit points or wrongly having to pay charges, I would not condone that, and I would do everything that I could to remedy what appears on the surface to be something of an injustice, to say the least. With those responses, I thank the Opposition for its support of the Bill and I commend the second reading to the House.

Bill read a second time.

In Committee.

Clauses 1 to 7 passed.

Clause 8—'Registration labels.'

The Hon. D.C. WOTTON: The Opposition has foreshadowed that it opposes this clause but that may not be necessary if the Minister can clarify what he said during the second reading stage. The Opposition's original intention was to move an amendment to require that Government Fleet vehicles be issued with registration labels. That was

considered necessary because of the implications for public servants who drive a variety of Government Fleet vehicles and who are unable to check that registration is current.

If I understand the Minister correctly, he said that vehicles carrying Government plates have continuing registration, so there is no opportunity for that registration to expire. That is the main concern of members of the Opposition about this clause, and that is why we felt it necessary to oppose the clause or seek to amend it. If the Minister can give me an assurance that Government Fleet vehicles are covered by continuing registration and the problem that I have referred to will not occur, the Opposition will not oppose the clause.

The Hon. FRANK BLEVINS: The position is as he stated: registration is continuous. It is not for an individual vehicle: it is an overall annual sum paid over to the Registrar of Motor Vehicles. Continuous registration is given and there is no possibility of an individual vehicle's not being registered, so the honourable member's fears about implications for employees driving those vehicles are, I am happy to say, unfounded.

Given that that has been the position for some time, I have never really understood why we have gone through the bureaucratic nonsense of issuing a label to remind us about things when we did not need it but, whether or not it has been necessary, that is the way it has been done. Some people believe that that is the way it ought to be done always but, more likely than not, nobody really notices. It is only a very small matter. It is not as if hundreds of people are issuing labels for Government vehicles. Nevertheless, it serves no purpose, so there is no point in continuing the practice.

The Hon. D.C. WOTTON: Just for the record, I indicate that the Opposition will not proceed at this stage with the amendment. When I communicate with the shadow Minister in another place, if it is felt that the amendment should proceed for other reasons than those that I have stated to the Committee, that option will be taken. However, I will not proceed with my amendment.

Mr BLACKER: I am pleased about that explanation because I had some reservation about section 48 (1) being deleted. As I understand it (and I stand to be corrected), section 48 (1) *(b)* provided that other registration details—the particulars of the vehicle and date of expiry of the registration—must be on the label. Am I correct in saying that, for the average citizen, that would be a requirement pursuant to this amending Bill?

The Hon. FRANK BLEVINS: I did announce in this place some time ago that the question of putting the precise date on the labels was something that would come back into practice when the on-line system was operative. That will occur later this year, and I am pleased to say that the precise date will again be printed on the label. That is really as it should be. Whilst the Registrar takes a commonsense view of these things, the ideal position is that people do not drive after the precise date on which the registration runs out, even though the particular registration sticker at the moment shows only the month. That is undesirable, and as soon as the on-line system is operative the specific date will be printed on the label.

Clause passed.

Remaining clauses (9 to 27) and title passed.

Bill read a third time and passed.

REMUNERATION BILL

Adjourned debate on second reading.

(Continued from 3 April. Page 1104.)

Mr INGERSON (Bragg): This Bill provides for the establishment of a Remuneration Tribunal to determine the remuneration payable to members of the judiciary and to the State Coroner, the Deputy State Coroner, Commissioners of the Industrial Commission and full-time Commissioners of the Planning Appeal Tribunal. The determination with respect to these offices is made at the same time as that of the judiciary, and we fully support the continuation of that approach. The Opposition supports the Bill.

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

STATUTES REPEAL AND AMENDMENT (REMUNERATION) BILL

Adjourned debate on second reading.

(Continued from 3 April. Page 1105.)

Mr INGERSON (Bragg): The Opposition supports this Bill to repeal the Remuneration Act 1985 and to make consequential amendments to various Acts to enable a changed approach to the fixing of remuneration for members of Parliament, chief executive officers and certain statutory office holders. Under this Bill, with the support of the Government and the Opposition, and the related Remuneration Bill, the jurisdiction of an independent Remuneration Tribunal will be limited to determining the remuneration of the judiciary and holders of other statutory offices which involve the exercise of powers of statutory independence. The Opposition recognises that it is important that this changed approach proposed by the Government in relation to chief executive officers be supported. The Opposition supports the Bill.

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

WORKERS REHABILITATION AND COMPENSATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 21 March. Page 698.)

Mr INGERSON (Bragg): The Opposition recognises that the three issues in this Bill are very important to workers rehabilitation and compensation in this State. However, we are very concerned about the raising of the maximum levy to 7.5 per cent. Although we recognise that there will be an improvement in the cross-subsidy problem, we are concerned that this proposal will apply from 1 July 1990 based on the scantest possible information that has ever been put before this House. The Opposition, 100 per cent of employers and some unions are appalled by the fact that this legislation could be brought before the House within five sitting days of the end of the session with massive changes and financial ramifications for all industries in our State.

It is my intention today to place before the House a series of concerns of employer associations in an attempt to convince the Minister and the Government that this matter is so important that it should be referred to a select committee. As I said, this Bill covers three specific areas: the levy rate increase, the redefinition of disease and an extension to the involvement of Deputy President in the Appeals Tribunal.

I take this opportunity to discuss widely the first two and a half years of WorkCover's operations and the concerns and need for change expressed by industry groups and, I

might add, by the union movement. Interestingly, an article in today's *News* refers to an action plan by the union movement. I find this to be a staggering statement from Mr Chris White following discussions that I had this morning with Mr John Lesses, the Secretary of the UTLC, and Mr Kevin Purse, who recognised my concerns. Their attitude was totally different from that of Mr Chris White, who I understand is the Assistant Secretary of the UTLC. Perhaps Mr White's normal aggression towards employers is showing; I believe that he misunderstands the situation within the union movement and that is certainly highlighted by this article in the *News* today.

In discussions I have had, there is no doubt that the union movement is concerned about the problems of WorkCover, but they see their problems in a different way and they believe that different changes are required. I will refer to that matter later. It is quite staggering that Mr White, who I understand has not been involved in recent discussions with WorkCover, has come out and made this aggressive statement in opposition to employers. The employers are really saying to the Government, 'We believe you should be standing still and looking at the situation of WorkCover with a total review in mind.' There is no evidence that employers are totally opposed to every single issue or every problem and solution put forward by the Government. They are opposed to the particular section of the levy rate increase and the way it is framed, but they are not opposed to change and they believe, as I do, that a review is urgent.

I believe it is necessary to go back to mid-December 1989 to see where the maximum levy change to 7.5 per cent started. We also need to recognise that this announcement was made by the Government approximately one month after the election. This is quite fascinating as all the actuarial reports (I suppose one could say they had fallen off the back of a truck) highlight that the Government would have known that the actuaries were saying well before the election that there needed to be a significant change in both the maximum and the average levy rate. I would be very surprised if the Minister and the Government did not know this, because of the very close link between the Minister's Senior Executive Assistant and WorkCover's presiding officer.

Whilst I respect boardroom confidentiality, I would be very surprised if the Minister and the Government were not aware of the deterioration that occurred well before the election. During the election campaign, on 9 November the Hon. Mr Griffin (the Opposition legal spokesman) said that he believed there were significant losses to the extent of $20 million. I quote from the *Advertiser* of 9 November 1989: 'WorkCover later said that there was an $18 million deficit, that its performance was strong, that the scheme was effectively fully funded and that a full financial statement would be made in December, as usual.' The quote continues: 'WorkCover's General Manager, Mr Dahlenberg, had said that the actuaries had reported on WorkCover and that its assets and liabilities were in reasonable balance after two years of operation and they saw no reason for any rise in the average levy rate.' That statement was made on 9 November, and when we look at some of the actuarial reports later we will see that the picture was quite different.

In December WorkCover announced the necessity to increase the levy ceiling. It is my understanding that all industry was shocked by the fact that we would suddenly have this opening up of the levy rate without any explanation other than an announcement made fairly quickly after the election and just before Christmas. I suggest the thought was, 'We'll run it out quickly; no-one will worry too much about it and it will probably die away.' That is the sort of impression held by everyone to whom I have spoken. The employers have said all along that if we are to have a single monopoly corporation in this State we will need to have Government employers and employees in a tripartite situation who are prepared to make the system work. Yet, important information seems to have been held back until just before Christmas and then suddenly floated out.

As Mr Hampton of the Employers Federation said at the time, this increase to 7.5 per cent in the levy ceiling rate would mean a $75 000 rise to $127 500 in fees paid by a manufacturer with 100 employees earning an average of $25 000 a year. In essence, he was saying that, if that example took place in the community, there would be an increase of about 67 per cent in levies paid to WorkCover. Mr Hampton said further that the levy rise affected thousands of the State's employers and that WorkCover would have to justify this move.

That statement was made just prior to Christmas by the senior industrial officer at the South Australian Employers Federation. One would have thought that at that time there would then be a signal to the Government and to WorkCover to come clean because, suddenly, a major employer association and the public are concerned and making strong comments. You would think that the Government would know that it had a problem and would lay everything out on the table. You would think that to be a fairly commonsense move: there was now a confrontation between WorkCover and the employers. Someone would need to do something about it, otherwise there would be a massive problem.

At the same time, a public comment was made that this change of levy rate would be revenue neutral. Therefore, prior to Christmas, we had an announced increase in the maximum levy to 7.5 per cent resulting in a significant number of industries would see change—and quite rightly so. I want that on the record: the Opposition is not opposed to this measure—of levy rate increase, as we support strongly any move by WorkCover to ensure that employers and employees who are not towing the line are dealt with. We are concerned, however, where the maximum levy will be increased, where some employers will experience an increased burden in terms of the cost of their industry and, at the same time, are being told that this measure would be revenue neutral. Behind all of these amendments there is an actuarial report stating that WorkCover really is in trouble and it will have to increase the average levy rate. However, at this stage, there was no mention of any average levy rate. At Christmas time we were simply going to change the cross-subsidy problem: some businesses would pay more and some would pay less. There was no mention that anything else would occur. As a result the employers came out and made comment only on the ceiling levy rate.

Shortly after that the Government said that the change was to reduce cross-subsidy between low and high risk industries. When this Act was amended in 1986, the Liberal Party argued very strongly that the cross-subsidy that had been created as a result of a deliberate decision by the Government to introduce a maximum levy of 4.5 per cent would be a major problem in the future. During the debate I recall the member for Mitcham saying on many occasions that the cross-subsidy problem would come home to roost as far as the Government was concerned. He predicted some four to five years; in fact, the problem has come home and has been highlighted now just over two and a half years later. It is fascinating now because during the debate many members on this side clearly stated to the Government that

a very significant number of employers should be paying substantially higher than 4.5 per cent on past evidence from private insurance schemes. However, the Government chose not to go down that track. It was a very deliberate policy of the Bannon Government that the Opposition criticised strongly. As I said, some two and a half years later we now have it coming home to roost.

The Opposition supports the lessening cross-subsidisation and has argued that way for some time. In our policy statement at the last election we stated clearly that it was our intention to move to correct this problem of cross-subsidy: we recognise that a very large number of low risk industries and companies within specific categories of low risk industries are being selected against under this scheme. Therefore, there is no question about our argument in support of lessening cross-subsidy and for the need to recognise that this has to happen. So, our support for going to a higher level to relieve the cross-subsidy is obvious in this Bill. We do not necessarily support the figure of 7.5 per cent, because it seems to me to be a figure plucked out of the air. However, since the Government has put it forward, it is not our intention to move an amendment with any other figure plucked out of the air that we can not guarantee is right, nor would we attempt to do so. As I said, unfortunately it has been shown that the statements made by the Opposition when this Bill was amended in 1986 were correct. It is an unfortunate position and it is something about which we are very concerned.

As I said earlier, the December statement by WorkCover had really put the cat amongst the pigeons. We now have a decision in which a massive increase in dollars that must come from the business sector in order to fund this social change—as I put it. It is no more or less than that, because there is no justification on the table of this Parliament to support any of the comments made by the Minister or WorkCover. During the Committee stage the Opposition will talk about the changes that need to be discussed and the reason why we believe there should be a select committee.

Suddenly, in early January, many businesses in our State realised that they would face an increase of 67 per cent in the levy rate. The State and Federal Labor Governments complain when any enterprise raises its prices by only 10 per cent. There is a price watch system and that registers complaints if the price of food or other items goes up by 10 per cent. However, in one fell swoop we have a 67 per cent increase by WorkCover. The Government says that that is all right because it supports the corporation and the WorkCover proposition right down the line. However, what concerns me is that we have this massive increase and no explanation. That is what is wrong about this whole exercise: this Government has not bothered to put all the facts on the table as to why WorkCover needs a 67 per cent increase in the maximum levy rate. Surely that is what this Parliament should be demanding—that all the information be put before it. Then, if the Government wins the day on the numbers at least it has won the day with all of the facts before the House. But, we just have an increase of 7.5 per cent in the levy rate. There is no explanation for the 67 per cent cross-subsidy increase. I find that absolutely unbelieveable and, as I said, it is almost wrong.

Of course, it is important to note that the land tax legislation was treated in very much the same cavalier fashion in that, one day shortly after the election, we saw an increase of about 20 per cent and, in some cases, even 1 000 per cent. It was a cavalier attitude; the Government simply said, 'We will do this and business can pay. We will worry about it later. We have some finance problems as a Government and we will pass them on.' There was no explanation until pressure finally dragged it out and very little discussion with the community concerned. It was just 'bang, up she goes'. That is totally unacceptable. That is the reason why, for the first time since I have been the shadow Minister, I sent out copies of the Bill to about 50 people asking for comments. I have received 48 replies. This is probably unique in that in one single exercise, relating to one issue, so much concern has been created in the business community. The response has been quite staggering and members must ask the question 'why?' It is for one reason: because the decision has not been explained. It is just being rammed through this Parliament in the last days of the sitting.

The Hon. B.C. Eastick: I think that this speech is something that other members of the House should share.

Mr INGERSON: That would be a good idea.

Mr S.J. BAKER: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

Mr INGERSON: I thank everybody for coming back to listen; it is very much appreciated. Now that the Premier is in the House, I should like to make a comment. Imagine the squeals that would come from you, Mr Premier, if any retailer in this State put up prices by 67 per cent. Imagine the investigations and what would happen. Every member of the Government would be jumping up and down demanding investigations and review the situation. Every member opposite would say that such an increase would have to be justified—and rightly so. Yet, in this instance we have a massive increase which will have a tremendous effect on industry in our State, and we do not get a squeal or any comment out of the Government. A statutory authority goes ahead and increases its rate by 67 per cent, and the Government does not even whimper.

As I said, the issue of change by WorkCover was bubbling along with an ever increasing number of businesses expressing concern at the levy rate, when suddenly out of the blue rumours started that the average levy rate was now going to increase because WorkCover was in financial trouble. That was the rumour that was running around. All of a sudden we had a suggestion that the ceiling rate might even go to 9 per cent, that that was being considered by WorkCover, and that the average levy rate would need to be increased as high as 5.5 per cent. I thought that was probably just general rumour. But now we find that in Canberra in February 1990, at an accident compensation seminar, Mr McDonald, who I understand is a senior officer with WorkCover in South Australia, put forward a paper on WorkCover. It is an interesting document, especially as we have not seen any reference by the Government to any increase in the average levy rate until this Bill.

Under the heading 'Average levy rate'. talking about proposed changes to WorkCover, Mr McDonald says:

> As indicated in this paper there has been a significant increase in the number of claims reported in the June quarter of 1989. This was coupled by a significant increase in the level of claim payments over the corresponding period. This adverse trend appears to have been sustained in the first two quarters of 1989-90. To achieve and maintain the long-term fully-funded goal of the scheme, the corporation is proposing to increase the average levy rate required from its current level of 3 per cent to a level of up to 3.8 per cent.

It is quite interesting, is it not? We have a person employed by WorkCover making a public statement that the fund is in difficulty and that we have to increase the average levy rate from 3 per cent to 3.8 per cent. He also makes a specific comment, which I will deal with later, that this increase in average levy rate does not require any legislative change.

It is fascinating to me that we have Mr McDonald announcing that there is an adverse trend in the first two quarters of 1989-90, and that we need this increase in levy. It is fascinating that it should be announced at a public seminar interstate and that industry in this State cannot be told.

Further on we see a comment about the maximum levy rate. It reads:

> The corporation and many employers are concerned at the level of cross-subsidy which exists in the levy structure. This concern, together with the need to increase the average levy rate and therefore intensify the cross-subsidy, has led the corporation to recommend that Parliament increase the maximum levy rate from 4.5 per cent to 7.5 per cent as at 1 July 1990.

Here is an interesting comment:

> There may also be provision to increase the maximum rate to 9 per cent as at 1 July 1992 and to remove rates below the maximum from legislation.

The rumours were obviously accurate. I wonder whether anyone in industry has been told that perhaps two years down the track we might have a maximum levy rate of 9 per cent. It is fascinating that members of the corporation make public statements that perhaps the maximum levy rate might have to go to 9 per cent, yet no-one in industry knew much about 7.5 per cent, and I would bet that they do not know too much about the 9 per cent, either. But here is a public document, emanating from an employee of WorkCover, stating that perhaps in 1992 we might have to go to a maximum of 9 per cent. It is time that the Government came clean. It is time that WorkCover, through its board, told the employer and employee associations that this is a possibility. Why is it not well known in the community that WorkCover may be heading into difficult times? Why is this information not before this Parliament? We had to find the seminar in Canberra in February of this year to discover what the real facts were.

Let us look at the bonus/penalty scheme which is also mentioned. The paper states:

> In conjunction with the changes outlined above, it is intended to introduce a bonus/penalty or claims experience rating scheme from 1 July 1990. This scheme will adjust individual employer's levy rates in accordance with their claims experience within certain ranges, for example, a maximum penalty of 100 per cent of the standard levy rate.

How many people in industry know that, if this bonus/penalty rate comes in, the maximum levy could be 15 per cent and not 7.5 per cent? How many people in the business sector really know about that? The important thing to me is that this Parliament does not know, yet we have been asked by the Minister to accept that on 1 July 1990 we will okay an increase in the maximum levy rate to 7.5 per cent, but we will not have anything to do with an increase in the average levy rate, which will take another $60 million in levy fees out of the State economy. That movement in the average levy rate will take $60 million out of the economy. In addition, we have a bonus/penalty scheme about which Parliament knows nothing. I know that today the Minister, in reply to a question, said that it would be a very important part of the scheme. But why does Parliament not know when it is asked to make changes to the maximum levy rate, all the details which are a very important part of this financial structure of WorkCover? Why is it that some of these devices are administrative and some are required to be changed by Parliament?

If WorkCover is to maintain its credibility and, more importantly, if the Government is to maintain its credibility, all the facts about financial matters should be on the table. We should be able to ask and demand that the Minister answers questions on the facts before us. We should also be held responsible if the facts are before us and we do not understand them or we misrepresent them. However, it is impossible to do that if no information is put before the House. Yet, as I said, the Institute of Actuaries, at a seminar in February this year, can be told the facts by an employee of WorkCover, but we, the Parliament, cannot be told those facts.

It is disgraceful and this Government should be held responsible for this sort of action. The Minister in his second reading speech said that the employers are to blame for a blow out in cost and that 7 per cent of employers create 94 per cent of the cost and that they represent about 34 per cent of the levy income. If that is the case, why has WorkCover done nothing about that problem in 2½ years? Why have we had to wait 2½ years to find out? The Minister would have known, because of his experience in the industry, that a small number of employers caused the majority of problems and costs in terms of the old private scheme. The Minister would have known that from his experience, yet nothing has been done.

I find it staggering that so much emphasis is now being put by the Minister on the suggestion that the employers are to blame. I accept that there are some problem employers in that group, but what concerns me is that it appears as though nothing has been done. If the Minister has any information that shows that something has been done in that area in the past 2½ years, other than the pilot scheme that is referred to in the annual report, if anything significant has been done, let it be tabled and put before us in this debate.

The Minister points out that employees are making more claims, that the cost per claim is increasing because medical costs are increasing and that the rehabilitation goals set are not being achieved. It is interesting that more claims are being made and that the cost per employee under this compensation scheme is blowing out (and if one looks at the graphs, one notes that some of the costs are in excess of the actuaries' costs), yet the total blame is being placed on the employers. This statement of employer blame is unfair and it is why the employers and some members of the unions are concerned about this whole problem of WorkCover finances today.

In his second reading explanation, the Minister said very clearly that, in essence, WorkCover itself is only slightly at fault, yet, if one looks at all the employer replies that I have, one sees that the administration of procedures is one of their most significant concerns. In other words, the administration of the WorkCover Corporation is of concern to everybody in the workplace, and that includes both the employers and the union representatives. As I said, I had discussions this morning with a couple of union representatives and both of them mentioned to me that they too were concerned about the administration costs. It is not only the employers who are concerned about it; the unions are also concerned.

I would now like to read into the *Hansard* record a position paper prepared by the combined employer associations on changes to the WorkCover levy. Whilst it is long, I will cite it, because it is an opportunity for me to put before Parliament the concerns of all the employer associations on this issue and to show the Government that not just a few individual employers representing a few in that high risk area are complaining but a very wide range of employers associations are concerned, covering almost the total range of industry in this State. The paper sets out the concerns of the employer representatives and states that it is endorsed by the Chamber of Commerce and Industry, the Engineering Employers Association, the South Australian Employers Federation, the United Farmers and Stock

Owners Association, the Printing and Allied Trade Employers Association, the Motor Traders Association, the Retail Traders Association and the Master Builders Association. As members can see, that is a very wide ranging group of associations. Significantly, more than 90 per cent of all employers in this State have put together this document, which states:

1. When the WorkCover scheme was debated prior to the original Act, it was the opinion of the employer associations that the benefits proposed were too generous and could not be afforded by the 3 per cent average levy rates suggested by the Government. This view was supported by a number of independent actuarial reports. The Government's position on this matter was only accepted after assurances were given that the benefits level would be reassessed if there was a cost blow out.

That is probably the key to all the arguments put forward by the employers at present. The Government assured all employers that, if there was any cost blow out, there would be a significant reassessment of the situation. This has not happened. The report continues:

2. No evidence has been produced to show that the overall performance of employers in relation to health, safety and welfare has deteriorated since 1 October 1987.

There have been statements by the Minister and by WorkCover that are contrary to that, but they are not before this Parliament and we do not know whether that statement is accurate. I believe the employers have the right to ask, 'Where is that information and why is it not before Parliament?' if we are to have this sort of debate and make these changes. We need the evidence. It continues:

3. We believe that the cost blow out that has now occurred can only be explained by a combination of the following:

(a) Incorrect assessment of the cost of the benefits in the original scheme.

(b) Incorrect assessment as to the effect of the style and level of benefits upon claim numbers and rehabilitation.

(c) The lack of effective claims management procedures and appropriate vetting of claims.

(d) The failure of the rehabilitation program in effectively returning many injured workers to the workplace.

It further states:

4. It is unreasonable in these circumstances to expect employers to bear the full cost of any over-run in the scheme. The employers oppose the increasing of the average levy rate from 3.1 per cent to 3.8 per cent.

And I note as an aside that the employers voted against that proposition at the WorkCover corporation board meeting, the result being eight to six, with the Government carrying the vote. It continues:

Any increases in the average levy rate must be accompanied by a reduction in benefit levels.

The document further states:

5. We believe that there are areas where the Act should be amended to effect cost reductions. They are:

(a) The removal of all overtime from the calculation of weekly benefits.

(b) The reduction of weekly benefits from 100 per cent for the first year and 80 per cent thereafter to 100 per cent for the first three months benefits, 90 per cent for the next nine months and 70 per cent thereafter.

(c) Strengthening the provisions relating to the benefit levels paid to partially incapacitated workers.

(d) The elimination of journey accidents from the scheme.

(e) The abolition of the common law rights of the worker.

The benefits in the scheme, even with these reductions, would still be more generous than any other schemes in Australia.

6. The issue of increasing the maximum levy from 4.5 per cent to 7.5 per cent is predominantly aimed at facilitating the perceived need to increase the average rate to 3.8 per cent. The priority must be to examine and establish the appropriate basis for the future of the system in terms of benefits, administration and rehabilitation. The issue of any unwinding of cross subsidisation is a matter for separate consideration.

7. As the most significant part of the costs of the scheme are the future liabilities which are determined by the actuaries, we believe that, in the interests of an informed debate, the conclusions of the actuaries' report should be made public.

I will be able to lay the actuarial statements on the table today, because the Government is not prepared to do so. I am quite sure that the public would like to know what the actuaries have said, and I will give them that opportunity a little later in my speech. The submission continues:

8. Employers will support the introduction of an appropriate penalty bonus scheme on levy rates.

9. Employers are committed to working with WorkCover to ensure that appropriate workers rehabilitation and compensation is maintained for the long-term benefit of South Australians.

That was the position paper produced by the Employers Association and sent to the Minister, explaining clearly the concerns of employers and their requests that, because the issues are important, the WorkCover scheme should be reassessed by a select committee of this House.

I will now deal with some employer concerns in more detail. All the employer associations contacted expressed concern about the financial ramifications to their members of two decisions made by WorkCover. One concerns the provision in this legislation to increase the ceiling from 4.5 per cent to 7.5 per cent. The other concern is a decision by the administration—the board of WorkCover—to increase the average levy rate from 3 per cent to 3.8 per cent. The increase in the ceiling levy rate will result in an increase of 67 per cent in some industries, whilst the increase in the average levy rate will result in an extra $61 million, or an extra $5.8 million per month, being taken out of the South Australian economy. I now seek leave to have inserted in *Hansard* a purely statistical table.

Leave granted.

WORKCOVER LEVY INCOME ($ million)

1989-90	Exempts		7
Expected	Non-Exempts		223
Levy Income			230
1990-91	Levy at	Levy at 3.8%	
Expected	3.1% Av.	Av.	
Levy Income			
Exempts		7.9	9.8
Non-Exempts		244.5	303.7
		252.4	313.5

Increased Levy = $61.1 million

Mr INGERSON: WorkCover supplied that information. The table shows that, in 1988-89, the total levy income was $230 million. In 1990-91, at the levy rate of 3.1 per cent, the income will be $252.4 million. If that levy rises to 3.8 per cent, the income will increase to $313 million. As I said, an extra $61 million will come out of the South Australian economy because of this decision by the WorkCover board. It means that all industries in this State, collectively, will pay an extra $61.1 million to WorkCover in 1990-91.

That decision will have a significant economic effect, but there is no explanation for this by the Minister. Because of an administrative decision of the board, $61 million will be taken out of the economy of South Australia. I do not believe that WorkCover should operate in that way. If a decision is made to raise the maximum levy rate to 7.5 per cent, the effect of that financial decision in Parliament. I do not believe that any administration should make a decision and then come into Parliament seeking legislative ratification for its decision as has occurred here.

As a further example, I point out that the bonus/penalty scheme will be introduced by administration, and that will have a significant impact on some industries. The average levy rate, which is also set by a decision of the administration, has an even bigger economic effect on the community. Yet Parliament has only been asked to juggle at the edges a decision relating to the maximum levy which, in essence,

does not have any economic effect in totality within the State. It is my belief that, either the decisions are made administratively, and WorkCover wears the lot of them, or they are all be made by Parliament. It is my preference that, in the early years of an organisation like WorkCover, Parliament make the decisions, because of the community concern about the operation of WorkCover, its benefits, its administration, employer contributions and cross-subsidisation.

I believe that any major financial decisions that affect our economy should be approved by Parliament. The figures supplied to me by WorkCover show that this decision will significantly affect the economy of South Australia by some $5.8 million a month; yet Parliament has no say in it. If Parliament is to make a decision on the 7.5 per cent ceiling, we might make the decision on the average levy rate of 3.8 per cent, and debate the whole exercise in this place.

I note that the Textile, Clothing and Footwear Council of Australia placed an advertisement in the *Advertiser* this week, calling on MPs, as follows:

1. Weigh up the effect on employment.
2. Ask that WorkCover be directed to investigate its own practices and efficiency.
3. Recognise the need to avoid increased costs of production undermining manufacturing in this State.

That advertisement brought a pretty hasty and interesting reply from WorkCover. Indeed, the reply was fascinating. WorkCover's press release reports Mr Owens, as follows:

The figures for the first time highlight just how much employers with good safety records will benefit. By modifying the cross-subsidy element of the present scheme, WorkCover's proposed amendments to this legislation offer thousands of employers a fair go and a much more equitable system. About 40 per cent—208 industry classes—will pay a lower WorkCover levy if amendments to the Workers Rehabilitation and Compensation Act are passed by State Parliament.

That is fantastic: a 40 per cent decrease for some employers! However, if there is a 40 per cent reduction, 60 per cent will have to cop the whacky increase. On page 3 under the heading 'The Facts', WorkCover had this to say:

Under the amendments to the legislation, fewer than half (45 per cent) of those currently paying 4.5 per cent will pay more than this rate. Of those facing increases to their levy rates, only one in four (25 per cent) will move from their current level of 4.5 per cent to the proposed new maximum of 7.5 per cent. The others will be affected as follows:

5.2 per cent will move to 6.7 per cent;
5.1 per cent will move to 6 per cent;
6.4 per cent will move to 5.3 per cent;
3.6 per cent will move to 4.7 per cent.

In other words, nearly half the employers on the 4.5 per cent levy will move to 7.5 per cent.

It is interesting that, on the one hand, the press release refers on the first page to a 40 per cent reduction but, on the other hand, forgets to mention about the 40 per cent who will go from 4.5 per cent to 7.5 per cent, an increase of 67 per cent in the maximum levy rate. The document continues:

Overall, 62.5 per cent of employers would experience increases across the proposed new scale of rates.

Fascinating, is it not! On page 1, 40 per cent can be saved, from an increase but hidden away on page 3 is the news that 62.5 per cent will cop the increase. Mr Speaker, that is what they call lies, damn lies and statistics. It is very interesting that the matter of real concern to industry and employers regarding this whole change in the scheme is hidden away on page 3 of this release. This statement by WorkCover has come about all because one industry was prepared to put an advertisement in the paper asking MPs to ascertain the effect on employment, on the economy and on production. No-one has been told by WorkCover yet that $61 million will come out of the economy because of the shift from 3 per cent to 3.8 per cent. No-one has bothered to explain the effect that that will have on employment in this State. I think the Government has deliberately kept quiet.

Mr Hamilton interjecting:

Mr INGERSON: The member for Albert Park interjects. Not once have I said I am not interested in the concerns of the injured person. I believe that injured people must be looked after. However, no-one from the other side has bothered to explain why we need an extra $61 million suddenly taken out of our economy to balance the budget for WorkCover. If WorkCover had put all its cards on the table, this debate probably would not be occurring today but, no, they did not do that: they just run around behind the scenes and say that 3.8 per cent will be the average levy. That was an 8:6 decision of the WorkCover board, every employer representative on which opposed it. Every employee representative on that board was in favour of it, and the Government carried the day. The Bannon Government—no-one else—made the decision to increase that levy rate from 3 per cent to 3.8 per cent. Let no-one walk away from that fact. The sole reason for the extra $61 million being taken out of the economy was that decision of the Bannon Government, and it knew that it had to be made before we went to the election last year. I will show why it knew it in a few moments.

The Government knew full well, through the actuarial reports, that WorkCover was in trouble and that it had to increase the average levy, but it did not bother to tell anyone in the run-up to the election that we might need to have an increase in workers' compensation premiums, because $61 million coming out of the economy might have had a fairly interesting effect in electorates such as Florey and others.

As I said, when we turn to page 3 of the WorkCover press release, we get a very interesting story different from that on page 1. Another document that has come my way in the past couple of weeks is a document from WorkCover itself. It refers to extending the maximum levy from 4.5 per cent to 7 per cent, and increasing the target average levy to 3.8 per cent. It is a very interesting document, and I seek leave to incorporate it in *Hansard*.

Leave granted.

EXTENDING THE MAXIMUM LEVY RATE 4.50% TO 7.50% AND INCREASING THE TARGET AVERAGE LEVY RATE TO 3.80%

New Levy Rate	SAWIC Count	Levy Rate Movement			Average Rate Old	Effect of Change to Maximum Levy Rate and Average Levy Rate
		Decrease	Increase	Same		
0.30	2	2	0	0	0.700	
0.50	3	3	0	0	0.700	By number of SAWICs
0.70	5	3	0	2	0.991	—Decreased 3.31% = approx. 5%
1.00	33	3	0	30	1.049	—Increased 61.70% = approx. 50%
1.40	20	1	10	9	1.250	—Unchanged 34.99% = approx. 35%
1.80	56	1	7	48	1.862	
2.30	34	0	16	18	2.027	By remuneration
2.80	28	1	15	12	2.592	—Decreased 10.719% ($704 247 720)

3.30	52	1	21	30	3.146	—Increased 57.443% ($3 774 092 507)
3.80	28	1	16	11	3.035	—Unchanged 31.838% ($2 091 849 364)
4.50	26	0	17	9	4.071	
5.20	79	0	79	0	4.418	
6.00	34	0	34	0	4.500	
6.70	24	0	24	0	4.500	
7.50	59	0	59	0	4.500	
3.80	483	16	298	169	3.054	

Note: Remuneration base of $6 570 189 591—New Total Levy Income (estimated) $250 152 439
SAWIC = S.A. WorkCover Industrial Classification
(WorkCover document) 1989

Mr INGERSON: This document is also very interesting because it states that, under a levy rate movement of 4.5 per cent to 7.5 per cent and an increase in the average levy rate to 3.8 per cent, of the 483 categories, 16 categories will have a decrease, 298 industry categories will have an increase, and 169 will stay the same. That is fascinating, is it not? In WorkCover's press release we see that 40 per cent would get a reduction, yet this document states that only 5 per cent of industry categories will get a reduction. What has happened to the 40 per cent in such a short period? It is the same group but different documentation. About 60 per cent of all industry categories will get an increase if this document is accurate. About 35 per cent will not have any change at all. Why could not that document have been tabled with this Bill? Why do WorkCover and the Government have to be so secretive about these exercises? The difference should be explained.

I did not obtain this document through WorkCover. Other documentation in the past few days has been made available to me, but that does not apply in this instance. It is a different document from the one I tabled a few minutes earlier. The Chamber of Commerce has recently talked about the need for us to maintain our competitive edge in South Australia, and it has made a fairly interesting comment on the effects of WorkCover. The General Manager said:

> The Chamber has had discussions with leaders of Government, Opposition and Australian Democrats. We have made it clear that South Australia must have a fair scheme, but not one that provides benefits way in excess of any of the other States.

That is a fact: our benefits in this State are the highest in the nation. Some people have said they are the highest in the world. I am not sure whether that is right, but we have the highest benefits in the nation. He continues:

> We cannot have an average levy rate of 3.8 per cent when Victoria's is 3.3 per cent, New South Wales is 2.4 per cent and Queensland is only about 1.8 per cent. We cannot pay up to $900 per week when Victoria pays a maximum of around $500. And we cannot have WorkCover increasing its rates as a quick fix for its $2 million per month claims blow-out.

If I had not had this press release given to me, I would not have known that there was a $2 million blow-out in WorkCover costs per month. Why is this information not before the House so that we can discuss the Bill logically and fairly? Surely it is reasonable that that sort of information—that there has been a $2 million blow-out on a monthly basis—should be put before this House.

The employers are saying that the quick-fix solution requires them to put in $61 million over and above the normal inflationary wage base. They have told me that it is just not on that they should have to pick the $61 million tab without any investigation into the changes that need to occur in respect of administration or other areas.

At this stage I will refer to some fairly interesting actuarial reports, which clearly show some of the concerns that need to be expressed in this debate. As I said earlier, the chamber called for the tabling of the actuarial reports, and it did so because it believes that it is only reasonable that this Parliament should be aware of the facts of the matter. I will very briefly read into *Hansard* some of the major comments in the actuarial reports (which I believe were available to the WorkCover board), because they highlight the concerns of the employer associations. I commence as follows:

> The corporation received detailed actuarial assessments from John Ford and Associates (Cumpston) and Robert Buchanan Consulting (Buchanan) in September and October 1989.

Fascinating, is it not? Two months prior to the election the presiding officer, who is also the Minister's assistant, produces this report and the Minister says that he did not know anything about it. It is absolutely unbelievable! I think it is possible that the electors of the State have been conned because the Minister and the Government would have to have been aware of the fact that the actuaries reported in September and October and this detail should have been available to them. The comments continue:

> The actuaries used similar but different techniques to forecast the performance of the scheme over the next five years . . .
>
> Although Cumpston is much more pessimistic about the financial position of the scheme, both actuaries are in reasonable agreement about claim liabilities.
>
> Buchanan reported that the average levy rate required in 1989-90 to support claims on the current standard of claim administration was 3.35 per cent. He further calculated that a rate of 3.85 per cent from 1 July 1990 was needed to bring the fund to full funding in 1992-93. Similarly, Cumpston recommended a 27 per cent increase to 3.9 per cent from 1 July 1990 to achieve full funding by June 1994.

So, in September of last year the actuaries told the WorkCover board that it would have to increase the average levy rate to 3.8 per cent in one instance and 3.9 per cent in the other if these schemes were to be fully funded by 1994. Those statements were made in September last year and would not have been known to this Parliament if this report had not fallen off the back of a truck. That is inexcusable! The Government should have made all its documentation available so that we could have had a healthy debate on all the actuarial decisions.

It is fascinating that in September these facts were known, yet the Government continued to deny them. The document to which I have been referring states that Mr Buchanan is—

> concerned with procedures and standards of claim administration and the problem of recording days lost for claims.

That is interesting to note, because he says that in some months some of the accounts show that people have been on sick leave for more than the number of days in the month. It is fascinating that these errors have been found in the accounting procedures of the administration. Mr Buchanan suggests:

> . . . that the current level of claim handling expenses is too high at 21 per cent of claim payments, and if budgeted levels are met in the next two years it will still be at the higher end of acceptability.

In other words, he is saying that the whole WorkCover administration is poor. Mr Cumpston said that he was concerned about the level of weekly benefits paid to longer-term incapacitated persons, so a further dimension is brought in by another actuary. Mr Cumpston emphasised also the importance of the accurate recording of days lost. In both

cases the administration and the benefits of the scheme are questioned by the actuaries.

In November the corporation employed Mr Evans, a third actuary, to look at the other two reports. He said that he was comfortable with the $275 million outstanding figure, but that it was more likely to be higher than lower. The figure compiled by the actuaries is rubbery in itself. I notice a smile in the background from the Government adviser, but the report says that the estimated liabilities may be somewhere between $200 million and $350 million, so they have come up with a figure of $275 million. Therefore, the figures are suspect. I suggest any actuary will tell you that you should expect this sort of a margin, but it is questionable and the person employed by the corporation agrees. He also says that it is appropriate to use the recent experience of WorkCare in Victoria to assist the potential outcome in South Australia, and adds:

Despite the efforts of prevention and rehabilitation experts, the experience in Victoria was that no real long-term reduction in claim costs could be achieved without altering the benefit access system.

He says further:

Tightening of claims administration may not be sufficient to compensate for the effect of the generous benefits.

So, another person says that some concerns have to be taken up in this WorkCover area. In the past few months further internal studies have been performed by the corporation, and the following comments are made:

Growth in manufacturing employment and overtime has contributed significantly to the claim number experience deterioration. Claims from the community service sectors have increased markedly. Sprain/strain claims have increased in significance as a proportion of claim expenditure. A greater proportion of claims received in recent times has some compensated days lost versus earlier in the scheme, and a greater proportion of days lost claims are exceeding one and three months. Rehabilitation and physio/chiro expenditure per claim has increased markedly since the start of the scheme. A detailed analysis of the time lag for a claim to reach rehabilitation from the date of injury suggested . . . is certainly too high.

So, another independent person says that there are major concerns within the WorkCover organisation. Finally, I refer to an analysis by Fischer and Orlovsky, another investigation, in which they say:

A review of costs used on case estimates is currently under way, but it would appear a significant underestimate of weekly payments is one of the major causes.

They also say that they are working on an in-house actuarial model to do some internal checking. Finally, they make the comment:

Corporation analysis of data will continue so as to obtain a better understanding of the reasons behind the worsening claims and payments situation.

The actuarial reports of the two actuaries that could have and should have been made available to the House set out the concerns that employer organisations—and, as I said earlier, some union representatives, but for different reasons—have about the whole administration of WorkCover. I seek leave to have inserted in *Hansard* two documents which are purely and simply statistical.

Mr FERGUSON: On a point of order, a former Speaker of this House circularised a limit on the amount of statistical material permitted to be inserted by any one member during any one speech. Does that limitation still apply or may members continue to insert in *Hansard* as much statistical material as they desire?

The DEPUTY SPEAKER: I am advised that the previous circular in respect to this matter related to the amount of material that could be incorporated in *Hansard* at any one time, not to the number of separate occasions on which the member could seek leave. So, the limitation relates to the amount of material incorporated on each occasion, not to the number of such incorporations.

Mr FERGUSON: Does that mean that it is virtually unlimited provided that the member seeks leave on each occasion?

The DEPUTY SPEAKER: I remind members that the member for Bragg is seeking leave. Any member may refuse that leave if so minded, but they would have to take into account the consequences. The limitation referred to by the honourable member does not relate to the number of occasions but to the amount of material that may be inserted in *Hansard* on each individual request for leave.

The Hon. J.P. TRAINER: On a point of order, Mr Deputy Speaker. It is obvious that no member of this House would lightly refuse leave to another member to incorporate material in *Hansard.* They would only do so if they felt it was unlikely that the material fell within the guidelines previously laid down.

The DEPUTY SPEAKER: Is the honourable member taking a point of order?

The Hon. J.P. TRAINER: My point of order is: can you give an assurance that, if proceedings are abused through members being allowed to introduce material on an unlimited number of occasions during the course of one contribution, and if the total amount of the material begins to accumulate to an unreasonable point, you would rule that this would fall within the category referred to earlier by the member for Henley Beach?

The DEPUTY SPEAKER: Each member has the same privilege in relation to the matter, and it is not for the Chair to examine the *bona fides* of an individual member who may be seeking leave on any particular occasion. I am sure that, if the difficulties to which the honourable member referred were encountered, no doubt action would have to be taken by the House in relation to the matter. However, the member for Bragg is entitled to seek leave, and he has done so.

Leave granted.

PROJECTIONS ASSUMING NO CHANGES TO LEVY RATES

3.1 Revenue account projections

Year	89-90	90-91	91-92	92-93	93-94
	$ m	$ m	$ m	$ m	$ m
Levies accured	230.1	247.4	271.2	298.7	329.0
Claims paid	107.8	142.9	178.0	215.0	254.0
Claims incurred	278.6	319.2	367.2	419.8	480.0
Costs	30.8	30.8	35.6	41.0	46.8
Fund earnings	37.8	51.1	64.0	75.4	88.7
Profit	−41.4	−51.5	−67.6	−86.7	−109.2

3.2 Balance sheet at end of year

Date	June 90	June 91	June 92	June 93	June 94
	$ m	$ m	$ m	$ m	$ m
Current assets	29.6	31.8	34.9	38.4	42.3
Investments	343.2	465.6	583.8	697.9	810.4
Non-current assets	5.0	5.4	5.9	6.5	7.2

PROJECTIONS ASSUMING NO CHANGES TO LEVY RATES

Claims outstanding	450.3	626.6	815.8	1 020.6	1 246.6
Other liabilities	1.7	1.8	2.0	2.1	2.4
Net assets	−74.1	−125.6	−193.2	−280.0	−389.1
Solvency	83.5%	80.0%	76.3%	72.6%	68.8%

3.3 Current assets, non-current assets and other liabilities were taken from a draft preliminary balance sheet received on 11 October 1989, and were assumed to increase in proportion to levies.

PROJECTIONS ASSUMING LEVY RATES INCREASED ON 1 JULY 1990, BY 27 PER CENT

4.1 Revenue account projections

Year	89-90	90-91	91-92	92-93	93-94
	$ m	$ m	$ m	$ m	$ m
Levies accured	230.1	314.2	344.4	379.4	417.8
Claims paid	107.8	142.9	178.0	215.0	254.0
Claims incurred	278.6	319.2	367.2	419.8	480.0
Costs	30.8	30.8	35.6	41.0	46.8
Fund earnings	37.8	54.9	76.6	98.6	125.3
Profit	−41.4	19.1	18.2	17.1	16.2

4.2 Balance sheet at end of year

Date	June 90	June 91	June 92	June 93	June 94
	$ m	$ m	$ m	$ m	$ m
Current assets	29.6	40.4	44.3	48.8	53.7
Investments	343.2	526.6	729.7	946.6	1 183.3
Non-current assets	5.0	6.9	7.5	8.3	9.2
Claims outstanding	450.3	626.6	815.8	1 020.6	1 246.6
Other liabilities	1.7	2.3	2.5	2.7	3.0
Net assets	−74.1	−55.0	−36.8	−19.6	−3.4
Solvency	83.5%	91.2%	95.5%	98.1%	99.7%

Mr INGERSON: I can assure you, Sir, that the tables are consecutive and it is necessary that they be inserted in order to explain the reasons that I have put forward. The first table is headed 'Projection assuming no change to levy rate', and is from the document sent to WorkCover from Mr Cumpston (the Actuary) and explains the revenue accounts. There are two particular projections, the most important of which is that if there is to be no change to the current system—and that is that we stay at the average levy of 3.1 per cent with a maximum of 4.5 per cent—Mr Cumpston is saying that at the end of June 1990 he expects the solvency level to be 83.5 per cent and, if we continue in this way to 1993-94, the solvency level will be 68.8 per cent. In other words, current assets, non-current assets and other liabilities were taken from a draft balance sheet received and were assumed to increase in proportion to the levies. Mr Cumpston is saying that in five years we would have a cover of only 68 per cent.

The second table shows the projections assuming the levy rates increase by 27 per cent on 1 July this year. To explain the 27 per cent, if one increases the levy from 3.1 per cent to 3.8 per cent, it is, in effect, a 27 per cent increase. Mr Cumpston is saying that, if we do that, the solvency ratio will change from 83.5 per cent this year to 99.7 per cent in five years. He is saying that his recommendation to increase the levy to 3.8 per cent will give us virtually 100 per cent solvency funding in five years. I would have thought that that sort of information is pretty important and that it could have been tabled and should have been distributed as a general briefing to all members of Parliament, instead of being kept secret by the Government.

This document shows that a massive injection of funds needs to go into the WorkCover Corporation if we are to balance the books with this change to a 27 per cent increase in the average levy in the next five years. To give honourable members examples of the extra funds that WorkCover will need: this year, we collect about $230 million; next year, $314 million; in 1991-92, $344 million; in 1992-93, $370 million and $417 million in 1993-94. Therefore, in essence, WorkCover is saying that there will have to be an increase of over 80 per cent in the levy between 1990 and 1994 to keep us at a level that will fully fund the corporation by 1994. Of course, that assumes that there are no other changes: if there is no increase in claims and no increase in payments per claim, all will be rosy.

However, in the past two and a half years we have seen significant increases, and we can compare this to what happened in respect of the Victorian scheme—and the actuary said that we could do that—where in less than four years there was a blow out to $4.9 billion. There is no reason why, with the current situation—without a lot of controls, benefit changes and administration changes—we will not end up in the same mess as the Victorian Workcare. That is a major concern to me and employers and it is the principal reason for my wanting to table those documents.

I now refer to a document entitled 'WorkCover Scheme Performance Indicators', which was tabled at the board meeting of WorkCover in February 1990. The document was prepared by senior WorkCover staff. Again, this is a document that I believe, if we were going to have a reasonable debate in this House today, could have and should have been made available to substantiate any argument that has been put forward by the Government on behalf of WorkCover. First, I will talk about the number of claims. Page 31 of this document, headed 'Claims', states:

> For the first half of 1989-90 [the claims] are almost 15 per cent greater than for the same 6 month period in 1988-89, compared to the estimate by the actuaries of 4 per cent.

The actuary said 4 per cent and we are now at 15 per cent. The document continues:

> This means the actuaries' long-term estimates of liabilities will need to be significantly increased if this trend continues. However, growth in manufacturing claims has reduced to below the average for all claims, and the big increase in claims in recent months has occurred in construction and community services. Further analysis is needed to explain fully the reasons behind these increases and to identify different trends . . . Another worsening sign is the increasing proportion of claims with days lost.

We have not only the actuaries questioning the direction of WorkCover but the executive report to the board from people employed by the corporation also saying exactly the same thing. This is one of the major reasons why we need to have a select committee to look at what is going on: the

actuaries are now saying that they are concerned, the executives of WorkCover are saying that they are concerned. We also have the employers and some union members and their representatives expressing concern. We seem to have one group only—the Government—saying, 'She'll be okay, Jack. We can fix this up. All the employers have to do is put in $60 million and everything will be okay.' That is the tenor of the Government this whole issue. Yet we have four independent groups saying that there are problems with the WorkCover Corporation and with the concept of the scheme. I am not saying these things; they are being said by individuals who work on behalf of WorkCover. I am not making these statements; I am quoting experts in this field.

Members interjecting:

Mr INGERSON: You will get my views in a minute. I am purely and simply stating the facts. It is very important that these facts are recorded. It is interesting that in many of the documents that have gone out recently there is a very strong argument saying that the manufacturing industry is the biggest problem. There is no doubt that the manufacturing industry is one of the major contributors, but this report—a report of the executive of WorkCover to the board meeting in February this year—states that growth in manufacturing claims has reduced to below the average for all claims and the big increase in claims in recent months has occurred in construction and community services. That is a little different to the public statements being made by WorkCover. It needs to be put in the context that, whilst everyone recognises that the manufacturing industry is a major claimant, some of the statements recently made by WorkCover have not been qualified by this more up to date statement, which was available to the board in February this year.

As I said, there is also concern about the increasing proportion of claims that now involve time lost, and that is a major concern to everyone. Page 33 of the executive report contains the most damning statement of all, made by the executive reporting its conclusions as follows:

> A reliable explanation for the increase in claims (apart from that related to buoyant employment growth and increased awareness of the WorkCover scheme) and claims payment is still not available.

After two and a half years, with this massive blow-out in claims, we have an executive group saying, 'I'm sorry: we still don't know what the problem is.' And the Government wonders why the employers, the Opposition and some unions are saying that we ought to have a major review of WorkCover right now! That statement alone is justification for it, with the executive clearly concluding that it does not know what the problem is with this claims growth and that it would like to be able to put its finger on it.

The fact that the executive does not know why the problem is occurring should be sufficient reason for a select committee to be set up. I should now like to look at the cost of claims. On page 30, the executive report states:

> Expenditure per claim continues to rise on a reasonably regular basis, such that (for example) the average total expenditure per claim in the six months after injury is now almost $800, a 33 per cent increase relative to the start of the scheme.

After two and a half years each claim has now gone up 33 per cent.

Members interjecting:

Mr INGERSON: I will continue to read, as follows:

> Allowing 14 per cent increase for CPI over this period suggests an increase of almost 20 per cent in real expenditure per claim.

That is a 20 per cent increase in expenditure in real terms per claim. That is a comment made by the executive of WorkCover to its board, and a fairly concerned sort of comment, you would think. The executive is saying clearly that in February 1990, not very long ago, WorkCover had a significant problem with claims.

I shall now look at some of the expenditure components in this executive report. On page 30, in relation to weekly payments, the document states that the rehabilitation expenditure per claim has increased by some 200 per cent. That sort of figure is quite alarming but, if we look at rehabilitation in terms of the total cost, it is not a lot of money. However, it is important because it shows that there has been a 200 per cent increase in terms of rehabilitation. Physiotherapy and chiropractic expenditure have increased by 70 per cent, and weekly medical expenditure per claim has increased slightly faster than weekly benefits. These are very important cost increases that employers and employees are concerned about.

An honourable member interjecting:

Mr INGERSON: No, I believe that rehabilitation is the key to this program and I support it very strongly. I am saying that experts in the field say that there is a problem with the scheme and it needs to be managed better. That is supported very strongly by all the comments I have just put forward. On page 35 the actuaries of this report estimate, in relation to weekly payments, that the actual weekly benefit expenditure is $3.2 million above the estimate of one of the actuaries and $500 000 above the other. Therefore in the case of weekly payments there is a significant blow-out in relation to actuarial advice. The rehabilitation payments have gone to $1.5 million above the Cumpston estimate, and $1.8 million above Buchanan. So, there is a significant cost blow-out in the rehabilitation area.

Members interjecting:

Mr INGERSON: It is always fascinating, Mr Deputy Speaker, that, if anyone ever makes any constructive comments about the scheme and asks questions about it, they are always accused of trying to knock the scheme down. Perhaps members opposite ought to accept that the reason for asking these questions today is legitimate and that there has been no criticism from me in respect of rehabilitation, nor have I said that employees should not deserve a fair go. I have not made one single comment in that area. I am saying that many people, such as the actuaries and the executive staff (which is what this report is all about), are concerned about the running of this whole program. This is not coming from the employers but from the executive staff of WorkCover. I will get to the employers in a minute, and then I will give members opposite a taste of some of the support that has come in. These comments are from the executive employed staff of WorkCover reporting to its board its concerns about the program.

Finally, if we look at page 59 of this document we see the concerns expressed by an actuary, Mr Buchanan. He states very clearly that he is concerned with the procedures and the standards of claim administration, and suggests that the level of claim handling expenses is too high at 21 per cent. He goes on to say that he believes that, even if there are some significant changes within two years, it will still be at the top end of the budgetary requirement.

Here we have an actuary supporting very strongly the argument put forward by the employed staff of WorkCover—people whom I respect, who are doing an excellent job, but who are expressing through this document serious concern about the current state of WorkCover. On 19 March I received a copy of the proposed changes from the WorkCover Corporation, and the foreword and other areas contain statements that are not agreed with by the employers and by some of the unions. I made the comment earlier that the statement in relation to levy rates being based on

the available data and the likely cost of claims is being questioned by employers and argued very strongly.

They believe that their performance in the workplace overall is not being accurately measured by this change, and that the whole system of cross-subsidy and not recognising the changes within industry ought to be debated in its totality, and not simply as is being done at the moment. As has been pointed out to me, the graph under 'Claims Statistics No. 4' clearly shows the difficulties of the whole scheme.

It shows that in the current environment the total claims payment is in excess of both the graphs of the two appointed actuaries, whereas historically it has been in between or very close to the margin of one or other projection. At the moment, and the most damning situation of all is that that cost of the scheme is above both predictions. Purely and simply injecting money into the system, which this proposal does, is not the answer.

I should like now to refer to the annual report, which I received late last year, and comment on the Chairman's message. He said:

On the financial front, our actuaries are of the view that the scheme's assets and liabilities are in reasonable balance given that the fund has incurred substantial establishment costs and that, as the fund grows, the administrative overhead costs will spread over a much broader base.

Although the scheme is not yet fully funded, the level of funding (or capitalisation) remains high (94 per cent) and does not justify an increase in the general levy rates at this stage. It is hoped that 100 per cent funding will be achieved over the next three to four years operation, if not sooner.

It should be noted, however, that in the last few months of 1988-89 there has been some deterioration in the scheme's claims experience and this trend is being closely monitored. Early analysis suggests that one significant factor explaining these recent trends can be traced to the massive employment growth that has taken place in the manufacturing sector.

That annual report, which we got in December, is saying that in essence there was no major concern in WorkCover, yet the documentation that I have tabled today clearly shows that information before the board at that time was significantly different from any argument that could be put forward in that statement. It could not have deteriorated to the extent it has in the past six months without people knowing the direction that it was taking in principle when this report was written. It concerns me and many employers in this State that the direction that WorkCover was taking could and should have been heralded within this report. That issue should be taken up by the Minister.

Another document that I found very interesting was produced by the IAC on workers compensation arrangements in Australia. Its conclusions are fairly important and need to be stated in this debate. It states:

Despite the recent establishment of public monopolies in South Australia and Victoria, there has been no systematic assessment of whether a single insurer is more efficient than a multi-insurer system. Critical issues requiring careful scrutiny in this regard include the existence and relevance of economies of scale, the perceived greater ease of accident prevention and rehabilitation under a single insurer system and the effects of different insurer systems on cost efficiency and choice. The establishment of public monopolies in workers compensation insurance raises concerns that the removal of competitive pressures will result in reduced incentives to minimise costs.

That comment is said by the IAC, not by me or by any Liberal member of Parliament anywhere in Australia. It clearly suggests that the single insurer system, unless it has a lot of tight controls in it, does not necessarily work as well as any private insured combination system.

Looking at New South Wales and the average levy rates there, we have a comparison that is relative from the start, particularly when looking at remuneration and the way that is calculated between the two States. One may ask: is there a significant disadvantage to employers in South Australia because of the monopoly situation of the WorkCover scheme? The IAC also states:

A major concern in the area of workers compensation has been the adoption of revised premium structures based on the principle of community rating.

In other words, it is saying that a very narrow cross-subsidisation (a common unity rate method) base is of major concern in blow-outs of cost. Whilst we are moving to a wider range in going to 7.5 per cent, it still argues very strongly that the adoption of this community rating system is in itself unfair. The IAC further states:

Another factor that has contributed to high workers compensation costs has been the benefit levels paid to injured workers. Despite evidence which suggests that high benefits can lead to less caution, exaggeration of injuries, malingering and even fraud, injured workers have generally been able to secure compensation equivalent to pre-injury earnings. This occurs because benefit levels are prescribed for this amount or because of the high incidence of make-up pay in industrial awards.

In essence, in the first part it is saying that high benefits are contributing to some of the higher costs. I am not going to put forward an argument as to whether or not the benefits are too high; but I am being told by employers and employees, both here and interstate, that we have the highest benefit operating system in the country and that that is one of the reasons why there has been and is a significant blow-out in the costs of the scheme.

Mr S.J. Baker: It is the highest in the world.

Mr INGERSON: I take the point from the member for Mitcham that that benefit is the highest in the world. It is one of the significant factors that contribute to the blow-out in the costs. It is one of the issues that should be looked at by a select committee in order to argue clearly whether we need any change in this area.

The IAC is comprised of an independent group of economists. They have looked at all the workers compensation arrangements around Australia and their document clearly states that they are concerned about monopoly insurers and the wide range of benefits in South Australia and in Victoria, but more particularly in South Australia.

I have received a considerable amount of information from employers. I have had some excellent presentations from the Chamber of Commerce and the Employers Federation, which I understand has also sent it to the Minister. These submissions clearly argue very strongly the case that I have put forward. The SAEF submission has gone one step further and recommended significant areas of reform. It has also taken the time and effort to show that the general direction in Victoria is applicable to the direction in South Australia. It points out that we need to heed the problems that have developed in Victoria. It notes in its submission that the Victorian Commission recommended, and so did the Parliament, that significant changes to the whole program had to take place and that a financial add on was not the answer: one has to look at increasing the levies, but also ensure that the benefits are within reason and that the whole program is properly administered.

The S.A. Employer Federation has recommended major changes, which include a thorough investigation of the levy and the financial system. It recommends that we look at the administration and that the rehabilitation system be re-examined. In no area are any employers saying that the rehabilitation system needs to be scrapped. They are all clearly saying that there should be a relook at the whole program methodology. They clearly set out their concerns and the direction that they would like to take.

In their reports they talk about this being a one-sided argument and they are really just reinforcing the comment that I have made right throughout this afternoon. What

they would like me to put before the Parliament is that they believe that the risk of the industries and cost of current benefit levels should be reviewed; that recommendations for changes in some of the benefits should be implemented: that the claims handling and administration processes of WorkCover should be examined; and that the whole rehabilitation process should be referred to a select committee.

I have some 40 submissions and it is not my intention to read all of them into the *Hansard* record but I want to make clear that I have received a broad range of submissions from the Australian Small Business Association, the Law Society, the Taxi Association and BISCOA; a whole range of associations have been prepared to make the effort to comment on this Bill. The employers have concerns about many other areas and one of them is the definition of 'subcontractors'. This definition seems to change every day, when WorkCover is short of a few dollars in the levy. There are problems with the subcontracting area. I cite the example of a small operator who was in the building industry and who had been subcontracting himself and his equipment for years. He suddenly found that, instead of the hourly rate which he gets paid being taken into account under the WorkCover system, the cost of hiring the equipment was loaded in. Because he had a standard hourly rate, no consideration was given to the fact that part of it was for his own work and another part for the hire of machinery.

There is a problem with superannuation. I note that that is reported at length in the annual report. There is a strong argument from some people that superannuation should not be included in the remuneration levy calculations. That does not seem to be clearly defined to some employers. Self-employed people, particularly doctors, are now able to incorporate under the Act. Historically, the doctors have always had their own private self-insurance (sickness and accident cover): now, because they are directors of and self-employed in a corporation, they have to pay under the WorkCover system. It is a crazy system and it needs a clearer definition. Instead of some of the *ad hoc* decisions that are being made in this director and subcontracting area, a much clearer definition is required.

Administration costs have been referred to. There has been a hassle between SGIC and WorkCover regarding the $10.4 million. The Minister said it was a legal argument, but SGIC does not believe it is a legal argument at all: it believes there is a directive from the Minister that it is to be paid. We need some answers about whether it really is legal or whether the Government is hedging, and whether the $10.4 million owed to SGIC, as noted in the annual report, is just hanging there and the Government does not want the WorkCover position to worsen by forcing this payment.

A sum of $12 million is needed for new computers. Questions have been put to me about the integrity of the new computers and the companies that have won the contract. The difference in the contract price was some $8 million, and that is staggering. The question put to me by the computer industry is whether the supplier has the ability to carry out the computer work required by WorkCover or whether there is the potential on-line system problem that is experienced by the Motor Registration Division. This division was promised a computer in 1979 and in 1990 it still does not have it properly running. Is that the sort of problem that may be experienced? I put this question to the Minister in the hope that we might get some answers. There is an increasing level of staff in WorkCover to do what seems to be the same job. That sort of comment is being put to me.

The three-tier system of review is a disaster. At present the tribunal is nine months behind and I note that the Minister will do something about that under a later clause of the Bill, but there is a major problem in relation to the final hearing of the tribunal. Not only that; it is getting to the tribunal that is the problem. There is an argument about two officers being required in the review system and I am told that it is falling down from both sides, from the employer and the employee. So, in this instance, it is not just a one-sided exercise. People are asking, 'Why can't we have just one review officer and, if that is disagreed with, send it off to the tribunal and get a decision in law, if that is the problem? Why do you need two conciliation processes? All you end up doing is delaying payment to the employee and/or employer.' So, the whole system of review must be looked at.

There is a question about providers and rorts in the system. Many providers are saying to me that one of the problems in this whole sprain and strain area is that the doctor does not have to find out whether the injury is work-related. The claim form asks, 'Has the patient said that this is work-related?' The doctor does not have to find out whether the injury is work-related; there is no responsibility on the doctor to find that out. There is no letter of accountability from the employer saying, 'I have sent this person to you because it is a work-related injury.' There is no accountability in the system for the employer in terms of employees costs; there is no accountability at all in the system and that is wrong. Providers and others, one doctor in particular, are saying to me, 'Fancy my complaining about being on the gravy train.' But providers are concerned that they may not have an income in the future unless some of these sprains and strains are diagnosed as being absolutely and specifically work-related.

That doctor is concerned about that and he has put strongly to me that he, as a doctor, ought to be able to ask the patient, 'Who do you work for, and I will find out whether it is a work-related injury?' not just to be told that it is a work-related injury and to have to treat it as such. That is morally wrong; the whole system needs to be changed to make sure that accountability comes back into the system. The employer needs to be involved. It is fascinating that a provider—someone who is getting benefits from an easier system—is saying to me that the system must be tightened in that way.

Another issue that he put to me is that a nurse at a factory can say, 'You have a sprain or strain and it is work-related' and no official diagnosis has to take place. The injury just is accepted and the person becomes part of the WorkCover system. The Government ought to look at controls of that sort. It is another reason why a select committee should be set up to analyse the whole system.

The Opposition also has some questions about the structure of the board. WorkCover must be the only statutory authority in which the Minister's executive assistant is the Presiding Officer of a statutory board under his control. That is not the case with the Electricity Trust of South Australia, with the Gas Company or with SGIC. However, with WorkCover, the chief adviser to the Minister in all matters relating to WorkCover and the Department of Labour generally is the Chairman of the board. The media have also raised this issue and it is of concern to a lot of people. That is no reflection by me or the employers on the ability of the individual concerned. However, it is a conflict of interest having a senior Government employee as Chairman of the board, and it should be changed.

It has been put to me that one of the members of the board is involved with negotiating on behalf of employees

in the review panel. That is also a conflict of interest that must be looked at. It is a conflict whether it is an employee representative or an employer representative. It is just absurd that people who make rules for an organisation should argue on a representative basis in favour of either an employer or an employee. A large number of people in the community are concerned about the issue of the board structure.

In summary, everyone I have consulted on this Bill has expressed concern about the lack of information available to Parliament and to the community. It is disgraceful that documents have to fall off the back of a truck so that we can get pretty basic information that ought to be supplied to Parliament. In recent days, I have had excellent representations from the General Manager of WorkCover and there has been very little information that I have not been able to get from him. Prior to that, actuarial reports and other documents that should be made available to Parliament have had to fall off the back of a truck.

We on this side of the House believe that a select committee should be established to make recommendations, because $61 million will be taken out of the economy of our State with the changes that will be implemented from 1 July. The Opposition believes that the committee should look at the financial costs, predictions and benefits of the scheme, the administration of WorkCover, the problems between employees and employers in terms of bad performance, and all the rorts in the system, on both sides. The committee should also look at whether the rehabilitation program is the best way to rehabilitate workers and whether a monopoly supplier of insurance is the best alternative in 1990.

With respect to the clauses dealing with the Ascione case, the Opposition supports the Government in changing the definition of 'disease' and in making this particular provision retrospective. Parliament clearly decided that all injuries should be work related and that any injury or disease that was not work related was never intended to be covered by this Act. The Opposition believes that the judgment in the Ascione case, which was upheld in the Supreme Court, was wrong and it supports very strongly the argument put forward by the Government in correcting this matter.

The Opposition recognises that the situation concerning work-related injuries includes journeys to and from work. Although Opposition members do not support that, we recognise that the law accepts it, so we support the Government's amendment and the retrospectivity of the clause. In consultation with two QCs, they both argued that retrospectivity was necessary in this case, but the Law Society is philosophically opposed to any retrospectivity. In this particular case, the Opposition does not support the Law Society's argument.

The last clause in the Bill relates to the use of deputy presidents in the appeal tribunal. The Minister has put to Parliament that he needs extra deputy presidents in charge of the appeal tribunal, and the Opposition will facilitate that by supporting the amendment. I support the second reading of the Bill but, at the conclusion of the second reading debate, it is my intention to move that the Bill be referred to a select committee.

The Hon. T.H. HEMMINGS (Napier): The member for Bragg spoke for just under one hour 55 minutes on this Bill but not once did I hear him make any reference to the high risk employers who have made these amendments necessary. The honourable member gave a fairly lengthy discourse on the views of other people and of employers—he claimed to be speaking on behalf of the employers—but I heard nothing of the Opposition's viewpoint in regard to WorkCover. He has been very careful to steer well clear from making a commitment about what the Opposition would do about the problems that employers perceive to be occurring under WorkCover.

In fact, the member for Bragg was at his smoothest. He wants his two bob each way. He desperately wants to appear to be walking the fair and clean middle path in regard to WorkCover; yet, really, the attitude that he portrayed this afternoon was totally opposite to the systematic attack that the Opposition has mounted against WorkCover over the past two weeks. I have been in Parliament for 12 years and I am used to Opposition members attacking workers and trade unions. It is part of their philosophy and ideology. Recently they sank to a new low: they attacked not only workers but also injured workers.

Mr Oswald: It's an obsession with—

The Hon. T.H. HEMMINGS: The member for Morphett, in his typical small-minded way, has started to talk about an obsession on this side of the House. The facts speak for themselves and I could go through *Hansard* for the past 12 years—

The SPEAKER: Order! I am sure that the honourable member will be careful in his comments and will not impute improper motives to any member of the Opposition. However, I ask him to be careful in his choice of words.

The Hon. T.H. HEMMINGS: I take your advice very seriously, Sir.

[*Sitting suspended from 6 to 7.30 p.m.*]

The Hon. T.H. HEMMINGS: As I was saying before the dinner adjournment, let the facts speak for themselves with regard to the Opposition's double standards. When I use that term, I refer to the almost two hour long speech made by the member for Bragg, and I relate that back to the two weeks of Question Time when we had a series of allegations about WorkCover, and injured workers rorting the system, (and I use that term because that was the term used by members opposite). They were setting the scene out in the community that the excessive cost blow-out of WorkCover was caused by those injured workers so-called rorting the system. In fact, the member for Bragg even used that term this afternoon, referring to 'Those workers on the gravy train'. The implication is that there is no such thing as a genuine injured worker: every worker covered by WorkCover is rorting the system.

Let us look at some of those allegations put forward by the member for Mitcham. There was the expensive wedding dress purchased for a worker on compensation with a hand injury. There was another allegation of the man given $30 000 worth of rehabilitation which entitled him to a fully paid holiday in Yugoslavia. There was the payment for construction of a brick retaining wall at an injured worker's home because wind and traffic noise were said to be spoiling a rehabilitation program. There was also the $70 000 ramp built from a street to an injured worker's house with the house having been sold soon afterwards, but no repayment to WorkCover for the value of the improvements provided. Subsequently, the Minister refuted all those claims. They were completely unsubstantiated. Let me—

Members interjecting:

The SPEAKER: Order!

The Hon. T.H. HEMMINGS: Let me deal with the case of the worker who supposedly had been given $30 000 worth of rehabilitation. That particular worker suffered burns to 62 per cent of his body—

Mr Oswald: Tell us about the holiday!

The Hon. T.H. HEMMINGS: That man suffered horrific injuries. He suffered deep psychological damage and he would be unable to continue working in his chosen profession. The Minister refuted that there was a paid holiday by WorkCover, but let us just say, for example, that $30 000 was spent in the rehabilitation of that worker. That is something that some members opposite would appreciate because I think some members do appreciate there has to be a cost in rehabilitation. Let us look at the situation before we had WorkCover. I remind the House of a case that I dealt with about two months after I became a member of Parliament. All we had at that time was the bare workers compensation—

Mr Oswald interjecting:

The Hon. T.H. HEMMINGS: This is a very serious case, and the member for Morphett ought to realise that before he interjects so flippantly. A family came to me concerning their son who had been working part-time for a small employer. He had just left school and was looking for a permanent job, but managed to get this part-time job to earn a bit of pocket money. He was employed at an automotive repair place, and his job was to clean up the yard on a Saturday morning. They would let him in and lock the cyclone gates, and he was left to sweep up the place and light the incinerator at the end of the morning shift. On the occasion in question, he lit the incinerator but, because of all the things put in it during the week, there was a massive explosion and he suffered burns to about 80 per cent of his body. The parents described to me that he was on his own, running around, unable to see and, with burns to his hands, unable to get out. Eventually his screams attracted some help and they got to him, but he died.

When they told me this story, I had to say that they ought to consider themselves lucky that their young lad died because there was nothing on the statutes concerning rehabilitation. That lad was 17 years of age. That is what WorkCover is all about. I am saying to members opposite, and in particular the member for Mitcham who makes allegations in this House about the excessive cost of rehabilitation, that if this society in which we live is serious about rehabilitation, I do not care if it does cost $30 000 to rehabilitate someone: that is money well spent by the community that we are supposed to represent. If it were true (and the Minister said that the allegations concerning the $70 000 spent on the ramp were not, but explained to the House the exact costs) that it cost $70 000 to change the environment in which this worker, now a quadriplegic, was living, if it did cost $70 000 to make life a little more bearable for that person, again I say that that is money well spent. But, no, that is not the view of some members opposite. They wish to stand up and set the scene that there are massive rorts under WorkCover and, as I say, the Minister has quite ably refuted that.

WorkCover is about the prevention of injuries to workers and, if workers are injured, money should be spent on rehabilitation. As I say, the member for Bragg spent nearly two hours espousing the view of employers. If he had made one mention of those high risk employers, I would have regarded some of his remarks as a genuine contribution to the debate. If he had made one mention of the employers saying that they, as an employer group covering all the areas (because he was quoting from a submission they had given to the Minister and the Opposition), recognise the high risk, again I would have listened with a fair degree of interest and sympathy, but there was not one mention.

The facts speak for themselves. It is worth repeating to the House the facts that have been well established, and that is that WorkCover deals with the symptoms of a poor safety performance by a minority of employers. Statistics show that a mere 7 per cent of employers who contribute approximately 34 per cent of the levy income account for a staggering 94 per cent of the total cost. Of this group of employers, the worst 150 represent .2 per cent of employers, and they account for 12 per cent of the total cost. That is what we should be looking at, and that is what these amendments address, but the member for Bragg, in his two-hour long contribution to this debate, failed to mention that.

Is the Opposition saying that the facts outlined in the Minister's second reading explanation and the statistics supplied by WorkCover are wrong? I do not think that either the member for Bragg or the employers say that, but they are skating over this particular aspect of the problem. The member for Bragg said that of the 50 letters he sent to employers 48 replied. Therefore, he says, 'Because I received 48 replies out of 50 letters they are right.'

The Minister has already said that some administrative problems in respect of WorkCover need to be addressed. One of the proposed corrective measures is the bonus penalty scheme that is to be introduced in July, but this does not get away from the fact that a very small percentage of employers are causing misery and injury out there in the community. The member for Bragg may not want to dismiss that argument completely, but if he wants to bring a balanced argument to this debate he should at least support the Minister and the Government in what they are trying to do. However, it does not suit the Opposition's argument to go down that track because it wants to perpetuate this situation in the community.

Members opposite did this at Question Time in front of the television cameras so that we all got a dose of injured workers rorting the system: at 6 o'clock when we were eating our evening meal we were told that the cause of the blowout in WorkCover costs is due to these people rorting the system. As far as I am concerned—and I am sure that I speak for every member on this side of the House—if there is a cost for rehabilitation, it must be borne by the community. That is all I wish to say in regard to that aspect.

The member for Bragg and the Minister talked about some doctors who do not do their job. That may be correct, but I will not stand up here and attack the medical profession. Of course, some employers go out of their way to make a risk free environment for their workers. I accept that, but the facts speak for themselves: a small group of employers is responsible for 94 per cent of WorkCover's costs.

Mr Ingerson interjecting:

The Hon. T.H. HEMMINGS: I should not answer interjections, but the member for Bragg asks why we do not do something about it. The Minister is doing something about it, but the problem is that members opposite do not know what rehabilitation is all about. They measure rehabilitation in dollar terms. They do not see that rehabilitation is one of the cornerstones of this legislation. Also, they do not realise—although I think they do because they are not stupid; they might be misguided but, in the main, they are fairly intelligent people—what prevention is all about.

It is ingrained in Liberal Party philosophy that all workers are out to cheat the system and that all employers are good employers. We have even heard this from the Leader of the Opposition. In one of his first speeches after he was appointed Leader he made it perfectly clear that he is a good employer, and that he treats his employees very well, then he sat down and expected us to believe him. I am sorry, but I would like a little more than words from the Leader of the Opposition. I understand that he will make a contribution to this debate and I will be interested to see

whether any remarks he makes in relation to this piece of legislation reflect his personal view as an employer of workers in this State.

If any other members opposite wish to speak on this measure, I do not want them to stand up and defend the member for Bragg, but I would like them to give the House their views on what rehabilitation is all about. I want to see whether my understanding of their philosophy is correct. As I see it, the Opposition's understanding of rehabilitation is: if it costs something like only $25, well and good, but if it starts to move into the thousands of dollars it is automatically wrong and it is the worker's fault. I support the Bill and I congratulate the Minister for bringing forward the amendments. I look forward to someone on the Opposition's side endorsing some of my comments about the value of prevention and rehabilitation to show that it is not just the members on this side who have to suffer the views of the member for Bragg.

Dr ARMITAGE (Adelaide): I am pleased to speak to this Bill because I have had practical experience over the past 15 years of exactly what the member for Napier has been talking about. My practical experience is not of legislation but of the Australian worker who is basically hardworking, honest and loyal, and wants to do a good job. I have not bothered to make a point about this before, but I take it as a personal affront when the member for Napier asserts that I have no idea what prevention and rehabilitation are all about. In his litany of quotes from *Hansard*, the honourable member omitted to quote the example of the moral support given by WorkCover staff to a worker while his case was in court. An employee of WorkCover sat in the court for five hours at $80 an hour to provide moral support—a fact that was omitted by the member for Napier.

The member for Napier talked about members on this side of the House giving a balanced argument and he quoted the poor safety record of a small percentage of employers. What I do not understand is, if we are looking at a balanced argument, how the member for Napier can talk about the poor safety record of a small percentage of employers when in his second reading explanation the Minister used this small percentage of employers to justify the increase in the number of claims. The Minister said:

> There is a disproportionately higher growth in high risk industries.

Some employers are high risk, and we must look at that fact. As we know, this Bill seeks to raise the ceiling of the maximum levy rate to 7.5 per cent because of financial difficulties experienced by WorkCover. These financial difficulties were glossed over in the Minister's second reading explanation when he talked about a 'serious and sustained deterioration in WorkCover's claims experience'. George Orwell would be pleased with this example of 'Newspeak', but unfortunately nothing can hide the fact that WorkCover is a financial lemon.

If we look at the reasons why we are forced to debate this Bill, in the Minister's second reading explanation he quoted a number of reasons for the 'serious and sustained deterioration in WorkCover's claims experience'. The first reason that he quoted for the increase in claims is 'partly explained by overall strong growth in employment in South Australia and the disproportionately higher growth in high risk industries'. Even if we accepted this statement as something more than political rhetoric, we would have every right to be appalled at the next statement of the Minister when he claims that 'this does not provide the full explanation for the increases observed'.

Do we get a full explanation of the increased number of claims? Surely, we could expect such an explanation from the Minister if we are expected to pass a Bill increasing the maximum levy to 7.5 per cent. Without a full explanation the Minister is asking us to write a blank cheque for WorkCover to subsidise unknown causes for its financial troubles. I repeat: do we get a full explanation of the increased number of claims? The answer is a resounding 'No'.

As we have not been given the reasons for the increased number of claims, we must assume that either the Minister does not know the reasons for the increased number of claims—and that is worrying—or he knows but will not tell us the reasons, and that is even more worrying.

The second reason put forward by the Minister in his second reading explanation for us needing to throw WorkCover a financial buoyancy vest is as follows:

> . . . the average cost of each claim has also increased as a result of rising medical, hospital and rehabilitation costs . . .

Looking for a responsible analysis of this, I sought quantification of individual increases in the Minister's speech. Does the Minister know the quantification of these individual increases? I assume so. Therefore, I ask what proof is there of increases specifically in medical costs, to require legislation such as this to increase the maximum levy to 7.5 per cent?

I quote specifically the example of rehabilitation services that, for instance, may include occupational therapy services. It is a very worthwhile service; I am not disputing that for a moment. However, if they get billed, the bill is charged to medical services and, in my view, that should not be the case. The analysis of these cost increases is vital when looking at legislation such as this, yet the Minister tells us nothing about the individual increases. Specifically, he makes no mention of clerical costs and I suggest that the Minister look at the costs as charged by agencies contracted to WorkCover; in particular is the cost of telephone calls charged? For example, I have a friend who broke his leg at work and said to the first rehabilitation provider who contacted him, 'I have a broken leg. When it is better I will go back to work.' He wondered why he continually got telephone calls and whether the calls were being billed to WorkCover. Unfortunately, no bills are issued to the client, so there is no responsibility and there are no checks and balances on bills that are levied. I say again, it is well worth looking at clerical costs. I understand that some providers have clerical costs of up to $48 per hour.

The third reason raised by the Minister for us needing to pass this legislation is as follows:

> . . . a target of a 25 per cent reduction in the number of claimants remaining on benefits after one year has not been achieved . . .

Either the original figures justifying WorkCover were totally suspect—and I believe that they are called into question by the financial bungling that we are now expected to fund—or the rehabilitation system (and I repeat: after 15 years practical experience I support the rehabilitation process) is failing. We continually hear from the Minister that 96 per cent of workers return to work. This is more 'George Orwellian' stuff as that figure takes account of all WorkCover claims, including those with no time lost and not only those where someone has time off work. My practical experience over 15 years is that the majority of people with work-related injuries do not have time off. If we look at those people who are referred to rehabilitation services, less than 50 per cent return to work. My source for this information is no more or no less than the annual report published last year.

I now refer briefly to the medical side of rehabilitation. I can report to the House that, basically, doctors are in a

healing profession and they want workers to return to work, healthy and with dignity. Most doctors battle to try to get people back to work. It is frustrating and amazing that many of these doctors who battle their heart out, on an emotional as well as a practical level, to get people back to work are highly qualified, be they orthopaedic surgeons, Fellows of the Australian College of Occupational Medicine, or whatever. However, they have done a lot of training in the field. What happens? They send reports on injured workers to WorkCover and these reports are assessed by people with no medical qualifications whatsoever.

To me it seems stupid not to take note of years of experience and training. Is this one of the reasons for the target of a 25 per cent reduction in the number of claimants remaining on benefits after one year not being met? Is the fact that the review process is in the hands of people with no medical qualifications one of the reasons for the average cost of each claim rising? Is it surprising that this should happen given the publicly stated views of one of the architects of WorkCover that—as has been stated at many meetings that I have attended—the medical profession has no place in rehabilitation?

On the subject of qualifications—or the lack of qualifications—in the WorkCover scenario, at present rehabilitation auditors are assessing privately insured people on:

1. Claims management;
2. Rehabilitation programs; and
3. Injury prevention.

What are the qualifications of the rehabilitation auditors, given that their recommendations might lead to self-insuring licences being revoked? This may well lead to businesses paying, in one example given to me, $700 000 extra to insure workers. Surely the Government would not sanction that because I can inform it that it will drive some self-insurers to the wall.

Another problem in relation to rehabilitation auditors is that they encourage workers to go to their own treating doctor for treatment. I know many company doctors and they know the machinery that the workers use; they know the business in which the workers are employed; they know the management and the management practices; and they know the work in general. I can also assure the House that company doctors always offer the worker the choice of going to the company doctor or to their own local doctor. Why are non-medically qualified rehabilitation auditors suggesting medical ways of treating workers?

I wish to address briefly the final clauses in this legislation, which relate to retrospectivity. I signal my basic opposition to retrospective legislation of any type. I would hope that the issue of this Bill being enacted retrospectively would be one subject considered by the select committee called for by the member for Bragg. The Minister claims:

> Retrospectivity is warranted in this case, first, because of the potential for a heavy financial drain on the WorkCover fund.

That is another George Orwellian statement from the Minister suggesting that, once again, by making this legislation retrospective, WorkCover is a lemon and we have to do something to fund it. No-one more than I in this House has practical experience of attempts to get workers back into the workforce. There was nothing I would rather do in my previous profession than see someone back in the workforce, healthy, happy and with dignity. The system that we have now is not working and merely to try to fund it by increasing the levy is throwing the baby out with the bath water.

Mr MEIER (Goyder): I wish to compliment the member for Bragg on his outstanding contribution to this debate. Certainly, he covered many areas, which I do not wish to recanvass. I know that he had still more information which he could have brought up during this debate and which shows quite clearly that the situation regarding WorkCover is not good; many problems and issues have arisen in the few years during which it has been operating. It was also interesting to hear the remarks of the member for Adelaide, a medical practitioner. He pointed out a few of the inaccuracies in the contribution made by the member for Napier.

I was disappointed in some of the things the member for Napier had to say, especially when he said that he hoped to hear the Opposition support the value of prevention and rehabilitation. There is no question at all that the Opposition fully supports prevention and rehabilitation: we have never said otherwise. Prevention, of course, is what should occur, but we are dealing with human beings and prevention, unfortunately, is not possible in all cases. Many of the examples highlighted have shown that clearly. As for rehabilitation, if I remember correctly, when the Bill was brought in by the now Minister of Transport (Hon. Frank Blevins), one of the big pluses was to be rehabilitation. Workers would not be on insurance benefits and we would not need to worry about their being away from work for too long; they would be rehabilitated.

I remember that in earlier debates with a former member of this place (Hon. Jack Wright) the same thing was said. If my memory serves me correctly, the lead in the debate was taken by the now Deputy Leader of the Opposition (Mr S.J. Baker), who pointed out time and time again that the Government was fooling itself if it thought that the scheme would work as it then proposed.

Mr S.G. Evans: You think Wright was wrong?

Mr MEIER: In fact, as the member for Davenport suggests, Wright was wrong. Be that as it may, we are stuck with the problems. I believe that the Minister underestimated the figures. It is now estimated that there will be a $70 million plus shortfall by June of this year and, if something is not done, the shortfall will be of the order of $300 million by 1994. Victoria revisited, one might say.

The distressing thing to me and, I am sure, to all members is that before the last State election the Government indicated that there was no need for a rise in the levy. The election was then held, and suddenly the Government said, 'Let us tell the truth now: we must have a massive increase in the levy from 4 per cent to 7.5 per cent.'

I want to deal with a few things that affect rural people particularly. Quite a few rural producers have told me that they are very worried about the proposed rise in the rate, because the rural producers have found it increasingly difficult to employ people and it is highly likely that they will be landed with the full increase, for a variety of reasons.

First, while I note that the Minister does not give any specifics about the rural industry in his second reading explanation, I understand that rural industries generally are in the higher risk areas. That is quite understandable: we should just think about someone working on the average farm. Those people do not go around in a safety cage to do their fencing or to muster stock. They are exposed more than people in most other industries. I was interested to hear a colleague of mine say that, even in air-conditioned cabs of tractors or headers, people seem to sustain back injuries with some regularity. That shows that even the high risk industries that provide full comfort and full facilities can still be subject to possible abuse by employees. That can be compared with the situation relating to other areas of farm work.

Additionally, before WorkCover came in, many if not all of the rural producing establishments run by companies had

their own private insurance. If the owner of a farm was injured, he or she invariably would not make a claim. That would only increase the levy rate anyway, and he or she suffered the minor injuries. Now that these people are part of WorkCover, they do not have the choice of insurer and they see employees making claims regularly; it is only commonsense that, since they are entitled to claim, they will claim.

It would not surprise me if the claims from rural producers have increased simply because the choice is no longer available and people recognise that it will not make any difference to the rate they pay if they make a claim.

Mr S.G. Evans: If they're going to pay, they're going to claim, where before they carried the injury.

Mr MEIER: Exactly; in previous times they carried the injury. The Minister will probably respond by saying 'We are bringing in penalties and bonuses', and I see some commonsense in that; there is no question about it. However, let us look at the problems that that could result in for the rural sector. According to the information given to me, our workers compensation scheme is the best in Australia.

Mr Ingerson: Best in the world.

Mr MEIER: As the shadow Minister says, the benefits are the best in the world. That is fine if we can afford it, but that is where the problems arise. People such as shearers, for example, who are working over the border and who suffer an injury (such as a back injury, which could occur in a Victorian shearing shed) would say 'I'm good enough to keep going: the back's hurting but I can keep going. My next job is in South Australia.' Even if the next job is not in South Australia, the person could say, 'The sooner I get to South Australia, the better', and the poor rural producer, the poor farmer or pastoralist who happens to be the next unlucky person to hire that particular shearer, will be the one to pay the first week's wages.

Examples have been cited to show that people such as shearers—although I am not identifying them specifically—have taken advantage of the system, because they know they will receive a 100 per cent benefit; even though the injury initially occurred in another State, South Australia pays. The first thing we must do is fix up that anomaly and not have such discrepancies. I believe that Victoria has had to take measures to overcome its massive financial problems and that its final payments now go down to a mere 60 per cent of average weekly earnings compared with South Australia's 80 per cent. Time will not permit me to go into greater detail in that regard, but we will need to look at this in due course, and the sooner the better.

This impost of an extra 3.5 per cent comes at a time when it is predicted that farm incomes will decrease by about 20 per cent over the coming few years. This is the type of blow that the rural industry cannot presently afford, and most members would appreciate that, whilst the last season was satisfactory and, in many cases, thankfully, above average, they would also appreciate that close to 50 per cent of this State's economy—some $2 billion—comes from the agricultural sector, even though only 1.56 per cent of the budget is allocated to the agricultural sector.

The agricultural people are not looking for it in normal circumstances, although they would not mind a little help in times of need. Despite the fact that the agricultural sector is so important to this State, these people will have an added burden put on them. What will it mean? First, some of them will say that it is not worth employing anybody. The Government would recognise that full well. One only has to look at the situation over the past 10 to 20 years to see that increased costs have led to less employment in the rural sector. That is of great concern to me, and, I would hope, to this State and nation.

Mechanisation has come in more and more. I have heard rural producers say that, the sooner they can become fully mechanised in their operations and not have to hire additional labour because of the high costs involved, the better off they will be. It is a shame when that type of comment is made, because our work force is not being employed as it should be. Despite the Federal Government's so-called creation of a few jobs, the unemployment situation—

The ACTING SPEAKER (Mr Gunn): Order! The member for Hayward should not have his back to the Chair.

Mr MEIER: The unemployment rate is again reaching unacceptable proportions. This increase in levy is a step backwards rather than forwards.

Mr S.G. Evans: And we have to compete overseas.

Mr MEIER: We have to compete overseas, and we are finding big enough problems in trying to cut our costs as it is. Another matter that disturbs the rural sector is that the Minister who originally sought to have this measure introduced, the then Deputy Premier, (Hon. Jack Wright), gave a commitment that the 4.5 per cent levy would not increase for the life of the scheme. As we know, it was not the Hon. Jack Wright who introduced the legislation; it was the Minister who took over from him. Nevertheless, I am sure that the former Deputy Premier must be very upset to think that employers have been taken for a ride with this new legislation. He gave that commitment some years ago. He did not see the legislation introduced into this House, but he was entirely of the opinion that the 4 per cent levy would not increase. Now we are seeing this Minister transgress that statement.

What should be done? The member for Bragg has identified many aspects, but a few other things could be said. First, we need to provide an incentive to the employee to get off WorkCover benefits. Over the years, we have heard of many cases where people have abused the system. The Minister, in answer to a question, has said that about 300 cases are being looked at, so that shows that there are quite a few people abusing the system. That has to be stamped out without question.

As regards the entitlement to 100 per cent of salary, it can always be argued that an employee should not be disadvantaged because of a disability suffered at or through work or on the way to work. I acknowledge that argument, but let us look at the reverse. What incentive is there for a former employee on WorkCover to seek to go back to work when he has 100 per cent benefit? He is getting all the benefit. Why give work a try when he does not have to go out of his house and turn up at work for the same amount of money? Unless that problem is tackled, we shall not see any improvement in the situation.

The member for Adelaide pointed to many factors in the Minister's speech, but I think—in fact, I know—that the Minister has not answered the question as to why the big blow-out has occurred only over the past 12 months. He has identified two or three reasons, but they do not explain the situation. It shows that the system fundamentally has not been sound from the word go. A simple increase to 7.5 per cent will not overcome the problems. I wish that I did not have to say this, but let us be realistic. It could encourage workers to say that WorkCover is penalising the employers, that it is charging them more, that they will ensure that the benefits are still fully available and that those who want to abuse the system will still be able to do so, as has been done up to now.

A few other points need to be addressed. I understand that if WorkCover has made an error in calculating the

payment that is made to an employee and if that calculation was made at a higher rate and the employer points out that it is the wrong rate because that person is receiving $X less, WorkCover will say, 'Sorry, that is our error. We will continue to pay that person at the rate we have been paying him.' If that is the case, it needs to be stopped.

There should be provision for an employer to require a worker to undergo an independent medical examination if the employer has doubts about the diagnosis. Examples have been brought up in this House. The Leader of the Opposition cited the case of an employee who went to see a medical practitioner about a sore throat and came away with a certficate for a bad back. Surely, in that case an employer should have the right to ask that an independent medical examination be undertaken.

It would appear reasonable that WorkCover should cease payments immediately an employee is no longer incapacitated, or refuses to return to work or to participate in a rehabilitation program. Again, I believe that employees currently have 21 days in which to decide to participate in a rehabilitation program. It does not take much for people to consider that an employee could say, 'I am not going to let them know in the first or in the second week; I will wait until the 21 days are nearly up. At least in that way I get an extended time.' Not many employees would do it. Indeed, I am not suggesting that many are doing it. We are talking about the minority, but that group needs to be looked at and the rorts taken out of the system. Rehabilitation cost details should be sent to the employer so that he is fully aware of the situation with his or her employee and recognises the cost involved. In the last few seconds available to me, I would say the Bill should be put to a select committee.

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

Mr BLACKER (Flinders): This Bill has two main purposes: first, to increase the current rate from 4.5 per cent to 7.5 per cent and, secondly, to tighten up the definition of 'disease'. I should like to make a few comments about this amending Bill. I do not think that those of us who have been here for some time are surprised that this amending Bill has been introduced. Most of us doubted whether the original legislation could work in the way in which the Government promoted it, because it seemed unrealistic at that time that a 4.5 per cent maximum could be achieved.

Of course, that has been proved. As the member for Davenport said, it was used as a means of getting it through Parliament and then ironing out the bugs at a later date. However, we have the legislation and there have been difficulties in some areas in getting it to work. I guess that the Government could claim that in some areas it has worked beneficially, and in other areas it could be argued that there has been some rorting of the system and that it is not working as well as it should. However, it should be recognised that the Bill is basically aimed at rehabilitation.

The title itself, referring to workers rehabilitation and compensation, shows a change of emphasis from one of pure compensation to rehabilitation and compensation. I do not think any of us would deny that that should be the ideal way to go; if it is possible to get people back into the work force, that should be achieved. However, some examples have been quoted to the House today and other examples have been brought to me where it is believed that excessive amounts have been paid in rehabilitation. I can quote one example where a gymnasium membership in the higher price bracket was paid for by WorkCover to assist in the rehabilitation of two former employees. The question might be asked, because it is not asked in any other area, why such an expensive gymnasium was chosen when just around the corner was an average gymnasium run in just the same way. It was a matter of price structuring, one charging $100 a term more than the other. There might well be a justifiable reason for that.

An honourable member interjecting:

Mr BLACKER: I am not suggesting that there were any kickbacks, because I am not aware that that was the case, although it might have been. I was asked why the more expensive gymnasium was selected, but I could not answer that and I doubt very much whether anyone in this Chamber could.

I wonder whether the Workers Rehabilitation and Compensation Act is in difficulty because the risks are not being shared equally by employers and the employees. It does not matter what anyone says; there is an obligation on both the employee and the employer to be responsible in their workplace. I can speak mainly from a rural position where I have employed sharefarmers or wage sharefarmers all of my farming life, and in that vocation risks are taken every day. Unless one has a responsible employee who can recognise risks and take responsible action to minimise those risks, as a potential employer I would be continually liable. Therefore, before I would endeavour to take any employee onto the premises I would go through his credentials very carefully to make sure he had a responsible attitude towards his workplace.

I have had experience in the other way where, through the CES some years ago, I employed a right hand man to assist my sharefarming. This person had no experience on the land at all; he had no experience in operating machinery and, without being unfair to that employee, I believe that he was a danger to himself. Of course, that meant he needed a lot of training, and in many cases it meant that we could not allow him to go near machinery. We had to put him on the menial tasks where he could do the least possible damage to himself, rather than putting him to work on the original task for which he was employed, of helping the principal sharefarmer to carry out his work. So, a two-way approach to the workplace is really required.

We know under separate legislation that there is a need to have a safe workplace, and nobody would argue with that, but it does require some obligation on the employeee, as well as the employer, to be responsible to his or her workplace. I think that that matter should be addressed, because the attitude of employees plays a very important part in the ratio of present compensation claims. I suggest that, if there is a 50/50 split on the question of workers compensation costs and the employee knows he is contributing 50 per cent to his compensation, obviously his attitude in the workplace will be different.

I am somewhat concerned that there are employees who have suffered injuries—in some cases they are very minor and in other cases they are not so minor—but who refuse to claim because they know full well that, in filling out their next application for a position and being required to divulge whether they have had a claim on WorkCover they will prejudice their work opportunities at a later time. That is a statement of fact, and I can quote one example. I cannot give the name because I do not know it, but the example was given to me in the last few days where the employee, who was wheeling cement prepared for a floor he was laying, unfortunately ran off the planks, got tangled up in the weldmesh, cartwheeled the wheelbarrow and fell on it, and the handle of the wheelbarrow went straight into his chest. Apparently, it split his chest bone, broke one rib and cracked another, and the person concerned was in considerable pain.

However, he will not claim on WorkCover because he believes that he would never get another job in that type of industry.

I raise that point because it is having the wrong effect altogether. That person should be entitled to WorkCover. His employers were more than happy to assist; in fact, they are still paying his wages because they know the situation. It worries me that there are injured employees out there who may not be able to get back into the workforce again, because for some reason or another they have had a claim on WorkCover. If we took those instances into account, the claims might be even higher than those that have been disclosed by the Minsters.

Mention has been made of the incentives to the employer, and I would like to raise this analogy in the House. I know I have done so before but, regrettably, the additional costs put on employers have become a direct disincentive to them. The number of unemployed persons on Eyre Peninsula is approximately the same as the number employed in the rural industries 25 years ago. Other factors come into that and we could never reverse the situation and get back to the way it was, but between 1300 and 1500 employees on Eyre Peninisula were employed in just the rural industries, let alone the service industries, 25 years ago. There is a message in that.

There are plenty of job opportunities out there but the disincentives for the employers to take on employees are so great that they will not risk taking on that extra person for a few weeks for haycutting at harvest time, or for tractor driving at seeding time; hence, there has been a propensity for farmers to mechanise to a greater extent than they should, in terms of their overall financial arrangements. This brings us back to the point about farmers over-mechanising; whereas 25 years ago a farmer would have had approximately 20 per cent of his capital tied up in his farming operations (in his machinery shed) and 80 per cent in his land, now we find that the ratio is 50/50 in many cases. So, he has as much money tied up in machinery as he has in the land. That means fewer job opportunities.

A further example involves the Riverland now, where there are plenty of job opportunities but not enough employees who will take them, even though the employers are ready, willing and able. This takes us to the next step, that is, the provisions affecting potential new job opportunities. In my own area, there are opportunities for vineyards, fruit growing, floriculture and essential oil industries. Because they are so labour intensive, there is a reluctance by many people to become involved. Until that problem can be overcome, such industries will not flourish. I believe that essential oil industries have considerable potential for Eyre Peninsula and South Australia generally. Recently I received documentation from the Department of Agriculture about the potential of these industries in the State, and the Government should encourage such industries.

The Minister's second reading explanation refers to a bonus-penalty scheme, and there can be no disagreement with that. Let us reward those who act in a responsible way, providing a safe workplace and minimising the likely risk of WorkCover claims. Let those people be encouraged, keep their premiums down and create a little incentive for employers to provide the safest possible workplace. I notice that the Minister quoted figures in relation to that.

I totally oppose retrospectivity, although I realise that, as the legislation stands, WorkCover has a financial problem with respect to Ascione's case. Parliament did not envisage that case and I am certain that no-one thought that a retrospectivity clause would be necessary. Unfortunately, it must be addressed. However, because I do not believe in the principle of retrospectivity, I will oppose that clause.

Mr S.G. Evans interjecting:

Mr BLACKER: The member for Davenport said that there are other ways of doing it. That may be so and I hope that further debate will take place on this issue to examine the alternatives. The original definition of the term 'disease' caused the problem and has brought about the retrospectivity provision. As a result, 'disease' is to be redefined. It was not envisaged by Parliament that the definition of 'disease' would be rewritten by a court to mean that a person who had a heart attack, whether or not it was work-related, would be totally compensated. That is the issue. I believe that, if any disease cannot be connected to work, the person concerned should not be compensated. If we were to do that, we would have to rethink the whole issue and the scale of fees would have to be increased considerably because it would mean total compensation for the whole community, irrespective of cause.

The member for Bragg has already indicated his views on a select committee. Because of the complexity of the issue and the way it will affect a number of industries, a select committee is warranted. Last night I had dinner with the State manager of a large wholesaling and retailing company and he had not heard of the proposed changes. Despite the publicity, he did not know that at least part of his business could be close to paying the maximum levy. A select committee would enable all sections of the community to have some input into the proposed changes. It must be remembered that we are dealing with increases of 75 per cent or 80 per cent and many companies could not absorb such increases, certainly in the first year of operation. Those companies would have to restructure their operations to cater for the increase.

For a large company, which employs hundreds or thousands of people, a jump in the levy from 4.5 per cent to 7.5 per cent would be financially crippling. I support the suggestion that the Bill go to a select committee of the Lower House so that the Minister can be in charge of the committee. It has been indicated publicly that the Bill will go to a select committee in another place if a committee is not established here, and I am sure that the Minister would prefer that he had some control over the committee if one is set up.

Mr S.J. BAKER (Mitcham): This Bill represents a clear admission of dishonesty in, and failure of, WorkCover. When I say 'dishonesty', I mean abject dishonesty. I do not blame former Minister Wright but I do blame his ministerial assistant, Mr Les Wright, who carried out the negotiations behind closed doors leading up to the introduction of the scheme. I well remember the advertisements that employers would save 44 per cent of premiums through this new, marvellous scheme. It has not worked out that way and I am sure that the proponent of the scheme, the person who did much of the background work, knew that he was not telling the truth.

The myth was pursued and extrapolated by Minister Blevins and the Workers Rehabilitation and Compensation Bill was introduced into Parliament. Members may like to go back through the speeches that were made in Parliament at the time. I know that I spent three and a half hours holding up Parliament at one stage. The debate went on into the early hours of the morning and resumed about 10 a.m. that day. It was my belief that the scheme was so flawed that it would be to the detriment of all South Australians. I predicted that, in five years, the scheme would be bankrupt like the scheme in Victoria. The only reason that the scheme

is not bankrupt is that the Opposition insisted that it be fully funded from day one. Without that control, political decisions would have been made as they have been made in Victoria and the liability would have extended to such an extent that, within just a few years, the scheme would have had no way of paying for itself.

The Minister admitted that there has been a blow-out from 3.1 per cent to 3.8 per cent in the average levy rate to ensure that the scheme is fully funded. However, there is no guarantee that that average levy will not continue to rise. In fact, there is every indication that it will. Today the Minister spoke about the Saskatchewan scheme. Former Minister Blevins spoke about the Ontario scheme which, at the time we debated the Bill, had a deficit of $5 billion. He chortled quite proudly to Parliament that South Australia had a marvellous scheme built on the Ontario experience. It was only research that showed that the Ontario scheme was in debt by $5 billion and had to scramble out of it. The present Minister used another example, that of a newer scheme which has not been in place long enough to show that it will fail just like the Ontario scheme failed.

We are on target for the prediction that I made that, within five years, without fully funding the scheme, the long-term liability will be at least 100 per cent more than the available assets. The curve shows a massive increase in the past 12 months. I also predicted that administrative costs could not be held at 6 per cent, as was suggested by the ministerial assistant, Mr Wright (that was totally dishonest). I said that, if certain efficiencies could be put into the scheme, there may well be an opportunity to hold administrative costs at 8 per cent. However, they are exceeding 12 per cent. The Minister has outdone himself. There have been no efficiencies, just gross abuse and bureaucratic incompetence and, again, that is what I predicted.

My third prediction—and this was fundamental to the basic tenet that the scheme could not survive—was that the scheme would be rorted because of the benefits and that it was economic madness to pay out at 100 per cent. The member for Napier suggested earlier this evening that we are not thinking of the workers. That means that 99 per cent of the Western world thinks differently, because this is the highest paying scheme in the world bar none. We in South Australia have suddenly taken a different path from everyone else, so therefore we can feel proud that we are doing the right thing. We should take note of the experience elsewhere in the world. If a person can gain more by not being at work, that person may well be inclined not to go to work. That is accepted by all the world authorities. If the Minister has different information, he should present it to the House.

I also predicted that rehabilitation should and must be a necessary component of the scheme. However, I said at the time (and members can look back at some of my contributions) that it had to be managed very tightly because it could become the new industry. Indeed, it has, and we have had examples of just that. My further prediction was that WorkCover would fail because it was a public scheme. Everything Government touches is doomed to failure, and we have seen it time and again. Often we start out with a good idea but, inevitably, the bureaucrats get hold of it and use it for their own purposes—it simply cannot operate without competition. We must have competition in the workplace and, unless we have built into the system a determination as a nation or a State to act responsibly (like they do in some of the Scandinavian and European countries), the scheme will fail. All those predictions have come true. If the Minister or any member wants to look back at my contributions, they will find that they are utterly correct. The system is out of control.

I wonder how the employers feel about Mr Wright and all his colleagues wasting $10 million on a worthless computer system. Very strong management is required. It is not the employees' money; it is not the Government's money—it is the money of the employers. They are paying the bills. They should, and rightly so, receive effective management of that money, and not see it wasted on a computer system that simply was never well organised and was never going to be a success. What have we got? Members on this side have talked about the things that have gone wrong in the scheme. We have a set of statistics before us that show there has been an explosion of costs, an explosion of claims, and the number of long-term injured or those people who are extending themselves beyond the two years is increasing at an alarming rate, far greater than anyone in this Parliament could have predicted.

The Minister says that we should have concern for the workers. I will address that very shortly, but this is the same Minister who talked about occupational safety. He said that, if we had an occupational safety Bill, we would have a safer workplace and we would not have so many workers compensation claims. Either the Minister has failed on worker safety or he has failed on workers compensation, or he has failed on both counts. I suggest he has failed on both counts.

I will now address the question of supporting the workers, because there are so many examples where injuries occur at work and the people who are injured under those circumstances have to be looked after. The member for Napier gave an example of an injured employee who received burns to 80 per cent of his body. That person must be catered for under whatever system we have in this State. But, in the long term, if the system continues the way it is going, that person will be a major loser. One might say that that person is winning today, but tomorrow that person will not win, and there is a very simple reason for that. We have only to use the third party insurance example as a means of extrapolating what will happen in the future.

Everyone in this House would recognise that third party insurance was getting out of control, and that premiums were becoming so large that people were in fact revolting. They were saying that they could not afford this any more, so all the benefits were drawn back. We as a Parliament were party to that process. The alternative to not drawing on the benefits is to have an efficient, effective scheme. If it delivers—and it should be delivering at 3.1 per cent—there is no problem. However, if the scheme goes up to 3.8 per cent, 4 per cent, 5 per cent or 6 per cent (which is what we can extrapolate over time given the history of the scheme in but two and a half years), a decision will have to be made, and that decision will mean that the employees, the people who are genuinely injured (which is the majority of the people in the scheme), will be the ones to miss out. Let no-one in this House talk to me about workers and how good is the scheme, because the scheme is rotting. It is flawed, and unless the Minister and Mr Wright, and everyone associated with it, take a good hard look at the scheme, it will be the workers who ultimately pay the price because the funding will not be affordable.

When this Bill was brought before Parliament, I heard it stated here that South Australian manufacturers cannot compete, either interstate or overseas, if they have large worker compensation bills. That was the rhetoric of the Government at the time. That was the reason for cross-subsidisation in the system. That same argument applies under these circumstances as the Minister will well appreciate. The Minister has used that argument, and it was used

by his predecessors also. If workers compensation gets out of control, it will not make South Australian manufacturers viable. The Minister can chortle from the roof-tops as much as he likes, but the fact is that if workers compensation becomes non-affordable and affects employment, everyone loses.

Importantly, it is not just the monetary cost—and this is a point that I made strongly during the debate—because everyone in the workplace (whether it be in a manufacturing or retail establishment, in the hospitality or health area) would recognise that, if they see people benefiting from the scheme, they may well become inclined to do the same thing. I have said it before: it is human nature. Go and ask the psychologists.

The scheme is not being properly controlled at the moment. We have seen this grand escalation in injuries. At a time when the Minister would say we are doing something constructive about safety and at a time when he has actually reduced his industrial inspectorate which used to help some employers work out their safety problems, he wants us to believe that suddenly the system is okay.

Well, it is not okay because he and every member in this House knows that if people gain undue privilege from the system then the number of people who will want to participate will increase many fold. That message was conveyed to me on many occasions when I talked to Governments and employers in Sweden, Austria and England. The same message came back: if the system spoils because of the way it is operated or the benefits that accrue, the whole system becomes rotten. That is what we have: a rotten system. This debate is not about whether workers are treated fairly; it is about running a compensation scheme on behalf of employers and employees of this State that will actively assist not only in the dispensing of workers compensation but in the rehabilitation of those people with long-term and debilitating injuries.

Who are the winners in this scheme that I spent so much time trying to prevent because I believe the Opposition has a better way of doing things? There is no perfect way of doing things, but the Opposition believes that it has a better way. Who are the winners under the Government's scheme? Certainly, the bureaucracy is a winner. We know that some 400 employees have a guernsey in WorkCover and I understand that the previous level was about 100 when all the insurers were taken into account. We know that the Government is a big winner. Do members know that, for example, it would cost a private patient in the RAH attending for cardiac surgery $280 a day, but the cost for a workers compensation patient is $420 a day. Who pays the bills? The employers. We know that medical agreements contain loadings for workers compensation. This is fundamentally wrong.

Who else are the winners? As I have mentioned, computer suppliers are winners. Somebody has made $10 million from a product that does not work. We know that rehabilitation advisers have benefited from this scheme. Adequate evidence of this fact has been given during the speeches today and in previous questions asked by members. The Minister says that we have made unsubstantiated claims. I say to the Minister that if he believes they are unsubstantiated—and he knows that they are not—let us have a select committee. I guarantee to produce all the examples cited and more, because people will want to tell their story. So, I say that members should not hide behind the fact that we will not reveal names to the Minister so that these cases cannot be properly investigated and so that an excuse can be found for the slackness of the system.

Who are the losers under the Government's scheme? Lawyers have lost because they no longer have workers compensation claims as part of their portfolios, although I am not overly distressed by that. The long-term injured will be losers because in the past 12 months the scheme has been underfunded by in excess of 20 per cent. Employers will lose because they are paying the bills and will continue to pay higher bills.

Employment in this State will be a loser because, as I have already said, the cost of workers compensation is the cost of employment. Therefore, if the scheme does not operate effectively, less people will be employed because it is a cost of the system. The other cost of the system—and this is probably more frightening—is that, if the scheme allows people to use and abuse it, it will have a rotten apple effect. That is far more debilitating than a 1 per cent or 2 per cent increase in premiums.

If we get into the syndrome of people having a lend of the system, we will not recover; we will simply have more and more people not wishing to continue at work because their net remuneration will be far greater on compensation than could be gained at work when one takes into account the associated costs of working, such as lunches and clothing. I have made these points before and we are now seeing them come to fruition.

It is very important that we have a good look at this system. The system is not working and it will get worse. If action is not taken now and WorkCover does not have the responsibility of meeting its obligations, this system will wander from crisis to crisis as I predicted three years ago. I want a select committee to review the whole process of WorkCover in this State.

Mr FERGUSON (Henley Beach): I wish to add a very small contribution to this debate. While listening to the debate this afternoon and early this evening I had to excuse myself for believing that I was not in the last century. The attitude taken by the Opposition is no different from the attitude that it has always taken as far as improvements to workers compensation are concerned.

This afternoon the member for Bragg led the debate—and I might say that his was a long and tortuous contribution—and defended the position of employers in this State. Here is a rich man defending his own situation and looking after the interests of employers. I have no quarrel with that because that is his natural constituency and it is the natural constituency of most of the members opposite. However, I have never taken part in a debate where employers and their representatives have not wanted to reduce workers compensation. All one has to do is to look at the history of debates in this House and the contributions by the Opposition, because at every opportunity it has wanted to reduce the benefits available for workers.

Mr Ingerson: I did not say that at all.

Mr FERGUSON: The member for Bragg did say that as will be seen when one looks at *Hansard*. I asked him about his policy, but he was not able to produce a stance that the Liberal Party is prepared to take in this debate. He repeated almost word for word the criticisms put forward by employer organisations in this State. He read them as if he was reading from the Bible, as if this was the absolute truth, and he said it with conviction.

I suppose if I were an employer and I owned a lot of real estate I would have the same attitude, but I would not expect the attitude of employer organisations to be any different. Why would they come into this House and suggest that benefits be maintained? The answer is: because they are looking at the bottom line. If they can reduce benefits,

they can increase profits. As the member opposite has been put into this House by such people, he must take the opportunity to defend their position.

The member for Bragg mentioned—and it was almost as if this was a truism in his opinion—that overtime ought to be removed from the calculation of weekly benefits. The honourable member supports the employers' stand on the removal of overtime. The employers cannot have it both ways. The cheapest way of employing labour is to pay overtime: there is a reduction in the on-costs. On many occasions, when I was representing the trade union movement, I went to employers and said, 'Do not give anyone overtime; cut overtime; we do not want overtime.' I accepted many a resolution from the shop floor to the effect that the employees did not want overtime; what those on the shop floor wanted was that the employer employ more people.

An honourable member interjecting:

Mr FERGUSON: There are some snide remarks coming from the member for Adelaide about conditions that workers have been able to gain over the years. Plenty of blood has been spilt in respect of conditions they have gained. Given the debate that we have heard this afternoon and early this evening, there is not a strong view by employers in this regard. However, the employers cannot have it both ways. They cannot continue to ask people to work overtime so that on-costs are reduced (and the member for Bragg would know that what I am saying is true because he is an employer of labour)—and then, on the other hand, when a person has been injured, usually because of negligence on the part of the employer, and is unable to continue to work—and I take it from what the honourable member said that the Opposition is saying that it supports the employer groups—

An honourable member interjecting:

Mr FERGUSON: You are not supporting employer groups?

An honourable member interjecting:

Mr FERGUSON: I was listening, all right. They want to take the overtime component out of workers compensation. They cannot have it both ways. If the overtime component is taken out of workers compensation, then the overtime component should be taken out completely as far as industry is concerned. Then there will be a level playing field. I hope that when all Parliaments look at this proposition, they consider it in the correct way. The other suggestion being put forward is that weekly benefits be reduced. The member for Bragg quoted from a report and, for some reason or other, I thought that he was supporting the proposition. I do not know how I got that impression, but he was quoting this proposition and he referred to the reduction—

Members interjecting:

Mr FERGUSON: I have the microphone and I can shout louder than the honourble member can. We are talking about a reduction in weekly payments from 100 per cent in the first year and 80 per cent thereafter, to 100 per cent for the first three months, 90 per cent for the next nine months and 70 per cent thereafter. That is the proposition the honourable member was supporting. Where is the fairness in that? A worker who has been incapacitated as a result of an injury received at work is to be penalised by up to 30 per cent of wages for the rest of his or her life—because the injury was suffered at work. That is the proposition the Opposition is supporting.

Members interjecting:

Mr FERGUSON: If you are not supporting that proposition, get up and tell us what you are supporting; tell us what your policy is. He was not prepared—

The ACTING SPEAKER (Mr De Laine): Order! The honourable member will address the Chair.

Mr FERGUSON: I beg your pardon, Mr Acting Speaker. One tends to get carried away when faced with the possibility of workers' wages being cut by 30 per cent. I was extremely surprised that we did not hear from the member for Bragg about the only positive thing that came out of the employers' report. He did not mention the strengthening of the provisions relating to the benefit levels paid to partially incapacitated workers. The honourable member made no reference to that. The only positive thing that was to come from this proposition—

Mr Ingerson: I read it out.

Mr FERGUSON: I would be surprised, because there was no emphasis from the member for Bragg in relation to that situation. However, he did make great play of the elimination from the scheme of journey accidents. Apparently the Liberal Opposition wants to take away the benefit that has applied in South Australia for 20 years. The proposition was introduced by the Dunstan Government. It was a great step forward for workers and we have had it for a long time. The suggestion now is that this benefit be eliminated. Worst of all, we have the last proposition—the abolition of the common law right of workers, which the member for Bragg was also advocating earlier this afternoon.

The Act actually protects the employer from common law in a lot of instances. If we took away the Act, the only thing left would be common law. The Act is protecting employers to a certain extent in relation to common law action, and the member for Bragg wants to take away the remaining common law rights of workers. The Deputy Leader of the Opposition was getting wound up about this issue and was getting very excited about the Bill. Time and time again in this Parliament I have heard him advocate that we should not bring in legislation; we should rely on common law. Now, from the other side of the fence, we hear the member for Bragg saying that common law rights relating to workers should be abolished—and there are not too many of them left.

I can let the House into a little secret. When I was a union official I always advocated that workers, when injured, use common law—and at every possible opportunity. There is a reason for that.

An honourable member interjecting:

Mr FERGUSON: Someone interjects from the other side, referring to lawyers. The lawyers were taking too much in common law actions and the medical profession was not doing too badly either. I always advocated that and I will continue to try to save what common law rights are still available to workers because, often, it is the only way that one can get the employer to do something about safety in factories in which workers are injured. I have seen terrible working conditions. One reads of the coal mines during the last century: I have seen some workshops—

Mr Lewis interjecting:

Mr FERGUSON: The member for Murray-Mallee laughs. The honourable member would not know; he needs to get into industry. However, I have seen shops that are worse than coal mines. I can name shops—but I will not name them now because I am out of that field—where the air has been thick with ink mist and paper dust. The employees in that factory could hardly breathe; not only that, they could hardly hear because the noise levels were so high.

I went to those people one by one when I was representing them and made sure that all of them took common law action against the employer, not because I wanted to see money in their pockets but because I wanted to make sure

that the employer was hit in the hip pocket as hard as possible because, when I went to him for improved conditions, I could remind him of the amount of money he was losing because of his actions. The member for Bragg wants to take out what is left of common law rights regarding workers compensation.

The member for Bragg was very critical of rehabilitation and the costs involved. I want to remind the House of what rehabilitation was like before this Act came into being. Under the old system, when the insurance companies controlled workers compensation, when we had inadequate legislation, the big insurance companies, which were making plenty of money out of it, controlled workers compensation. There was no rehabilitation. As a union official, I tried to get people back to work, people who had injured their backs, who were quite young and who wanted to get back to work. I tried to get them into rehabilitation, but under the old system it was not available. That system prevailed under the Liberals and under the old Workers Compensation Act.

The member for Bragg criticised rehabiliation because the cost was about $20 million. That is cheap if, through rehabilitation, we can get back into work those people who have been unable to get back to work in the past. I am surprised and disgusted that the member for Bragg, who represents people in this State who usually have more money than anybody else, should suggest that we are spending too much on rehabilitation. We have only just started to scratch the surface. In the 2½ years since the Act came into operation, we are only just starting to learn about rehabilitation. There is probably more money to be spent on rehabilitation, and I hope it will be.

The member for Bragg said that the new proposed levy is too high. He did not know what the figure should be, he did not have a clue as to what figure he would put on it, but, whatever the figure, it was too high. He also criticised the scheme—if he looks in *Hansard* he will see this—for the levy being too low when the scheme was first introduced. He admits that the levy was too low and that the predictions were too low, and he suggests that in this legislation the levy is too high, but he will not tell us how much he thinks it ought to be.

At no stage did the member for Bragg say anything about the employers and the organisations that are causing the levy to rise. This ought to be on the conscience of every parliamentarian. Surely, in this day and age we ought above everything else to be concerned about providing a safe working place. That ought to be within our reach as parliamentarians and legislators. We ought to be able to guarantee a safe working place. Surely that should be the aim of every member on both sides of the House. All that the member for Bragg could say was that he will protect these people by opposing this legislation because the levy is too high. He does not know what the figure should be; he cannot tell us what it is; but he says that it is too high. He is prepared to defend those industries that are killing and maiming people by making sure that the bottom line is right with regard to their profits.

I apologise to the House if I have taken longer than I expected to take, but there were things that had to be said in this debate. I hope that the second reading will go through without hindrance.

The Hon. JENNIFER CASHMORE (Coles): Before directing my attention to the merits or otherwise of this issue, I should like to say that it is a pleasure to hear a debate in which both sides are speaking to the issues with considerable passion and conviction. Rarely during this session have we debated Bills when the Government has permitted its back benchers to participate as fully as they are doing on this Bill. It is an immense relief to members on this side of the House at last to have a debate instead of a succession of speeches.

Although I have my differences with the member for Henley Beach, one could not contest his conviction, sincerity or the authority with which he addressed the issues from the point of view of hard practical experience. I think that everyone in the House is bound to respect that.

It is clear from the debate which has ensued so far that workers compensation is very much a matter of perspective, whether one looks at it from the perspective of an employer or an employee. In what I believe will be a brief contribution, I look at this matter from the point of view of a member of Parliament trying to assist employees.

The Bill has three purposes, as has been canvassed. One of those purposes is entirely non-contentious—allowing deputy presidents to sit on the Appeals Tribunal. The first issue, raising the maximum levy rate ceiling from 4.5 per cent to the new maximum of 7.5 per cent, is obviously contentious. It needs a considerable amount of attention and, therefore, in the opinion of the Opposition, it warrants a select committee, which I support.

The second purpose of the Bill, to tighten the definition of 'disease', is clearly necessary. However, I have the gravest reservations about retrospectivity. My reservations are based on the likely injustice to be caused to those who are cut off from benefits as a result of the imposition of retrospectivity. As a matter of principle, I have the deepest misgivings about that, and I feel that it can rarely be justified. I do not say that retrospectivity can never be justified: there have been occasions in this House when, in order to redress injustice, we have had to embark upon that course, but I believe that in this case unforeseen circumstances could cause injustice.

Much has been said about the costs of workers compensation. Before addressing that matter particularly, I want to consider some of the issues raised by the member for Henley Beach, notably the question of occupational health and safety, which should be addressed before looking at workers compensation. I have strong views on that matter. They were bred in me from a very young age, partly because I was a child in a large family where home safety was paid enormous regard and partly because I was the daughter of a small manufacturer who taught me from the outset that safety in the work place was essential and that the three principles on which that had to be based were prevention, prevention and prevention. I would support any measures in this House or outside that are designed to ensure that work places are safe and that every preventive measure possible is taken to ensure that accidents do not occur.

The costs have been addressed by members on both sides in this argument. I want to talk about one aspect of cost which I do not think has been addressed, namely, the cost to an employee—although I dare say the same could apply to an employer—when matters relating not to compensation but to the law are in dispute.

I have in mind a particular case, which I will not identify but discuss in a general way, involving a constituent of mine who is employed by an exempt employer. The constituent claimed compensation for a stress-related condition and the employer rejected the claim. The employee then made an application for review, and from that point on legal argument and appeals to other higher legal authorities have been taking place. The result is that my constituent, whether she wins or loses on the actual claim over the stress-related work condition, stands to lose a great deal in terms of costs imposed upon her, and not of her own

initiation, in efforts to settle the nature of the law. The employee's union is not able to assist her; the employer has refused to indemnify her for costs; and she therefore may risk losing her home. I regard that as an entirely unsatisfactory outcome of this legislation.

The appeals in progress do not deal with the merits of the case but deal only with legal questions. I consider it to be quite unfair for my consituent to be exposed to these enormous legal costs, simply to determine the construction of this new Act. If my constituent is successful in the appeal, that is fine, but she will still have to pay her costs. If she is unsuccessful in the appeal but successful when the matter of the actual claim is heard, she will presumably receive compensation, but the costs of losing her legal appeal will probably outweigh or at least equal anything she will receive by way of income maintenance, should she ultimately be successful on the merits of her compensation claim.

There does not seem to be anything in this Act that covers this case, for which I understand there are precedents. It seems to be quite unconscionable that an employee should be placed in such a vulnerable position. If the Minister would address himself to the question, I would be making representations to him of a specific nature, but I think the Parliament should examine the general nature of this problem and, if the matter of this Bill were referred to a select committee, that may well be one of the aspects that the committee could examine.

I conclude by saying that this problem of workers compensation, of rehabilitation and the related issues of occupational health and safety will only ever be addressed effectively if not only the two major political Parties but also the employers and the employees seek common goals, albeit from different perspectives, and are able to recognise that both sides have substantive merit and there will have to be a more open-minded look at some of the issues involved if we are to cease a confrontationist approach to workers compensation. I urge the House to support the referral of this Bill to a select committee.

The Hon. R.J. GREGORY (Minister of Labour): I move:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

Mr S.G. EVANS (Davenport): I support this Bill's referral to a select committee. We all know that there is no way that we will solve all the problems experienced by human beings. There may be unscrupulous doctors; there may be unscrupulous or careless employers; and there may be unscrupulous or careless employees. We face a problem as a State—and as a country—in that we already have difficulty competing in the world economy, and that is something of which we must also be conscious. Injury to human beings cannot be accepted as being a reasonable way of looking at the economy, nor can the attitude be accepted that work safety will cost too much, so we will have to allow a few people to be injured. One of the problems we face is getting those few, whoever they are, to accept responsibility.

I say here and now that there is no way that there will ever be a totally safe work environment, in other words, one where people will not be injured, because the workplace can be made as safe as you like but, if those who are participating in the work do not carry out some personal safety habits and attitudes, they will be injured. Perhaps we need foremen and, if you like, union representatives in the bigger operations who are prepared to be tough, so that, if somebody comes along to work who has been on booze or drugs or something else the night before and it is obvious that they are not with it, we have to be tough enough to say, 'You cannot come to work today, and you will lose by it.' That is part of the problem.

The other problem is one that we will never be able to solve. Every one of us at times may have personal difficulties; we may have problems, whether it be financial (through high mortgage rates or other matters) or otherwise, and when we go to work we may not be in a mental state where we can concentrate on work on a machine that involves some danger and handle it in a safe manner by concentrating at all times. Inevitably, some will be injured in that way.

Another thing that we have to accept is that it is said that farming in particular makes a large contribution with respect to the number of people injured and the number of claims made to WorkCover. When we forced people to go into WorkCover, when they ran their own businesses, operated as directors of a small business, or ran their own farms, those people took out their own private cover or took out no cover at all at that time. Some took the risk but that was their decision. We might say they were fools; it does not matter whether or not they were in the system, except that, if they were insured privately, they were in the system, and if they made claims they would push up the cost of insurance premiums to everybody involved in that area.

These people have been forced to register with WorkCover and pay a contribution, so their attitude is that, if they become injured, they will claim. Many people who run their own businesses have been injured or have carried their injuries for many years yet, in some cases, they have never claimed against their insurance. With this scheme in place, these people are being encouraged to claim, as they are entitled to do, and some people will use the system in that way. The point is that it is a cost to the system.

With respect to overtime as part of the payment, Victoria cut out that provision and there is no doubt that South Australia will be forced to do the same. The other side of politics will fight strongly for it to remain in the scheme but, in the end, if South Australia wants to compete with the other States and the world, we must look at our costs. What is justice? The member for Henley Beach said that it is cheaper to employ people on overtime than to employ people on a part-time basis; it depends on the business. That is not true in all cases. In many cases, it is better to pay people overtime, and the employer often has that choice.

The member for Henley Beach took a particular attitude to the member for Bragg's speech. He did not listen to what the member for Bragg said. The member for Henley Beach is a reasonable person and, if he takes the time to read my colleague's lengthy speech—he spoke for nearly two hours—he will find that his interpretation is wrong. That is the trouble with the human brain. We tend to hear the bits that we want to hear and ignore the bits that we do not want to hear. That is what the member for Henley Beach did.

WorkCover is an expensive system. A new industry has been created and people have been employed or contracted as advisers to the injured, and they can charge quite a large amount of money for telephone calls. In that way they are like lawyers: they make as many telephone calls as possible, even though the injured employee may not want to have contact with them. A new profession has been created and, unless we watch it, it will become more expensive and less effective than doctors and lawyers.

I support the suggestion to refer this Bill to a select committee and I hope that the Government will see reason in this matter. The member for Coles suggested that people might like to make representations and, through a select

committee, a compromise could be reached on various points of view, whether they be of employers, employees, medicos, caregivers or those involved in the rehabilitation of injured workers.

Mr BRINDAL (Hayward): I support the remarks of members on this side of the House.

Mr LEWIS: Mr Acting Speaker, I draw your attention to the state of the House.

A quorum having been formed:

Mr BRINDAL: I express some disappointment at the comments of members opposite who, as the previous speaker said, did not listen carefully to what members on this side of the House have contributed to this debate. Last week the member for Napier sought to teach me a lesson about schools in my electorate. This week he sought to teach me a lesson about Liberal philosophy. There must be no limit to the wit and wisdom of that man, and I look forward to his instructing me in future weeks. I thank the honourable member for his offer to members on this side of the House to take what might be called the Napier rehabilitation test. However, with due deference to the honourable member opposite, I would rather submit myself to a better test—the only test in this House—that is, the next general election and the opinion of the electors of Hayward.

The logic of Government members in this debate has perplexed me. In preparing my contribution, I turned to the impassioned and protracted debate that marked the introduction of the principal legislation. I quote briefly from the second reading explanation of the then Minister of Labour (Hon. Frank Blevins) on 12 February 1986, as follows:

> On the latest year's figures available the total premiums collected by insurance companies in South Australia amounted to approximately $170 million per annum. On the basis of these figures the estimated real savings of the Government reforms can be expected to exceed $50 million per annum . . . Also at stake is the investment in this State of the enormous funds that will be generated as surplus to current requirements.
>
> The investment of these funds over the years has been a source of considerable income to insurance companies and is the reason, notwithstanding the current losses being made by some companies, why the insurance industry is fighting to hold on to the business. It is estimated that over a period of five years these surplus funds will build up to a pool of approximately $300 million.

I emphasise that last point. In the second reading explanation to this piece of amending legislation, the Minister stated that the unfunded liability of the scheme by 30 June 1990 will reach $70 million. It would be legitimate for members on this side of the House to suggest that, if the scheme was so good and was expected to generate an enormous surplus of $300 million within five years, why is it that, a few years later, Government members acknowledge in this place an unfunded liability of $70 million?

The definition of 'disease' in this Bill goes back to the 1971 Act. When the legislation was introduced, members on this side of the House were pooh-poohed for suggesting that such a definition should be included. Yet again, less than three years later, they are back here making amendments which we suggested to the original Bill.

The member for Henley Beach made his contribution with force and passion and I acknowledge his background and expertise in this matter. We have heard continually from members opposite an impassioned plea for the workers. I would be the last to denigrate workers or the rights of workers, but I point out that we in this House have a duty not only to workers but to all citizens of South Australia who earn income from a variety of means. It is the duty of the Legislature to see that no single group of our society is advantaged over any other group. If, as a result of this legislation, a group is given an unfair advantage, or if, as a result of any legislation, a particular group is given an unfair advantage, I would contend that the legislation is flawed. I believe that, in many ways, this Bill is a case of applying a band-aid when the patient is bleeding to death.

When the Bill was introduced to this House, members on this side had very serious reservations. A little over two years later, those reservations are proving to be well-founded, yet we have the Minister still telling us that nothing is wrong; that it is a wonderful scheme; and that it can be fixed up. How long will it be before this Government can admit that it has made a mistake—that a mistake is a mistake? How long will it be before it can come into this place with some honesty and amend legislation to make it truly workable? I support all the statements of the member for Bragg.

Mr BECKER (Hanson): When this legislation was introduced in this House some years ago, we were told that it would be the best of all and, that it would not be like the Victorian scheme. Now we have the incredible situation that WorkCover could have liabilities in the vicinity of $70 million, and there is a need to increase the premium. There is also the need to remove certain aspects in relation to disease, particularly heart disease or stroke. So, this Government, the workers' Government, is not really looking after workers at all. I have several cases that have been waiting to be settled since the transition period to WorkCover some three years ago. It is not good enough. The Minister has let down the workers of the State.

The 1988 Annual Report of the Workers' Rehabilitation and Compensation Corporation, under 'Highlights', states:

> The rehabilitation model developed by WorkCover is unique in Australia and has already attracted national and international attention. WorkCover will create, in the new financial year, a Prevention and Injury Management Division to integrate more fully the management of injured workers, from injury to ultimate return to work and the community.
>
> The scheme is financially well on target. At 30 June 1988 WorkCover was 96.5 per cent funded. Actuaries assess that by 30 June 1990 the scheme will be fully funded. Based on this, there will be no increase in the average levy rate for the period July 1988 to June 1989.

That was true, there was not, but it did not say what was going to happen in June 1990. It was to be fully funded. The report continues:

> The corporate structure based on cooperative management between employee and employer interests is working well. The review structure under WorkCover has reduced appeal times on disputed claims from 12 months (old system) to only six to eight weeks.

Well, why do I have some here that are now two to two and a half years old? It states in the foreword of the annual report:

> The WorkCover scheme focuses on the effective and early restoration to work of those who have suffered a work-related injury or disease. For the first time rehabilitation has been placed on a systematic and coordinated basis.

That is a wonderful goal and a wonderful aim, and I would support it, particularly in relation to work-related injury or disease, because in my office I have had the opportunity to assist the rehabilitation unit and provide the opportunity for two people to work there in an endeavour to get back into the work force. One is now working for me part-time on a permanent basis. The Chairman's message from the report was:

> The Corporation's objectives are:
>
> The early and effective restoration of disabled workers to the workforce.
>
> A cost efficient administration that minimises the levies payable by employers.
>
> A reduction in the incidence and severity of occupational injury and disease through the adoption of targeted programs and policies.

The provision of compensation on a basis that is determined according to the needs of injured workers and not the causes of their disability, and which provides a level of compensation that is adequate and fair.
The speedy settlement of claims and the provision of full rights of independent appeal and representation.
An avoidance of legal adversary dispute settling procedures with their inherent delays and costs.

We will come to those various points as I relate two incidents that worry me as far as my electorate is concerned. The annual report also contained the General Manager's review of funds and levies, as follows:

The careful development of a long-term investment strategy dictated dealings in cash and short-term liquid securities only for the nine months to the end of June 1988. A by-product of this position was that the fund was not exposed in any way to the equities 'crash' of October 1987.

So, the share market crash in October 1987 did not affect the fund: that is good news. The report continues:

The 13.14 per cent return achieved ($4 million) exceeded the relevant market index for the period. This return is regarded as most satisfactory given the extreme conditions in the capital markets over the period.

Since that time, as you would know, Mr Deputy Speaker, interest rates have remained high and the earnings of the fund should be well above that 13 per cent. That is something that this fund, other insurance companies and superannuation funds etc. have enjoyed. Turning to page 20, under 'Levies', it states:

To achieve a fully-funded status over the first three to five years, an average levy rate of 3 per cent was struck for employers directly covered by the scheme ... Employers exempted from WorkCover pay a levy which is 6 per cent of that which they would have paid had they not been exempted. Exempt employers (self-insurers) cover 28 per cent of all employees in the State. The average levy rate for non-exempt employers at 30 June 1988 was 3.09 per cent. This compares favourably with the rate under the old scheme which was on average 3.6 per cent and rising.

Of course, now we want to know why suddenly we have this tremendous hike in the levies that will be paid by employers. We then turn to 'Actuarial Assessed Future Claims Liability' on page 28, and that information is provided in some detail. I will not take up the time of the House in relation to the statements made by the actuaries for and on behalf of WorkCover, but they were assuming the following rates of benefit increases and investment earnings: In 1989, the benefit increase would be 6 per cent; in 1990, 6 per cent, and the investment earnings would be 13 per cent; in 1991, 6.5 per cent, 12.5 per cent investment earnings; in 1992, 7 per cent benefit increase, 12 per cent investment earnings; in 1993, 7.5 per cent benefit increase, 12 per cent investment earnings; and 1994 and later, 8 per cent benefit increase, 11.5 per cent investment earnings. The report states:

We assumed that claim administration expenses would be 6 per cent of claim payments. We have allowed for likely recoveries from the State Government Insurance Commission and the State Transport Authority in respect of motor vehicles injuries. We have made no allowance for subrogation or reduction of compensation under the transitional provisions in clause 2 (3) of the First Schedule of the Workers Rehabilitation and Compensation Act 1986.

In our opinion, the amounts required at 30 June 1988 to provide for future claim payments and associated administrative expenses will probably prove to have been between $85 million and $155 million. We recommend that the corporation make a provision of $120 million. We think it likely that injuries in 1987-88 will prove significantly more costly than those in the next few years.

That is an understatement. The document continues:

The costs of providing benefits to persons with recurrent or worsening health problems at 1 October 1987 will largely fall on the corporation rather than former workers compensation insurers. The accident prevention and rehabilitation strategies that are fundamental to WorkCover will take time to fully implement. The actuaries' estimated future claims liability represents the actuarially estimated costs of settlement of claims, inflated for the anticipated effects of inflation and other factors including anticipated recoveries and discounted to present value at balance sheet as per above. The actuaries' estimated a future claims liability of $120 million comprises a discounted current liability of $24.934 million for 1988-89 and a discounted non-current liability of $95.066 million for greater than 12 months.

So, the questions I ask are: what happened to these projections? What happened to these estimates? How wide of the mark were these quotes in the first annual report of the fund? It is a pity, a terrible shame, that the employers of this State are now faced with a tremendous increase in their premiums and must try to balance the situation.

I do not believe that it is entirely the fault of the employees or the unions because we know that in one area unions have been doing their job: they have been alerting and advising their members of their entitlements. For a long time the unions have gone out and proved their worth as far as the workers of this country are concerned, and I have no qualms whatsoever about this. The unions have demonstrated what they should be doing, and that is to help educate the workers about their rights. Therefore, I become a little upset when I read the comments made by the Minister in his second reading explanation, as follows:

Under the previous repealed Workers Compensation Act autogenous conditions such as strokes were treated as diseases and in order for them to be compensable it was necessary to show that work was a contributing factor. As a result of the Supreme Court's decision, in cases such as Ascione's involving a disease where there is an obvious proximate cause, it is now only necessary to show that the disability occurred in the course of employment. There is no longer a requirement to show that the work itself was a contributing factor. As a result, the Supreme Court's interpretation of 'disease', if allowed to stand, could potentially have a serious financial effect on the WorkCover fund.

Well, why have WorkCover? If the stress of employment causes a heart attack, a stroke or a crippling disability, the worker should be covered. He has every right to be covered if the stress of his job creates a situation where he smokes cigarettes, drinks alcohol or eats too much food. These are symptoms of stressful conditions and I cannot see why the worker should suffer for this sort of thing.

I have been involved in two cases, the first of which relates to a State Transport Authority bus driver who had a heart attack on his way home from work and died in hospital on 23 April 1988. That claim has not been settled. On 27 February, at page 416 of *Hansard*, I made a speech during the grievance debate in which I referred to this particular case. I am disturbed to think that this man's widow has so far paid out $10 000 in legal costs to research and present an appeal to WorkCover to be properly compensated for the loss of her husband and her child's father. What a terribly stressful situation for this woman to go through. She has had to wait all this time—just on two years—and has spent $10 000 of her savings. Fortunately, she is in a position to be able to do this whereas many workers in this State would not have the financial resources to be able to press on with a claim. Some would not have the intellectual ability to suss out and research the contributing factors to the stress that caused her husband's fatal heart attack.

This woman has patience and the tremendous amount of courage that was needed to face all sorts of interviewers, review officers, departmental staff and solicitors. The surviving spouse must go through all these trials and tribulations to present a case. That was never my understanding of WorkCover or workers compensation.

So, the warnings that were given to the Government by some unions were fair and reasonable. I do not understand how the Government can sit back and allow a situation to occur whereby the surviving spouse or the family has to go

through this trauma. The constituent I refer to has written me a further letter in which she says:

I was appalled to hear on the radio recently that it is proposed to pass retrospective legislation to prohibit WorkCover claims in relation to the death of a worker due to heart attack or stroke. That any legislation should be made retrospective is not only iniquitous but immoral and cruel in the extreme. In my case, I lost a husband (and my son lost a father) due in part, we believe, to the conditions under which he worked. I sought informed legal advice, at considerable expense, and was advised that I had grounds for a claim on WorkCover for my husband's death. This legal advice was based on current legislation.

As I said, she has incurred costs in excess of $10 000 while mounting a claim under the current legislation. So, there is no way that I can support the retrospectivity clause in relation to this claim and other outstanding cases. The letter continues:

My husband died in April 1988 and the hearing of my claim was completed at the end of November 1989. I am presently awaiting the decision. There were considerable delays in the process of getting my claim heard, occasioned primarily by the defendant (the STA) and by WorkCover itself. Now, having at long last reached the end of the hearing, and having incurred well over $10 000 in legal fees, I face the prospect of being told that because of a retrospective change in legislation I had no case to begin with!

This is, unfortunately, an example of the legal system being used to abuse the rights of the already disadvantaged. It is a daunting enough struggle as it is for an ordinary wage-earning plaintiff to bring suit against a multi-million dollar defendant, but to have to cope also with retrospective legislation which removes all hope of justice and replaces it with crippling debt is too much to bear.

By all means change legislation if it is found to be incorrect or inadequate, but do not do so retrospectively. If the legislators got it wrong in the first place, that should not mean that a plaintiff acting in good faith and with proper legal advice should be made to pay for their mistake. I urge you, in the interest of justice, to act now to prevent this iniquitous proposal from becoming fact. I need your assistance. Could you please make inquiries to determine whether this retrospective legislation is, in fact, proposed and, if so, do everything necessary to stop it.

I cannot stop the tide because the Government has the numbers but we can protest and use whatever good offices we have with the Minister to ensure that this claim will be given a fair and reasonable hearing. There is no way that I could allow this woman to be compensated only for the legal costs and say, 'That's it, bad luck.'

Nor could I do that in the case of another person who was referred to me and the member for Mitcham. This person was a cook in a suburban hotel. She suffered a heart attack at work on 19 December 1987, which was a hot day. She caught the bus to work, got off the bus and walked to the hotel. She did not feel well, had a cool drink and took an angina tablet, but this did not help. She suffered further stress and chest pains. An ambulance was called and she was admitted to hospital where she had a severe heart attack.

WorkCover was notified on 24 December 1987 and, after intermittent visits to hospital, this lady eventually died of a heart attack on 18 May 1988, almost six months after the first heart attack. Several investigations have been undertaken and WorkCover offered a part settlement of 50 per cent of the claim, about $28 000. That amount did not cover all the hospital and medical bills. The widower cared so much for his wife that he had given up his employment. He went on a carer's pension. When he received the money, after the legal costs, he was left with $1 300, not even enough to cover the funeral expenses. Of course, he has appealed and is trying to get fair and reasonable compensation. What a terrible trauma that man has had to go through for six months, nursing his wife and helping her without any assistance from WorkCover.

That was almost three years ago and the case is still not settled. There are three other unfinished cases. It is not giving them a fair go. We in Australia believe in giving everyone a fair go. The employer should have a fair go as should the employee. I appeal to the Minister, (and like him I have no time for rogue employers): we must ensure that unsafe or unhealthy workplaces are cleaned up. We should move in and do something about that, and not just talk about it. I will support the Minister all the way, but those who are genuine should be given a fair go.

The SPEAKER: Will the member for Murray-Mallee speak from the front bench?

Mr LEWIS (Murray-Mallee): Yes, Mr Speaker. There is one other point that I believe needs to be placed on the record in this debate. I have listened with interest to the contributions made by other members and in other circumstances I would underline the points that they have made which I believe are absolutely vital, but for the fact that I do not feel well.

In rural areas, if nowhere else, there is still a substantial itinerant labour force. As an adjunct to that, a considerable part of the labour force is employed by more than one employer in a year on an agreed and regular basis. It is as if one farmhand has contracted to a group of farmers to spend so many weeks a year on each farm. That is the case in many instances. Both categories of worker to whom I refer find that, when injured, they are told by WorkCover officers to go back to their employer to get paid whilst their claim is awaiting processing. Mr Speaker, you know, I know and other members here who have read this legislation know that it is not possible, in law, for those workers to go back to the employer who was employing them at the time they were injured and get anything more than the one week's wages that they have lost. It is not sensible to expect the other employer, who would have taken on the worker had the worker not been injured, to pay wages to that worker while he is obtaining rehabilitation.

It is not lawful for officers of WorkCover to advise those workers to go back to the employer to get that employer to continue to pay wages whilst the worker recovers to the point where he or she can rejoin the workforce. It is now the legal responsibility of WorkCover to do that. The anomaly that exists continues to exist as WorkCover employees continue to unlawfully mislead workers and their employers in rural areas in those circumstances. Numbers of them have come to me and made those complaints. WorkCover employees, when approached by me or any of my staff, have believed themselves to be telling the truth when they have advised workers to go back to their employer to collect wages. This therefore means that there is a deliberate conspiracy at the top of the administration of WorkCover to mislead its employees and the injured workers, and to force their families into circumstances where they must suffer as a consequence.

Mr Speaker, you would know, and many other members would know, that it is not possible for farmers these days simply to carry the can for thousands of dollars of wages paid to an employee who would not otherwise have been in their employ for more than a week or so whilst awaiting the recovery claim (to be processed by WorkCover) for the reimbursement of wages they have paid to that employee. Not only are there circumstances in which employees have missed out but there are other circumstances in which the employer has had the resources, the good sense and the compassion to continue paying and has waited not only months but well over a year before obtaining even a reasonable communication from the administration of WorkCover about the reimbursement of wages they paid

out to a worker whilst the worker was injured and recovering.

Accordingly, and simply, I put to the Minister, as I put through you, Mr Speaker, to all members in this place, that this aspect of the law and the way in which it is administered needs to be cleaned up quickly. The legislation before us does not require further amendment: it requires only that WorkCover simply obey the law that exists and pick up its responsibility. I thank members for their attention and I trust that the matter needs no further debate, either from me or from any other members before the fault is rectified.

The SPEAKER: The Chair wishes to clarify the position in relation to members speaking from the front bench. On this occasion, the member for Murray-Mallee spoke from the front bench. The procedure of the House has been and will be that the person leading the debate can speak from the front bench. That practice will be adhered to from now on.

The Hon. B.C. EASTICK (Light): I will be mercifully brief. I rise only in response to the contribution of the member for Henley Beach who sought to berate members of the Opposition for caring only for the position of the employer and having no regard whatsoever for the employee. I suggest that there is not one member in this House who has not had and does not frequently have people from his or her constituency coming through the door citing difficulties that they are experiencing in finding out where they stand with WorkCover. Some employers have gone to great lengths, far greater than would be normal, to try to assist people to find out where they stand in respect of WorkCover.

I cite the case of a young lady who came to my office within the last fortnight. She was injured while working in 1988 and was covered by WorkCover through her employer. She had no indication when rehabilitation would start. She went back to work when she could, but no attempt was made to direct her for rehabilitation. That is one of the big problems that occurs frequently; people, having been told they require rehabilitation, are then told to go home or go back to work and they will be advised when rehabilitation will commence. Six or 10 months later, notwithstanding that they have made frequent requests for information as to when rehabilitation will commence, there is still no direction for rehabilitation. I would be quite happy to hand to the Minister my records for the past 18 months on people who have come into my office with that particular story or variations on it so that I receive a response.

But what else happened: people are told to inquire of WorkCover. If they live in the country and call on a trunk line, they get on the merry-go-round of being referred from one person to another with still no answer being given. When they are told to ring back and ask for Mr or Miss So-and-So and eventually catch up with those people, they deny any knowledge of the case and start them on the merry-go-round again. The way in which employees and their employers have been treated by this system requires a great deal of investigation, because there is no positive assistance for a large number of employees, while there is great frustration for a large number employers.

The young lady of whom I spoke and who had been on WorkCover and assisted by medical certificates was transferred in her employment, with the employer's full knowledge. She was still recognised as having suffered from the 1988 accident at work, and while she was working for the second person she was quite happy to fulfil the requirements of the WorkCover organisation and fill out the forms. The doctor filled out the forms and indicated that the case referred back to the person who was the employer at the time of the accident, not the employer she was working for at that particular time.

The second employer, who was in the real estate business, found that he was unable to continue the employment of several people because of the general downturn, so this young lady went back to the doctor, and the doctor had been advised by someone in the WorkCover system that he was to charge forthwith and direct the certification to the second employer—no longer to the first employer, even though the young lady had been stood down by the second employer.

If this sounds like Disneyland, I could excuse people for believing so, because that is typical of the type of situation that occurs week by week. It is causing a great deal of frustration to people in industry and commerce as well as to the workers themselves. I have made representations on a number of occasions. I have directed the attention of a number of employees to the course of action they should take. A number of them indicated to me months later that they just became sick and tired of it all and gave up any hope of final assistance.

They fitted themselves into a new niche of employment and forwent any benefit that ought to have been available to them either by way of further compensation or by way of rehabilitation. The system is not working and has never worked satisfactorily for 100 per cent of the people; that applies to employees as well as employers.

I am not suggesting that there are not a great number of people who are satisfied with the attention they have had, but I point out that a large number of people with recurring problems associated with whiplash from accidents and from neck injury (and that is quite genuine neck injury associated with hospitalisation, medical certification, X-ray, bruising and all the other features which go to identify the nature of an injury at the time) are not obtaining the type of assistance promised them by this new method of cover.

Nothing is perfect, and I do not suggest that it is, but I do suggest to the House that the WorkCover system, as it is in vogue in South Australia at the moment, in great measure is imperfect, and it is high time that, instead of pouring money into it and loading it further, the real errors and deficiencies were identified. I hope that if the Government really believes in social justice it will not walk away from the responsibility of seeing that that happens.

The Hon. R.J. GREGORY (Minister of Labour): First, I should like the House to know that I am a very modest person. Tonight my literary skills were compared with those of George Orwell, and I thank the member for Adelaide for comparing me with such an outstanding person who cared about the working people of the world when he wrote such books as *Down and Out in Paris and London* and *The Road to Wigan Pier.* Thank you very much, but I do not believe I deserve that accolade.

An honourable member interjecting:

The Hon. R.J. GREGORY: Thank you for being so generous as to think that I did. As to the contribution of members opposite in this debate, one could be excused for thinking that we have had only one form of workers compensation system in Australia, and South Australia, in particular, and that it was a perfect scheme that compensated everyone who was injured at work; no-one was injured at work anyway and had to be compensated and everyone returned to work fit and well. Everyone here knows that the situation is exactly the opposite: rehabilitation was nonexistent prior to the introduction of the current Act. We know that people were thrown on the human scrap heap,

never able to work again. We have had illustrated here tonight that fears from those days are still inhibiting people from making applications for workers compensation.

We have even had members here tonight bragging about how, prior to this scheme, they had not lodged any claims for workers compensation and just went on wearing it. I even heard one member—I think the member for Davenport—say that he did not even bother to take out compensation insurance. After hearing some of the contributions of members opposite, I appreciate that, whilst they come to this House to make laws, they are not too keen to uphold some of them.

It was an offence to employ people and not have workers compensation insurance for them, and I do not see anything smart in bragging about that. What that was doing was placing the injured person in jeopardy. Certainly, it might be all right at the time, but what happened if, a year or two later, the person were to die and negligence could be proved against the employer, which employer then went bankrupt?

We would have a situation such as we have in Stirling at the moment where a fire started in a dump operated by a family concern, which then declared itself bankrupt with, consequently, no more liability, and the Stirling council was stuck with the whole bill instead of half of it. That is what would have happened and the worker would have missed out.

I also find it difficult to accept some of the stories I heard about the rural industry. One thing that has concerned me since I have been Minister of Labour and with my subsequent appointment as Minister of Occupational Health and Safety is the deaths of young people in the rural area. We are told that very few people (only about 5 per cent) work in the rural industry, yet in South Australia 12 months ago for a calendar year those people made up 25 per cent of the number of deaths. Two of those people in that year were children under the age of five: one was watched by her father while her mother was driving the tractor, and the other was killed when a 17-year-old uncle was driving the tractor. Both were traumatic experiences for the grandparents and parents of the girl.

When one reads such reports, one's heart goes out to the people concerned. The problem in the rural industry is not that people are careless: they just do not know. The department is spending considerable amounts of money travelling to shows and field days in country areas in order to advertise what can be done. According to accident statistics, the most dangerous piece of machinery is the tractor or bits of equipment attached to it—47 per cent.

I asked to address the United Farmers and Stockowners annual convention last year. I was grateful that an offchance request in the street was treated seriously. I was pleased to address those people, and I outlined my concerns. In the rural industry, people are suffering serious injuries. As most farms in this State operate on the basis of the owner worker, it is usually the male who is injured so seriously that he can no longer work the farm. The family then has to sell the farm because he can no longer work it. That is a tragedy in itself.

A former leader of the UF&S approached me at Adelaide Airport one night and asked when we were going to be able to extend the benefits of WorkCover to the farming community so that people could be compensated for the horrific injuries that they were suffering and would not have to sell their family farms. I said that we would be able to do that when we were able to develop some claims experience. We cannot do that in South Australia in five minutes, a year or two years.

Members opposite made some scathing comments this evening about the predictions made by my predecessors in respect of WorkCover, or whatever we were going to call it before it became an Act. Those predictions on money amounts were made on the best advice of economists at Adelaide University who examined the scheme and made some predictions.

We could not go on expert advice from the insurance companies because they would not tell us and, when they did, we could not quite believe what they were telling us. I am basing that on the experience not of 1986 or 1987, but of when we interviewed those people when I was a member of the tripartite committee set up to report on the rehabilitation and compensation of persons injured at work. They could not and would not tell us. The reason was fear, or what they called commercial confidentiality. At the time that we conducted that inquiry there were 54, then 53 and then 52 companies handling workers compensation in South Australia. When we got round to introducing this Bill, the number was down to 32. Those companies, as they were baling out and going broke, were leaving workers and employers in the ditch because they were not covering their obligations. We had to make other arrangements because the insurance system was failing.

The member for Flinders referred to the high cost of increasing the maximum levy to 7.5 per cent. It does not mean that we are increasing all levies by 67 per cent. The member for Bragg will find that the levy for chemist shops will go down.

Mr Blacker: Isn't that good, Minister?

The Hon. R.J. GREGORY: Yes. I refer to the comment made by the member for Flinders in 1983:

> I will not comment on the exhaustive list, but workers compensation premiums ranged from 1 per cent to 2 per cent in some industries and up to 45 per cent in others. I notice that in one industry with which I have some contact, namely the shearing industry, workers compensation premiums for shearing contractors is 27.13 per cent. That means that for every sheep shorn, in round figures some 27 cents a sheep is added because of workers compensation. The going rate for shearing sheep is about $93 (or possibly more than that now due to a recent increase), and the owner or contractor must add another 27 per cent on top of that. Therefore, costs escalate.

That is not bad for a scheme which is incompetent, corrupt, bankrupt, cannot work, is defrauding everybody, and is charging a maximum rate of 4.5 per cent. We are saying that the most dangerous of industries ought to go to 7.5 per cent. Where is the honesty among members opposite who are crying from the rooftops about a huge increase in costs when most of those who are causing the increases are laughing because they have had real decreases over the years?

Predictions on the increase of costs, if we had the workers compensation scheme operating today in South Australia, would be 6.5 per cent as an average rate, yet members opposite complain about going to 3.8 per cent and say that the scheme is corrupt and does not work. The previous scheme compensated only people who were injured, provided no rehabilitation, no return to work, and put thousands of people out on the scrap heap. We are battling the legacies of those things today.

We have had a fair bit of criticism of a person who works for me, Les Wright. I think that there have been some fairly unjustified attacks on his integrity. Les has a commitment, which I applaud, to ensure that people who work in South Australia get a fair go. He has a commitment to ensure that South Australian employers are able to compete on a level playing ground—indeed, a slightly better level playing ground than those in other States. He is not without some ability. Not all of us have a Bachelor of Economics degree, but he has one and he understands how it works.

The Opposition and the Chamber of Commerce have suggested that he has been rorting the WorkCover system and siding with the unions. The morning after that call was made, one of the board members, who is an employer, rang me at the office and pleaded with me, in a way that I have never been pleaded with before, not to sack him. I do not know why he was telephoning me, because I was not going to sack Mr Wright. I was going to Cabinet that afternoon to recommend that he be reappointed. I was doing that for very good reasons, and I think I ought to parade them here today.

The board has met on 54 occasions over the past three years and, with the minutes of the 54th meeting yet to be confirmed, I am advised that the board has made 391 decisions, excluding decisions to defer minutes. All but nine of those decisions were passed unanimously. One of these issues was minor, involving a new building, and did not lead to a split along employee and employer lines. Another matter, concerning Santos' exemption, went to a vote, which was later agreed unanimously. Of the remaining seven split votes on the WorkCover board, only one 8:6 vote was recorded. I understand that on that occasion Mr Wright voted with the unions. On the three other close votes, when Mr Wright could have tipped the matter in favour of the unions, he voted with the employers. His record reads three out of seven with the employers, three with the unions, and one voting in favour of a motion passed nine to one. I am also advised that, despite holding two votes on the board, one as a member and one as a casting vote, he has never used his second or casting vote.

I think that buries the furphy, denigration and defamation of Mr Wright, who has conscientiously worked for the betterment of South Australian industry and people in this State. The Chamber of Commerce should be damn well ashamed of itself because he has done a magnificent job in ensuring that WorkCover has worked. It is not easy to start up a business and be the Chairman of a board which employs so many people, handles so much money, looks after so many people in South Australia, and get it to work as well as he has been able to get WorkCover to work.

The employers, through their organisations, have not suggested a return to the good old days of workers compensation insurance. Not once have they asked for that. Only one organisation has asked for the Chairman to be replaced. Not one has asked for the six employer representatives to be replaced. One wonders what they have been doing around the place, as though they are puppets of the Government. Does any member of the Opposition suggest that representatives of the Employers Federation in South Australia dance on a string held by the Minister of Labour? One could be excused for thinking so when listening to the speeches of members opposite.

Are we suggesting that Mr Hercus, from the Engineering Employers Association, is a puppet of the Labor Government? I do not think so. I believe he is very active in the Australian Democrats. Are we suggesting that the other members, like Alam Crompton from the Chamber of Commerce and Industry (a very well respected industrialist in South Australia), is a puppet? I would say that all those six people have represented South Australian industry very well. They have represented the interests of employers on that board very well but I find it difficult to accept this lack of understanding on the part of the members opposite who profess to know how business is run and operated. Today we have seen exhibited a real lack of understanding of corporate responsibility.

Prior to coming here I was privileged to be appointed to the State Transport Authority Board and the Forestry Board, I was member of those boards when David Oliver Tonkin was Premier of this State, and I can say that not once in all those board meetings was I ever asked by a member of the Labor Party either what happened at those meetings or for a copy of the minutes of those meetings. Not once did I offer any information, and I did that for a reason. When people accept positions on boards they accept the responsibility that they act in the best interests of that organisation. They may take with them special knowledge and skills. I took to those two boards what I believe to be unique experience, knowledge and skills, that is, as a fairly effective and efficient trade union official.

I have represented trade unions on other committees and at meetings within Australia and throughout the world, but I regard that corporate responsibility as my responsibility to those boards. I had to make decisions in the best interests of that board. Not once did I give the minutes to anybody else and, in fact, when I finished with them, they were all given back to the respective boards, because that is the place for them, not to be given to somebody else to flash around.

It raises the question of the credibility of people as to whether they ought to be on a board if they cannot maintain confidentiality of its meetings. If people were members of boards of private companies and the minutes of those board meetings appeared in Parliament or around the town, there would be a witch hunt in that company and that person would cease to be on the board. I am not asking for that to happen at all, we are in politics, but somebody on that board is acting less than creditably and not upholding the best interests of the board. Somebody ought to refer the people concerned to the fire brigades case so that they can understand their obligations.

The member for Bragg went through a long list of concerns that employees on the board have in reporting to the board. I want to advise the House of a number of things that the board has sought from consultants since it has been in operation. It is important that the house understand just how companies operate and what they ought to be doing. It is my belief that if one operates an organisation as large as WorkCover—or as small, whichever way one wants to look at it—one of the things the board should constantly be doing is reviewing its methods. It is necessary to do that so that one can be convinced in one's own mind, first, that the people who are working for the organisation are working efficiently and effectively, and, secondly, that the organisation is delivering the services it wants to deliver. Any company that will not do that will cease to exist and is bound for extinction because it will be overrun.

On the financial side, WorkCover has not engaged any auditors as consultants. The auditors engaged, Coopers and Lybrand and Deloitte and Tomatsu, are for the standard auditing procedures required under the Act. The actuaries and consultants engaged, and the purposes for which they were engaged, are as follows:

Actuary

Name of Consultant	*Purpose*
Laurie Brett (1989)	Analysis of actuaries, assumptions, methodology and conclusions
Alastair Fischer (1989-90)	Analysis and Comparison of Claims
R. Cumpston, B. Buchannan (ongoing)	Actuarial advice for the determination of levy rates

Procedural

Name of Consultant	*Purpose*
Bill Hardy (1989)	Redesign of Forms
Helen Lewis (1989)	Rewriting Injury Management Form Letters
Helen Hardwick (1990)	Review of Policy Development Department
Ronda Schultz (1989-90)	Claims Manual Development

Name of Consultant	*Purpose*
Touche Ross (1989-90)	Workflow Analysis of the Prevention and Injury Management and Funds and Levies
Touche Ross (1989-90)	Computer Evaluation and Tender Process
Malcolm Robinson (1989)	Investigating/Training Programme on 'stuck' cases
H & H Records Management Consultants	Review Corporation's Records Management (1989)
ICL (1990)	Fraud Prevention Strategy
Ian Bidmeade (1989)	Review of Dispute Resolution Processes
Yve Repin (1989-90)	Development and assistance with Corporate Plan
Mercer/BCA (1989)	Integrated Salary Structure
John Keeler (1990)	Comparative Benefits Study
Steidl, Smith & Associates (1990)	Occupational Injury perception and attitudes
Insight West (1988-90)	Market Research of various aspects of the scheme
Helen Spurling Ronda Schultz (1989)	Injury Management Model

That demonstrates that these people operating WorkCover were not just sitting around on their backsides, looking at board meetings and papers and making decisions. They were having the activities of WorkCover reviewed from time to time so that they could be sure that it was operating effectively. Nobody in WorkCover says that they were running a perfect scheme, but what they are saying is that they were running something better than that which operated previously in South Australia, because they are putting people back into the work force, even though employers are resisting it. It has been alleged that up to 1 700 employees have been sacked by employers because they have suffered a work-caused injury. Those employers are not participating in the rehabilitation programs.

We all know that, if people are rehabilitated early enough after the injury, their return to work is more successful than it would be if the traumatic injury were to be repeated. I have seen it happen time and time again. I am confident that the board is handling this, and handling it well, but to hear people here tonight whinge, whine, moan and groan because a rate is going from 4.5 per cent of the maximum to 7.5 per cent and complain about the high cost, when two and a half years ago they would have been paying 45 per cent, is ludicrous. Then, to criticise assumptions made on the best information available at the time of the commencement of the scheme, (remembering that one could get from the insurance companies no reliable, accurate information) is very unjustified.

Some comments were made tonight about the worst employees and those employers not good to work for (working out to about 150 and 3 500 respectively). Through their employment practices they cause a lot of people to be injured. I know there are some problems with employers' and peoples' attitudes towards work, and I am not suggesting that everybody is lilywhite in this matter.

I am not suggesting that everyone is lilywhite. If CIG can operate its organisation for a million man hours without a lost time accident and if Henderson's-Rebbeck Springs can operate its organisation for 550 000 hours without a lost time accident, why is it that other employers cannot do the same? When I was invited by the Manager of the South Australian and Northern Territory operations of CIG to join with him in the celebration of one million man hours of work without a lost time accident, I was a little incredulous.

I have worked in the engineering industry and, as members know, CIG sells industrial gases. It also sells a lot of other equipment. Industrial gases are contained in very strong, heavy cylinders. One of the things that I was taught very early in the piece as an apprentice was what not to do to prevent being injured when handling those cylinders. CIG operates 20 locations throughout South Australia and the Northern Territory, yet it has logged up one million man hours without a lost time accident.

When that fact is mentioned to some people they say, 'That's not much. Some people buy houses that cost more than $1 million.' When those million man hours are converted at an average rate of about $36 an hour, one starts to get a better idea of the scale of that achievement. It represents $36 million worth of work without a lost time injury.

Henderson's-Rebbeck Springs, on Daws Road, was being wound up by the parent company because it was unprofitable and was not producing good product. In addition, it had a high injury rate and low morale. One of the company's managers was given the job of managing the firm for the last time. That company is still operating. It has achieved 550 000 hours without a lost time accident because the manager and the management team made it their business to ensure that they run a safe workplace.

Dr Armitage: What will happen to their rates?

The Hon. R.J. GREGORY: Their rates will go down because they will get the benefit of the bonuses. The management team at Henderson's-Rebbeck Springs knows that, by ensuring that the workplace is safe, it will be a profitable business. I have been into many factories. One of the problems that I used to get into as a union representative was when I said to workers that they should get out while their employer could still pay their accumulated annual leave and long service leave because I did not think he would be in business much longer. Those places were filthy, poorly run and dangerous. None of those employers are still in business: they went years ago.

At Henderson's-Rebbeck Springs, the management team, in cooperation with the workers, turned the business around, and it is now one of the more profitable parts of the organisation. I remember when the previous Manager of WorkCover came into my office in Parliament House and told me that inspectors had just found an employer with an injury rate of 300 per cent. I was surprised that, not only was he still in business, he had been in business for a long time because, with an injury rate of 300 per cent, it must have been a poorly managed business.

I will make one comparison. If someone were to stand outside this place with a stick and hit people with the severity and frequency that workers were injured at that factory, it would not be long before one of the constables here would be asked to arrest that person, remove him to Angas Street and put him in the lockup. Next morning a magistrate would send him to prison for a while or give him a heavy fine with a bond for good behaviour. As long as the employer to which I referred paid his workshop registration levy to the Department of Labour and did not default on it, paid his workers compensation coverage and made a few donations to charity, he would probably be given a medal. That is the difference. If a person hurts others in the street, he is locked up. If an employer hurts people in a factory, and makes a gift to charity, he gets a medal. That is not good enough. The system must be changed.

The 150 worst employers need visits from trained inspectors of the Department of Labour who can assist them in reducing their injury rate. It is not in our interest to see people injured, nor is it in the interests of the employer or the people who work there. There needs to be a change of attitude and I welcome the criticism of the member for Bragg on that point. What is being done about these employers? When the legislation was last amended, an amendment

was moved requiring regulations to be laid on the table of this place for 14 days before they can be acted upon. Because of the confidentiality provisions, the Department of Labour is having extreme difficulty in getting this information from WorkCover. Mind you, the Opposition does not seem to have too much trouble getting information from board members.

I do not want the member for Bragg to commit a criminal offence, but perhaps he can get the names of the 150 employers and their 3 500 employees and leak them so that the department can do something about it. The General Manager of the Chamber of Commerce and Industry (Lindsay Thompson) suggested that I give him their names so that he could do something about it. I have known Mr Thompson for a long time and, although we do not always agree on some things, I am aware that he would not knowingly commit any offence against the law of the State. He would not want to participate in receiving information that had been given to him improperly—he would want to receive it legally.

The Department of Labour has to wait until the middle of August before it can get those 150 names and inspect those workplaces. By looking across the range of industries, one can make a broad guess as to who is involved, but we want to get to the workplaces where we can do the most good. We do not want to go to places where our visits are not really needed. That is why I will move an amendment to delete that provision so that we can get into this matter straightaway. I would appreciate the assistance of members opposite because I respect their views and I believe that they are genuine in wanting something done about employers with high injury rates.

Comparisons were made with New South Wales and Victoria. Our top rate is slightly below that of New South Wales and Victoria and our average rate is slightly higher, probably for very good reasons. If we were to adopt the Victorian proposal of letting the employer handle the first $350 of medical expenses, it is suggested that WorkCover claims would drop from 60 000 a year to 14 000. In New South Wales, that amount is $500. We could also reduce the amount of money that workers get, but no-one has spoken about the top-up that goes on interstate. In Victoria, 85 per cent of employers pay a top-up. In New South Wales Greiner has warned employers that, if they top-up, the law will be brought to bear on them. Employer groups and members of his own Party have told him to go away because he has done enough damage. We need to treat like with like. We cannot be selective about it. When costs are taken away or additional costs are added on, it can be seen that, in South Australia, we have a slight competitive edge.

Comment was made about the Chairman's address in the 1988-89 report in which he referred to the year's activities as published in the report. He referred to it accurately and added a small passage, indicating that fees would probably have to increase. The board should be praised because, in a very short time, it has put a lid on it. Of course, I expected members opposite to think all sorts of evil thoughts about when that information would become available for discussion. All I can say is they are misinformed and I do not know what they are talking about.

I want to make some comments now about the Canadian schemes. Like South Australia and the organisations in Canada and the provinces, no-one has asked to return to the old method of workers compensation insurance. The Canadians are well aware of what is happening in the various American States that have workers compensation coverage which is very similar to what we had operating in South Australia before the commencement of this Act. The member for Mitcham made some reference to Ontario and about $5 billion being unfunded. When we conducted our inquiry in 1978-79, there were two schools of thought about whether these funds should be funded or unfunded. The economists were telling us that, if they were unfunded, it would take 25 years before a certain level of costs would be reached as there would be a gradual escalation in charges. If they were fully funded, that level would be reached almost immediately.

The employers took the view that an unfunded scheme would give them an advantage of cheaper fees until the 25-year period was reached, and then it would all be level. I take the view that conservative people see the advantage of having a fully-funded scheme in case something happens in the future. We chose to go down the route of a fully-funded scheme. I take off my hat to the board and its officers who were able to get to the Government within months of becoming aware that a funding change needed to take place. The member for Bragg said that it was a 67 per cent increase. What he forgot to say was that that 67 per cent increase for some of the poorest employers still meant a marked reduction in comparison to the old scheme—in some cases, six times—and he was carrying on as though I was going to drive them into bankruptcy. In fact, some employers said, 'Good, 4.5 per cent, and I used to pay 45 per cent—10 times less. I will not bother about occupational health and safety any more.' That is one of the reasons we wanted to get to them—so we could change their attitude.

The Ontario scheme, with all its faults, still rehabilitates workers. I will advise the House of an experience I had in Toronto. We were at the rehabilitation centre which provides rehabilitation and counselling and all sorts of things for people injured at work including a small hospital. We were standing back having a look when I said to the people showing us around, 'What are they doing to that bloke over there?' There was a chap lying propped up in bed. He was not very well and there were four people around the bed. I was advised that he had lost a portion of his right arm five days earlier in an industrial accident. He had just arrived at the hospital and people were already moving in so they could make some assessments about his rehabilitation and start talking to him about his intellectual capacity, his physical ability and other things. They were doing that already.

I compared that to an apprentice who lost a similar portion of his left arm in an accident at the Kent Town workshops of the Engineering and Water Supply Department. Those of us who are old enough will remember those premises on the corner of Hackney Road and North Terrace. I saw that lad two years afterwards. Sure, he received a pay-out on what we used to call the meat scale, when you lost bits and pieces of your arms, legs or eyes. That is all he received. No rehabilitation, no assistance: he was out there to fend for himself. The E&WS Department did not bother to help, yet it had vast resources to do so. Everyone said that they had done their best for him. Under the current scheme, we would treat him like they would in Ontario. That is the difference. It is a better method than that which operated before.

The problem with that fully funded scheme in Ontario was that the Government constantly interfered in its management. There were politicians who thought they knew best. They loaded that fund with failed businessmen, failed politicians and a failed lawyer. When I was there, the Chairman of the board was a person who had been passed over several times for an appointment to the judiciary. He was a QC who thought he should have been a judge, but he was not quite good enough. Apparently, the board included half a dozen politicians who had lost their seats at elections and

a number of businessmen who had lost their seats on boards when companies had gone broke.

In Saskatchewan, a State about the same as ours in size and population, the scheme is run by a three-person board—one representing the interests of employees, one representing employers, and it is chaired by a bloke with one leg who lost the other in a truck accident. Part of his rehabilitation was to go to a teachers college. He finished up teaching in a school and when the position of Chairman of the board was advertised, he applied for it and was successful. That is the difference, and that is what we are talking about tonight.

The fund rates in Saskatchewan are more in keeping with what WorkCover will charge after this Bill passes. After 60 years of experience, that fund has been nearly fully funded. Of course it goes over and under, but the trend line is so close to being fully funded that it just does not matter. I asked about this and the Minister of Labour, who is of the same political and philosophical persuasion as members opposite, said it works that way because politicians never interfere in the running of the fund. He said, 'We have charged these people with operating it and we have let them do so.' The real fear of trade unions in Saskatchewan was that politicians were gearing up to move in on them. Once they do that, they will ruin the fund. That is why the Government opposes the appointment of a select committee.

Already, the board members, who I consider to be responsible people who discharge their responsibilities well, have had people review their operations. No-one can tell me that Touche Ross is a Mickey Mouse outfit. It has considerable experience in world-wide operations. Its recommendations to the board ought to be listened to. Members opposite, with all the prejudices they display, want a select committee to dig around looking for a little dirt, trying to find somebody who has been very badly injured and who may have had his house altered, and that may have cost a little bit too much. That poor bloke is a quadriplegic. That is one of the things in this sort of scheme. People who are injured and need rehabilitation can get back to work, but their home must be altered so they can get around. Why should we not have a social conscience to do that? I seek leave to continue my remarks later.

Leave granted; debate adjourned.

HOMESURE INTEREST RELIEF BILL

Received from the Legislative Council with a message drawing the attention of the House of Assembly to clause 4, printed in erased type, which clause, being a money clause, cannot originate in the Legislative Council but which is deemed necessary to the Bill. Read a first time.

Mr FERGUSON (Henley Beach): Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

PARLIAMENTARY REMUNERATION BILL

Returned from the Legislative Council with the following amendment:

Page 3 (Schedule)—Leave out from the item relating to the Chairman of Committees in the House of Assembly '32' and insert '37.5'.

The Hon. R.J. GREGORY (Minister of Labour): I move:

That Standing Orders be so far suspended as to enable the message to be taken into consideration forthwith.

Motion carried.

Consideration in Committee.

Mr S.G. EVANS: I move:

That the Legislative Council's amendment be agreed to.

Motion carried.

ADJOURNMENT

At 11.4 p.m. the House adjourned until Thursday 5 April at 11 a.m.