HOUSE OF ASSEMBLY

Wednesday 6 March 1991

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

PETITION: HOUSING TRUST

A petition signed by 74 residents of South Australia requesting that the House urge the Government to ensure that the South Australian Housing Trust implements a policy of relocating disruptive tenants was presented by Mr Brindal.

Petition received.

PETITION: OAKLANDS ROAD SAFETY CENTRE

A petition signed by 57 residents of South Australia requesting that the House urge the Government not to sell surplus land at the Oaklands Road Safety Centre was presented by Mr Brindal.

Petition received.

PETITION: PSYCHOLOGISTS

A petition signed by 234 residents of South Australia requesting that the House delay consideration of measures for the registration of psychologists and regulation of psychology until definitions relating to hypnosis are clarified was presented by Mr Becker.

Petition received.

STATE BANK

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

That Standing Orders be so far suspended as to enable Notice of Motion, Other Business No. 1, to be taken into consideration forthwith.

Motion carried.

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

That the time allotted for this debate be until 4 p.m.

Motion carried.

Mr D.S. BAKER (Leader of the Opposition): I move:

That this House urges the Government to widen and clarify the terms of reference of the royal commission to ensure proper public accountability of the Government and the bank and to do so in the following respects—

(a) to transfer clauses A and E of the Auditor-General's terms of reference to the terms of reference of the royal commission;

(b) to ensure that off balance sheet companies of any member of the State Bank Group and the transactions in which they were involved are properly investigated;

(c) to ensure that paragraph 1 *(d)* of the royal commission's terms of reference allow the commission to adequately assess what proposals should have been made and the adequacy of any proposals actually made;

(d) to ensure that paragraph *(d)* extends to approvals under section 19 (7) of the State Bank of South Australia Act 1983;

(e) to ensure that the communications referred to in paragraphs 1 *(d)* and *(e)* include communications between the Government and the State Bank Group;

(f) to ensure that the Royal Commissioner can consider all off the Auditor-General's report under paragraph 3 and not only that which is relevant to the terms of reference; and

(g) to ensure that the responsibility of the officers of the bank and the bank group and that of the Treasurer can be examined under paragraph 3.

There will seldom be more significant moments that I will spend in this House than this one. The motion I have just moved seeks to broaden an inquiry into one of the State's premier financial institutions at a time when that institution has suffered a severe blow to its reputation. There must be no lingering doubts allowed in the minds of the public that the royal commission is adequate in determining accountability and responsibility for the massive debt now facing our bank and the taxpayers.

It is an inescapable fact that the State's financial reputation has been severely damaged. We have already had indications of this with the State's credit rating having been downgraded by Australian Ratings. Whether our reputation is irretrievably harmed will depend on how the Government and Parliament deal with this crisis in confidence from here on. An important step down that path was the Premier agreeing to our suggestion that a royal commission be established. In so doing, the Premier conceded in this House that the Opposition had acted responsibly and pertinently in its questioning of the State Bank crisis. I appreciated his honesty then, and I still do, belated though it may have been in whole context of the State Bank saga.

While I realise that politics, the way they are played today, often make bipartisanship a difficult objective, I would like to maintain this mutual respect a little longer, given the importance of the issue facing the House today. I am not standing here today to score political points or to say that I told you so. Such motives would be pointless, cheap and do a disservice to the issue that we face. But the fact remains that no-one's interests are served by having an inquiry which can be challenged for being too narrow, too restrictive and which depends on continuance appeals to the Commissioner for him to recommend the terms of reference be broadened. The time to get it right is now. The success of the inquiry should not depend on the Royal Commissioner being asked to use his discretion or to have to ask the Government to broaden the terms of reference. His burden is already great. Let us not make it even greater. As well, I would not have thought the Government would appreciate being continually asked to decide such requests and to leave itself open to accusations that it is politically motivated.

We are unhappy about the Government's twin inquiry on two broad grounds. First, the terms of reference are too narrow in several important instances. Secondly, too much of the real meat of the inquiry is being dealt with by the Auditor-General and is therefore in secret. While recognising that commercial confidentiality must necessarily be preserved, the Government has intruded into the very spirit of an open inquiry by leaving so much for the Auditor-General to hear and determine.

I return to the specific terms of reference. Yesterday in this House we asked a series of questions. We sought from the Government assurances that specific anxieties we had about the breadth of the inquiry would be caught by the terms of reference already announced. We asked, very simply, for the Government to identify which term of reference would be applicable to a particular question the royal commission needs to address. The Premier, equally simply, referred us each time to a statement made several minutes earlier by the Minister of Education, which purported to be the complete manifesto, the source of all knowledge. He even accused us of persisting with a line of questioning which had been made irrelevant by what the Minister had outlined to the House.

Mr Speaker, such a response was not worthy of the Premier, not worthy of the vital issues we have before us today,

and demonstrates a lamentable lack of knowledge on the Premier's part of what the Minister's statement contained. We asked whether the off balance sheet companies would be encompassed by the terms of reference. But yesterday, in reply to one of our questions, the Premier had to admit that the Government still does not know how many off balance sheet companies the State Bank Group has.

As the lack of knowledge in this respect was first exposed in the House three months ago, why is it taking so long to establish precisely the number of entities? If the number cannot be identified, how can the Parliament and the public be confident that all relevant activities will be fully investigated? The Government has proposed amendments to the State Bank Act to deal in part with this matter, but those amendments go only so far as to allow a regulation to be made to identify entities for the purpose of these inquiries.

Of course, regulation power resides solely with the Government. If it refused to make a regulation, it effectively further muzzles these inquiries. This matter must be considered also in its historical context. It was the Opposition, in August last year, that first asked questions about the group's off balance sheet activities. It took some extensive questioning to get to the facts. All along the way, we met resistance and, worse, misleading information from the bank and from the Government, yet this attitude prevails in the terms of reference for these inquiries.

Put bluntly, we have no assurances that all off balance sheet activities relevant to establishing what went wrong and why can be investigated. Even the definition of 'subsidiary' in the terms of reference for the royal commission is narrow and would exclude off balance sheet entities being examined, even if they could all be identified. Additionally, it is important that the Royal Commissioner, and not just the Auditor-General, can thoroughly examine off balance sheet companies like Kabani.

Their trust deeds and loan structures must be investigated to ensure that no breaches of the Tax Act have occurred and that schemes are not being used to minimise stamp duty that would otherwise be paid to State Treasury. The tragedy and legal questions surrounding Pegasus Leasing, Pegasus Securities and associated companies also underline the necessity for off balance sheet companies to be examined by the Royal Commissioner. Sadly, there has already been one death in unclear circumstances.

Not only did the State Bank Group lend $73 million to Pegasus Leasing but shareholders and directors of the company included several senior executives of Beneficial Finance Corporation. Only last week, the *Government Gazette* listed Pegasus Securities and associated companies like Rannoch, Emmen Investments and Glenfyne as being in receivership. Surely, these matters are properly the province of the royal commission and not only the private investigations of the Auditor-General. We have also discovered that there are State Bank Group off balance sheet companies in New Zealand which, like those in Australia, are being used to conceal the extent of high risk and bad loans.

The State Bank has also been involved in major loans with the troubled Bank of New Zealand. There is a clear need for the Royal Commissioner to have terms of reference that will cover these matters. It is intrinsic to any inquiry that the activities of these companies, the reasons for their being in existence and their financial results should be open to full and public examination through the Royal Commissioner.

We also sought reassurance yesterday about the ability of the royal commission to assess the propriety and effectiveness of communications between the Premier and the bank. In response, we were simply referred by the Minister of Education to the first term of reference, which deals with reporting arrangements and communications between the Government and the bank. Let me deal further with the first term of reference.

Term 1 *(a)* refers to 'any proposals made by the Treasurer pursuant to section 15 (4) of the Act'. It will not take the Royal Commissioner long to deal with that, for, in fact, there were no such proposals. But what we believe the Royal Commissioner must also consider is whether there should have been any proposals made by the Premier to the bank on the administration of its affairs in the light of two years of persistent questioning about the bank's activities and the mounting evidence of its financial problems. Here we are dealing with the question of accountability, and the answer may well rest on the sins of omission rather than commission.

Yet we are advised by eminent, independent legal advice that there is a strong argument that the terms of reference deal with only the actual communications which took place. It is at best unclear, at worst a deliberate intention of the Government, that the inquiry might be unable to consider what the Premier should have done in the light of all his powers under the Act—and those powers are considerable.

I remind the House that the State Bank Act which was introduced by this Government in 1983 and the administration of which has been the Premier's responsibility throughout gives the following powers to the Government:

Section 7 (2)—recommend the appointment of board members.
Section 7 (3)—appoint the Chief Executive Officer to the board.
Section 7 (4)—appoint a Chairman and Deputy Chairman.
Section 8 (1)—recommend the terms and conditions of appointment of directors.
Section 8 (3)—reappoint a director.
Section 9 (2)—recommend the removal of a director from office.
Section 10—recommend the remuneration of directors.
Section 15 (3)—consult with the board in relation to any aspect of the policies or administration of the bank.
Section 15 (4)—make proposals to the board on the administration of the bank's affairs and request reports from the board on any such proposals.
Section 19 (7)—approve the acquisition of any more than 10 per cent of the issued shares of a body corporate.
Section 20 (1)—advance moneys to the bank by way of grant or loan.
Section 21 (1)—guarantee the liabilities of the bank.
Section 22 (1b)—redetermine the retun on capital to be made by the bank; recommend the appointment of the Auditor-General or some other person to investigate the operations and financial position of the bank.
Section 31—recommend regulations necessary or expedient for the purposes of the Act.

These are very wide ranging powers. Yet only two of them, that is, sections 15 (4) and 21, are referred to in the royal commission terms of reference.

In response to two years of questioning, the Premier referred constantly to his arm's length attitude to the exercise of these powers. Certainly, the Liberal Party has never advocated—and does not advocate now—that the Premier should be involved in the day-to-day administration of the bank. But it was the clear thrust of our questions over the past two years that the Premier should have been doing more to inform himself about the activities of the bank; that he should have been doing more to question the growth of the bank's activities in other States and overseas; and that he should have been making much more information public so that the bank and the Government could be more fully accountable to the Parliament and, most importantly, to the taxpayers, particularly in light of the open-ended guarantee given in the name of taxpayers to the operations of the bank.

There are many statements on record from the Premier claiming credit for the merger of the bank in 1984—claim-

ing it as a direct result of ALP economic policy. The Premier has wanted all the credit, but, not that things have gone terribly wrong he does not accept much of the responsibility given to him under the powers of the Act.

We believe that the royal commission must be empowered to consider whether the Premier adequately exercised his powers under this Act. Yet it is not clear that this can occur within the present terms of reference. If they are interpreted to mean that the royal commission can consider only the communications which actually took place between the bank and the Government—and not the communications which could or should have taken place—the Premier is off the hook before the inquiry starts. If that is not the intention of the Government, and if the Government says it wants this matter explored in full, let it amend the terms of reference to make this clear. Let it put beyond doubt that the Government is already involved in trying to distance itself, and particularly the Premier, from the responsibility and the accountability.

My concerns in this respect are heightened by the Premier's dealings in the matter of Mr Marcus Clark's contract. It is clear from statements that the Premier made to Parliament at the time that the Government was involved in considering the contract Mr Marcus Clark should be offered when he was appointed late in 1983. Yet last week, in response to concerns about Mr Clark's pay out, the Premier suggested he did not approve. Again, he cannot have it both ways. He cannot be involved in considering a contract of employment then refuse to accept responsibility for the financial consequences of that contract at the end of the day.

There is now one further matter related to that contract. It gives Mr Marcus Clark the option to buy, next year, the house the bank bought for him to lease. The important point, which we have just uncovered, is that Mr Clark has the right to exercise this option at the original cost of the house. On our advice, this will involve a considerable capital gain to Mr Clark. We understand the house was purchased on behalf of the bank in 1986 for $500 000. On the basis of movements in property values since then we are advised its present estimated worth is up to $650 000.

Does the Premier accept that this is appropriate in the circumstances, that Mr Marcus Clark can make a further gain out of his employment in South Australia? Does he accept any responsibility, given his involvement in the original negotiations over the contract?

We also asked yesterday about the ability of the royal commission to look at the activities of the State Bank Group interstate and overseas. Once again, we were simply referred to the statement by the Minister of Education as the source of all knowledge. Once again, we were disappointed. This time at least there was a reference to gathering evidence from interstate witnesses and the collation of evidence from overseas. But the statement was inadequate in any examination of the State Bank's activities and policies.

Let us not forget that exposure by the State Bank in New Zealand alone amounts to some billions of dollars. It has been in New Zealand that the Premier has given most of his approvals under section 19 of the Act to allow the group to buy into private companies, yet this matter is not specifically covered by the terms of reference. The royal commission may want to know why and how these investments are faring.

We acknowledge that legal complexities are involved in seeking witnesses and evidence from interstate and overseas. We are not suggesting the royal commission should embark on a world tour of inquiry, as the Government attempts to misrepresent our position. But what we do want is evidence that the Government is already making vigorous efforts to ensure that all relevant witnesses and evidence from other States and other countries are available. It is no good the Government saying it will act if necessary. It is clear the bank's growth policies in other States and other countries are relevant to a consideration of its present financial position. We want to see much more evidence that the Government recognises this and is already acting to ensure that these important matters can be investigated.

There are other apparent shortcomings in the terms of reference that we seek to have either clarified or expanded. But the most important and worring deficiency is that some of the most significant aspects of the inquiry are to be dealt with *in camera* by the Auditor-General. They relate to such vital questions as what caused the financial problems facing the State Bank. What were the processes which led the bank to engage in operations resulting in material losses and were these processes appropriate?

While the Royal Commissioner will receive the report of the Auditor-General, there is a considerable practical difficulty, that is, that the Royal Commissioner will not have access to all the information that has been gathered by the Auditor-General. In a sense, the Royal Commissioner will be flying blind with respect to other material relevant to the Auditor-General's inquiry which should be considered but is not identified in his report.

We have other concerns about the Auditor-General's inquiry. It is not clear how much probing and testing there will be of the evidence and statements provided by persons other than the Auditor-General. No public revelation will be made of statements given. As a result, members of the public who may have information and who may be prepared to give evidence on specific matters will not have any notice that they are the subject of inquiry.

We have no quarrel with the ability of the Auditor-General to deal in depth with the bank's financial dealings. Like the Royal Commissioner, he is a person eminent in his field. What we do say is that there must be no suggestion that things which ought to be done in public, are being done in private. Accordingly, we propose that clauses A and E of the Auditor-General's terms of reference be transferred to the royal commission's terms of reference.

Clause A deals essentially with what matters and events caused the losses of the State Bank Group. We believe that this must be considered in full but also in public. Clause E of the Auditor-General's terms of reference require him to report 'any matters which in his opinion may disclose a conflict of interest or breach of fiduciary duty or other unlawful corrupt or improper activity'. However, the Auditor-General does not report on this matter to the Royal Commissioner. Yet these are matters which a royal commission would normally be expected to consider. Essentially, they are legal in nature rather than financial. Accordingly, we propose that they must be part of the terms of reference for the royal commission.

Mr Speaker, in justifying the effective splitting of this inquiry into two, the Government has referred to the need to protect the ongoing operations of the bank. The Liberal Party has always been sensitive to the needs of the bank in this very important aspect. Indeed, it was a Liberal member of another place, the Hon. Trevor Griffin, who moved in 1984 to have inserted in the State Bank Act a confidentiality clause. However, it is clear from our questions over the past two years that we have drawn a distinction between the rights to confidentiality of clients meeting their obligations to the bank and the rights of those in default of their obligations. Where there are receiverships, liquidations or any other actions signifying that the bank is having great

difficulty ensuring a customer meets financial commitments, then we believe that obligations to the owners of the bank, the taxpayers, must have some priority. In other words, there is no reason why there should not be a full and open investigation of the bank's exposures to clients like Equiticorp, National Safety Council, Hookers, Qintex and so on. That will not reflect in any way on current customers of the bank who have on-going dealings.

On this matter of commercial confidentiality, I noted with interest the comment of the former Chairman of the bank, Mr Simmons, in the *Advertiser* on 11 February this year when he stated, 'I believe the bank has used confidentiality in the past as a very easy way of not discussing things.' As our questions over the past two years show, we would agree with this as we constantly urged the Premier not to use it as an excuse to deny accountability to the Parliament. Some of the questions relating to organisations like Equiticorp, Hooker and the National Safety Council go to the very core of considering why the State Bank is in its present financial position. We do not question the ability of the Auditor-General to arrive at answers. What we do question is the secrecy which will necessarily surround the proceedings in gaining all these answers. Certainly, we do not propose that all dealings of the bank must be public. But we do say that much more ought to be public than is proposed by the present terms of reference.

I make one point about the time frame for these inquiries. The Auditor-General is to report within six months on his term of reference C. That relates to the adequacy or otherwise of supervision exercised by the board, the Chief Executive Officer and other officers of the bank. At that time, we will have no findings about the Premier's responsibilities in this respect. We would hope that this is not a political time frame intended to create the public perception, half way through the royal commission, that only the board and bank executives bear any responsibility for the bank's demise. Again, this is further reason why there must be no doubt that the royal commission can fully investigate the Premier's actions or inaction.

In moving this motion, the Opposition is not saying that we will accept nothing less than the original terms of reference. The Premier suggested that this was our motive on the *7.30 Report* last night. But we have given ground on the three commissioners. We have not pursued that point, important though it was. We have not pursued the proposal that the nature of State Bank's reporting to the Reserve Bank be investigated. That matter is being considered by the Tricontinental Royal Commission in relation to the State Bank of Victoria. But we do not press that point now in relation to our State Bank. Nor have we engaged in stunts, as the Premier also alleged last night. He used this term in referring to my original call for a royal commission in a question on 12 February. By that time, the Government had known for two weeks about the bank's losses. Surely this was sufficient time to have taken its own initiative to put a full and open inquiry in place. Yet, once again, the Government had to be prodded by the Opposition. We may have been right again. But we have also been consistently reasonable and responsible. And we would be failing now in our responsibility to the public, to the Parliament and to the bank if we do not insist that this inquiry be established without any serious questions lingering about its ability to investigate the key issues and to get to the truth of all matters.

I invite the attention of all members to the important role of Parliament in this matter. For two years the Opposition exercised, through this Parliament, its right and duty to question the Government on legitimate issues of public interest relating to the State Bank. It can be strongly argued that the bank's losses would not have been so great if our questions had not been ignored—if accountability to this Parliament had not so often been denied by the Premier. But let this House now demonstrate this afternoon, by supporting my motion, that it is prepared to be vigorous in holding the Government to account. That obligation rests with each and every member this afternoon.

I hope Parliament, and ultimately the Government in response to this motion, will not leave people in the position of having to go before the royal commission from the outset to argue about the terms of reference. The Liberal Party will have no option but to do this if the Government does not extend the terms of reference as in our motion. Surely, none of us want the royal commission to be bogged down in considerable and expensive argument about the scope of the inquiry before it can start. Let us settle this now.

I refer to one other matter. The Government argues its position by saying this is like an inquest into a living person—that the ongoing operations of the bank must be protected. I agree that the bank must be allowed to continue to trade and to get back to profitability as soon as possible. That is why we urged the appointment of Nobby Clark. It is also why we believe the terms of reference must be extended. The bank is safe for the future. We have consistently urged depositors to keep on supporting the bank in the future. At the same time, we must get rid of the ghosts of the past. We do not want mistakes to return to haunt us in the future. What is done is done. These inquiries must determine why, and who must bear the responsibility. Only when these issues are laid to rest can the bank continue, safe in the knowledge that the cancer of mismanagement, maladministration and misguided goals inherent in this whole debacle have been removed where they have existed.

The disease is not terminal. But it will not be cured by attempting to hide it now. The public deserve the very best they can get in terms of accountability. It is their money and it is their money that has been spent, and it is their money that has been lost. It is their right to know fully and openly the justification for that expenditure and for those losses. I urge the House to accept this, and I urge the Government to make the changes contained in my motion. Let us get it right now.

Honourable members: Hear, hear!

The Hon. J.C. BANNON (Premier and Treasurer): This issue is obviously one that causes considerable difficulty in its handling, not simply because of the size and scale of the problem but because of the intermix between financial matters, the ways and means of dealing with them appropriately and the political agenda and politics of the situation. It is absolutely vital that, if we are to handle the situation successfully, if we are to see the bank as a viable trading enterprise returning profits and repaying the amount of money provided in the indemnity fund over time, we do not do anything in pursuit of our political agenda that puts it at risk.

The Leader of the Opposition pays lip service to that concept. He has said it before, and he said it again today, and he is well aware of that. Therefore, why does the Opposition persist, as it is doing, in attempting to cast some kind of cloud around the extremely thorough and complete terms of reference of a comprehensive inquiry in the way that it has? Why does it say, as the Leader of the Opposition said today, that I did not answer questions yesterday when, in response to the possibility of off balance sheet companies being dealt with and of overseas and interstate transactions being examined, I referred to the ministerial statement

delivered by the Attorney-General in another place and by the Minister of Education representing him in this place? The fact is that those matters were referred to in that statement and it was appropriate that I pointed to the statement.

The Leader of the Opposition cannot deny that the series of questions that the Opposition asked yesterday were pre-prepared in order to create the impression that somehow the terms of reference were inadequate. They were all there and were asked willy-nilly with no reference to the statement that had been made. That cannot be denied—otherwise why would the questions have been framed as they were when they were explictly answered in the statement? That is the first point. I suggest that the Opposition, whilst paying lip service to the delicacies and sensitivities of the situation, is far too ready to take on the politics of it.

The Government wants the investigation to be as thorough, ongoing, open and complete as possible: we have no other interest than that. But we also have a responsibility, as has every member in this place, to the institution with which we are seeking to deal. We are not in the position, as some would put it, of conducting some sort of successful operation of assessment and investigation, only to find that we have destroyed or killed the object of that investigation. Like the American General looking at the devastated fields of Vietnam and saying, 'Well, we had to destroy this to save them.' That is the sort of attitude that we are in great danger of getting into if the Opposition's motion, amendments and approach are adopted.

We have no interest in shirking our responsibilities in terms of seeing this matter properly investigated. Let us really get to the nub of it and be honest about it. What the Opposition is questioning, and what its statements and the clouds it has put around this issue have been aimed at is the political agenda, which really has nothing to do with the State Bank. That is irrelevant and can be pushed aside, as can the financial implications of it. It is to do with the Government and with me as the Leader of the Government: that is the target. I have not, as the Leader of the Opposition attempted to say, shirked my responsibility in this matter.

On the contrary, I have taken on that responsibility very clearly and deliberately, and I have been working hard over the past few weeks to pick up that responsibility and do something with it. In so far as what happened in the past involved me, that too will be taken up with responsibility. I will be appearing before the royal commission, and those terms of reference will allow the Commissioner to explore everything that Opposition members have on their political agenda. They are very good at this exercise, in hindsight. They are suggesting that, of course, the royal commission should be looking into what should have happened, that one can take a body of fact and information that is provided now and go back in history and say, 'This is the interpretation we will put on it and this is the action that could have been taken'. We will see how that pans out.

But the fact is that my involvement and the relationship between the Treasurer and the bank, between the Government and the bank and the bank group as a whole is central to the royal commission terms of reference and to the inquiry. So, they will have their political pound of flesh; they will have their day. But it will not be a show trial, and it will not be one that is done in such a way that puts at jeopardy the institution that we are examining. So, this motion is part of that ongoing campaign. Again, I would request the Opposition to really come clean in terms of what its attitude is. The Leader responded, I thought, quite appropriately when the announcement of the problem was made and the indemnity package established. In his statement he said the following:

> To help to minimise the damage to our State's reputation, my Party has continued to take a responsible approach. Since being made fully aware of the State Bank Group's financial position on Sunday, I have taken every opportunity to urge depositors in the State Bank to make sure that their money stays there for the good of South Australia.

He indicated:

> . . . the Opposition fully appreciated the need for the bank to be given the opportunity to restore some position of viability. We will not in any way obstruct it in its course.

They are fine words and they are appropriate words. However, unfortunately the actions that followed almost immediately on that belied the words that were uttered by the Leader of the Opposition.

Let us take this issue of the royal commission. He resents the fact that I suggest that the way in which the Opposition is handling this matter is some form of stunt. Let me remind the Leader of the Opposition that on that Tuesday, 12 February, the day Parliament assembled—and I gave a very full and comprehensive statement on the issue—the Leader of the Opposition asked me a question. He asked me whether in fact the Government did intend to establish a royal commission. That was an appropriate question, and one that I in fact answered very fully and comprehensively. I indicated that we had considered such a thing. I set out the various arguments and the delicacies that were involved in having a commission in this instance, or a general or open inquiry. I pointed to the fact that we had already activated section 25, and the Auditor-General had had a commission in consequence of that. I invited the Leader of the Opposition to discuss with us, as would have been the appropriate way of dealing with it, the terms of reference or the way in which an inquiry might be handled.

That was a response, in part, engendered by the statements that the Leader of the Opposition had been making about the responsible attitude of the Opposition. At the very time that I was answering the ingenuous question of the Leader of the Opposition, in good faith, in this place, his colleague in the Upper House, I thought without his knowledge, but apparently, it turned out, with his knowledge—indeed, active connivance—was putting a notice on motion requiring a royal commission to be established and setting out terms of reference which had been cobbled up by the Opposition—recklessly cobbled up with no reference to the sensitivities or delicacies of the matter. Further to that, as soon as Question Time finished there was the Leader of the Opposition on his feet putting a motion on notice—rather similar to the little stunt he performed yesterday as well—for a royal commission. Now, is that a responsible, sensible attitude of the Opposition? Absolutely not! If, in consequence of the discussions we have had and the apprising of the Leader of the real difficulties and delicacies of the situation the Government was obdurately refusing to have matters investigated, by all means the Leader of the Opposition could get up and make his demands and move his motions.

Surely, if there was a genuine spirit of protecting the interests of the bank and of the State, the stunt performed on Tuesday 12 February should never have been allowed to happen. For a short time I was giving the Leader of the Opposition credit for the fact that some of his too eager lieutenants had gone without his agreement. Unfortunately, that and subsequent actions proved that I was wrong. Let us go on from that first day to some of the other matters that have been raised by the Opposition.

There was the extraordinary shredding issue. Certainly, it was legitimate of the Leader of the Opposition to question

the security of documents being held in the light of these investigations. He asked a question and I, in fact, responded to that question. I pointed out that the Auditor-General had issued an immediate directive; that measures had been put in place; and that the Leader of the Opposition, I would hope, would understand from that response that the Government, to the extent possible, and the Auditor-General, to the extent possible for him, were attending to that matter.

The Leader of the Opposition had been given certain information that sensitive documents were being shredded, and he wished to raise that on the public record. Immediate investigations were made: no evidence was provided that sensitive documents were being shredded. Security measures were put in place immediately. Keys were removed from machines, and so on, therefore all the things that were needed to be done were done. But did that stop the Opposition? No, it kept it rolling day after day.

The Opposition kept telling titillating little stories about this or that document that might be shredded, all aimed at keeping uncertainty and concern alive in the community. Nowhere is that better demonstrated than by the fact that that night, on television, we saw State Bank documents being shredded. There it was: State Bank documents, in through the shredder. It was on the television stations. There was no re-enactment or anything attached to it except, I think, in one instance.

That took place in the Leader of the Opposition's suite of offices. Here was a nice little shabby touch! When I wrote to the Leader and asked, 'Is it true that your office was used?' he was able to reply, 'No—no. My office was not used.' They did not actually have the shredding machine sitting beside his desk while this was done, but no-one can deny that it was done on the second floor of this place in the Leader of the Opposition's suite of offices. What was the effect of that? The effect of that was that a whole lot of people the next morning saw on television the shredding that was being alleged taking place; they saw documents showing 'State Bank' going through the shredder.

There was nothing saying 'filmed in the office of the Leader of the Opposition' to show what this would look like if it actually happened. There was none of that. To bank customers it was a fact, so they were on the phone, ringing up the State Bank asking, 'What's going on?' and asking that their accounts be closed. What a shabby stunt! Does that line up with someone who says that his Party's desire is to help minimise the damage to our State's reputation? Is that the way of someone who wants to appreciate fully the need for the bank to be given the opportunity to be restored to viability? Organising a stunt like that—it definitely is not! Of course, there have been others. One of the most irresponsible things that happened emanated from the Deputy Leader of the Opposition, who was so concerned to ensure the ongoing viability of the bank that he issued a statement headed 'Many queries over Government indemnity of State Bank', suggesting that in some way the indemnity was deficient or would not be able to meet its objectives. Again, I would argue that that was a totally irresponsible approach, one completely at odds with what his Leader and the Opposition had been saying.

Now we come to today's motion, and I suggest that that is in exactly the same category. It would not matter what we put in the terms of reference, how many things we detailed, how many restrictions were imposed or whether we had 15 commissioners. If we had 15, the Opposition would have wanted 20. If we had 15 terms of reference, there would have had to be 18 terms of reference. That is the truth. That is the way in which this transaction is conducted.

How else do we explain the Attorney-General's having discussions on matters that were provided, helpfully, to him by the Opposition, and being told 'Right: we will discuss these further but, in the meantime, we won't put these out into the public domain', only to find that they were broadcast to the public at large as an affirmation or statement of policy by the Liberal Party—quite contrary to the agreement that had been reached with the Attorney-General, and quite against the spirit of the discussions that were taking place.

Then Opposition members have the hide after that to complain that the Attorney did not come back to them and consult further after they had issued their particular set of terms and said, 'That's what we are going to stick to'. That really is typical of the way this matter has been handled, and it is simply not good enough in the delicate situation we are in.

The Hon. J.P. Trainer: They just don't understand confidentiality.

The Hon. J.C. BANNON: The question of confidentiality is not something that is cobbled up to try to put a mask or cover over this area: it is, in fact, a very serious matter which needs to be dealt with in relation to a financial institution. I agree that the Leader of the Opposition is right to point to the statement made by the State Bank Chairman that perhaps too often in the past it was used in that way by the bank, but I make the point in this instance that it is not the bank that will judge its confidentiality before the commission or before the Attorney-General: it will be those authorities that will be doing it. It is not the bank that says, 'This is confidential, and therefore we will not allow it to be published'; it will be the decision of the Commissioner or the Auditor-General—a very different situation from the one the Leader of the Opposition attempts to relate it to.

As I say, these concerns are very important concerns. We have been warned from many quarters—and the Leader of the Opposition knows it because a number of those same people have directly made representation to him—that we have to be very careful indeed that we do not examine the bank in such a way that we affect its viability because we will not be dealing with a $1 billion indemnity fund, we will be dealing with a multi-billion dollar effort if, indeed, that happens. Perhaps the Leader of the Opposition can wash his hands of that and say, 'Well, I didn't really cause that. Look at my statements, I've said we wanted to protect its viability.' Perhaps he will delight in the political fallout of that, the Government will change and he can come in and inherit the smoking ruins of South Australia.

If the Leader of the Opposition really wants at some time to govern this State or act as the alternative Government, he has an interest to try to ensure that the State remains viable and active. As the representative of Her Majesty's loyal Opposition he has a prime responsibility to the people of South Australia, and he should not be playing around with it the way he is. The fact is that J.P. Morgan's advisers to the bank have said quite categorically that we must be very careful in relation to the commission. Mr Nobby Clark himself, at his press conference the other day, was questioned on that point, and again put on the record his view that we needed to be very careful about adverse impacts that may work on a trading institution. This issue of confidentiality is not something that is ephemeral: it is something that is real and something that needs to be handled carefully. I believe the Attorney-General, in the structure that he has proposed, has attended to those points in a way that ensures there will be accountability.

Members interjecting:

The Hon. J.C. BANNON: Look, reference has been made to the things the Auditor-General may or may not follow

up. His brief is there, he will follow them up, and his report will be published, so there is no secrecy or hiding in the result or outcome of that. When my colleague speaks shortly, he will go through in some detail again those terms of reference and show just how comprehensive they are.

Let me conclude by picking up a point made by the Leader of the Opposition, that what the commission should be doing is some sort of exercise in looking at how these problems occurred, why they occurred and what deficiencies there may be which need to be corrected. All of that can be done, but the Leader of the Opposition goes further in his exercise in hindsight and wants to ask all sorts of questions such as, 'Should this have been the case?' and 'Should something else have been done?' Again, we will leave that to judgment.

Surely one thing that stands out so clearly in this whole exercise is the size and the unexpected nature of the total problem we have to deal with, a very different question from a bank not making a profit or a bank making bad loans or expanding a little too far or too fast. It is a very different dimension of problem, and that is the problem that none of us, I suggest, could have anticipated, whatever might be said by those who are now claiming 'we told you so'.

It was very interesting that, last Friday, before the parliamentary inquiry into the Australian banking industry, the Governor of the Reserve Bank (Mr Bernie Fraser) conceded that the seriousness of the problem was not appreciated until late in the piece. That is an understatement. He was asked why they did not alert me or the Federal Treasurer, and it was interesting to hear Mr Fraser say that he had not done so, that it all happened so quickly. That is the situation we are dealing with. That is the reason why intensive activity has been taking place over the past few weeks to correct and stabilise the situation, and it has been done successfully.

In talking about people's knowledge of the problem, it really depends upon the context or situation in which we are talking. In this place, every member opposite knew all about it in full detail from day one. I was very interested to see a television news service on 15 February in which a well-known politician was asked about the suddenness of the situation and he said, 'I would have to be very frank and say I didn't, and I don't think anyone that showed any concern in the State Bank knew that it was this bad.' Who was that politician? It was the Leader of the Opposition, in a moment of what Baldwin, I think, called appalling frankness, stating what has been the position generally.

These issues will be explored. They will be explored properly and responsibly. The important thing is not that we indulge in these stunts, this little guerilla warfare, the upping of the ante and the changing of terms of reference, but that we allow the inquiries to be established and get on with the job. There are two pieces of legislation that are necessary in this process to ensure the comprehensive nature of the inquiry. They are or will be waiting on the Notice Paper, ready to be dealt with. They need to be dealt with with the utmost dispatch. Instead of wasting two hours of the time of the House on this trivial motion, that is what we should be dealing with. Let us get on with the job.

Members interjecting:

The SPEAKER: Order! The member for Kavel is out of order. The Deputy Leader.

Mr S.J. BAKER (Deputy Leader of the Opposition): Thank you, Sir.

Members interjecting:

The SPEAKER: Order!

Mr S.J. BAKER: Today, we have seen what I class a very pathetic performance by the Premier, one bordering on incompetence. For 20 minutes he did not address the subject of this motion. Let me list the things that he did. He started out with the 'trust me' attitude. He said that we should not put the bank at risk, that it is a very delicate situation. He claimed that the Government is not shirking its responsibilities, that it has to be careful of the political agendas, that it has been working hard over the past two weeks. I wonder how hard he has been working over the past two years.

He raised the issue of the royal commission. The fact is that we put the matter on the table from the very beginning. The Liberal Opposition put down what it wanted from day one so there would be no need for this debacle today. He talked about shredding, to get us off the track, but he well knows that the member for Morphett's witnesses still have not been interviewed by the police. There was no indication from the Premier that he is interested in finding out whether shredding had taken place. He talked about Bernie Fraser suddenly discovering—last August—that there was a problem in the bank. He is a third party, someone who is not directly associated with the bank and would not have the files. However, last August, Bernie Fraser found out about it. For 20 minutes, we heard the Premier say, 'Please be gentle with me, please be gentle with the bank, and please excuse the performance of the Government.'

The Hon. D.C. Wotton: And the Premier.

Mr S.J. BAKER: And the Premier, of course. He said that he wants to be thorough. Let me tell the Premier what is thorough and what the people of South Australia want, what the Liberal Opposition wants and what the hard working, dedicated staff of the State Bank want. Let me tell the Premier what they want out of the royal commission. They want to know why it has happened. They want to know the full extent of the problems. They want to know who was responsible and they want justice to be administered to them. Then they want to ensure that it never happens again. I can assure you, Sir, and this House that, under the terms of reference of the royal commission, none of these things will happen, and that is our concern.

The Premier says that we have to handle things delicately—but we have handled things delicately. The Premier says that at all times we have been aware of the difficult situation but, if he thinks by copping out and by hiding the truth he will somehow save the bank or save some trauma for the bank, he has another think coming. If the truth does not come to light, we will need another royal commission or someone to explain why this one did not work. The terms of reference are not adequate. The fact is that the Auditor-General has the major task before him. It all stops because of the ability of the Auditor-General to investigate the matters that are pertinent.

The confidential arrangements mean that many of the important issues cannot be taken up in the public arena. I do not refer to those that would hurt the bank but those that are essential to achieve some semblance of justice. There is no guarantee about the off balance sheet companies, and the Premier and the Minister of Education may wish to look again at the terms of reference and tell us where the off balance sheet companies feature in the terms of reference of the royal commission.

We have talked about the special arrangements that have prevailed for the Auditor-General. Who has responsibility for which part of the inquiry; when do the boundaries cross and who is ultimately responsible? Those matters are not clear under the terms of reference. We cannot find a reference that gives the Auditor-General the right to investigate

off balance sheet companies; and nor does he have the right to investigate those people outside the bank who deal with it. There is no opportunity for the Auditor-General to question those people. Documents can be requested to be provided, but that is where it ends. If anyone wants to look at the legislation and tell me I am wrong, they may do so. Then there is the problem with the definition of the boundaries of the inquiry.

In summary, the Auditor-General cannot interview customers of the bank outside the bank. He cannot inquire of them and insist on their answers. He cannot delve into the financial background of companies that have been loaned money, which is a very important component of the question before us. When talking about companies such as Pegasus and Equiticorp the most critical element is not the final result, the fact they have lost $80 million or $100 million—it is the reasons why they have done that and the arrangements and relationships between the institutions.

The Hon. E.R. Goldsworthy interjecting:

Mr S.J. BAKER: That is exactly right. None of that will be possible through either the Auditor-General, who will have no right to question the other people involved in those deals, or the royal commission, because the royal commission is not allowed to do it. The royal commission is purely to deal with customer relationships and the relationship between the bank and the Government and the communication thereof. That is not why we should be having a royal commission. The royal commission should find out why, how, what and the extent of the problem, so we must have recommendations that will take us forward and provide answers to the problems that have been created.

Other issues such as tax avoidance cannot be taken up under the terms of reference. Who actually handles that? Perhaps the Minister of Education can respond. Does it lie within the province of the Auditor-General? Clearly, under the terms of reference, it does not. What happens to the current case of external bankruptcies involving Pegasus? Is it the royal commission or the Auditor-General who will have the capacity to look into companies such as Rannoch, Emmen and Glenfyne who have all been placed in receivership? Who will determine how many off balance sheet companies still have not been revealed? None of those questions has been addressed by the Premier today.

For 20 minutes the Premier regaled the House with stories about the problems that could be created for the State Bank. Unless everything is brought out into the open, those problems will compound; we will not get to the heart of the matter; we will simply not address the major problems and we will still be left with uncertainty. The most important point is that, whatever happens through the inquiries, at the end of the day there must be no doubt. The Leader of the Opposition said that at the beginning of his address: there should be no doubt. Unfortunately, given the way that the two inquiries have been constructed, there will be some doubt because there is no direct dividing line between the two and no-one has shown clearly where responsibility starts and ends.

A number of issues were addressed yesterday in Question Time, but they have not been answered by the Premier. Perhaps the Premier is relying on his colleague the Minister of Education to provide the answers. We do want some answers in respect of the off balance sheet companies and their contractual relationships. Who will investigate these matters when the Auditor-General's inquiry begins? We also want to know what responsibility the Premier will bear for this whole mess, but that question cannot be asked under the terms of reference that we have before us. The Royal Commissioner cannot ask that question. The terms of reference refer only to 'the relationship and reporting arrangements between the Government and the bank group'. The terms of reference do not include an investigation into whether the Premier, as Treasurer, fulfilled his responsibilities under the Act. Quite clearly, the royal commission's terms of reference do not mention that matter so, to that extent, they are deficient.

Further, the terms of reference do not address the question of when communications took place, who was involved in those communications, what deals were done and how many handshakes related to the handover of hundreds of millions of dollars. Some of the deals that we have before us today cannot be condoned, because they lack asset backing and the keeping of proper books. We would like to know who provided the advice and we seek information about the reporting relationship. The public has to be told the answers to some of these questions. Importantly, what happens with the deals from interstate and overseas?

In his statement in this House yesterday on behalf of the Attorney-General, the Minister of Education said that they thought they could pick up on the overseas transactions. That is not good enough because, indeed, there are transactions which we would like to know about. They happen to be in New Zealand, Hong Kong, New York and London and, indeed, if we cannot get to the bottom of those matters, the Royal Commissioner's terms of reference must be widened.

Nothing the Premier said today has convinced anyone within this Parliament or will convince anyone outside this Parliament that the Premier is fair dinkum about the royal commission. It is a cop out. It is a way of hiding the truth because, on the one hand, he can hide under the confidentiality of the Auditor-General and, on the other hand, give the Royal Commissioner such limited terms of reference that he cannot operate with respect to what everyone regards as very serious questions that must be answered. That is not good enough and we ask Parliament to reconsider its attitude to the motion before the House.

The Hon. G.J. CRAFTER (Minister of Education): First, I want to put to rest the Opposition's allegation, as loose as it is, that the Government has not taken seriously the matters raised by the Leader of the Opposition in his alternative terms of reference for the royal commission. I seek leave to insert in *Hansard* a chart indicating where each of the Opposition proposals have been included in the terms of reference for the inquiries to be conducted by either the Auditor-General or the royal commission.

Members interjecting:

The SPEAKER: Order! Is it purely statistical information?

The Hon. G.J. CRAFTER: Yes, Sir.

The SPEAKER: Is leave granted?

Mr LEWIS: On a point of order, Sir, the Minister of Education told us that the material was a comparison of points raised in the motion moved by the Leader of the Opposition with the statement the Minister made to the House yesterday. It is not statistical.

The SPEAKER: I will peruse the chart as indicated by the Minister and I will make a decision after I have seen it.

The Hon. H. ALLISON: On a point of order, Sir I simply ask for your ruling on whether statistics are charts which are—

The SPEAKER: Order! Statistical charts are allowable under Standing Orders and the practice of the Parliament. I draw the attention of the Parliament to the fact that it has two hours in which to debate this motion, and the

taking of points of order interferes with members' chances of debating the issue.

The Hon. G.J. CRAFTER: It is a sad day for the Parliament that we are spending two hours debating a motion which was out of date yesterday and is further out of date today. We had asked of us yesterday a series of questions that were quite irrelevant. They had been answered in a statement that I made to this place or covered in Bills introduced into the Parliament yesterday, and there was simply a chorus line of questions that were irrelevant. As the Premier has illustrated to the House, we have an Opposition which speaks volumes but appears to listen very little. It fails to comprehend the nature and the extent of the issues in which it involves itself. It seems to have (and this issue exemplifies that point clearly) a reckless disregard for its responsibilities in this place and in the community. Now more than ever, I suggest, we need an Opposition that is capable of lifting itself out of the political mire and joining in a bipartisan way with the Government to ensure that our bank survives and returns to profitability as soon as possible. We need that bipartisan support. We need to work together carefully as a Government and an Opposition to ensure that the public has confidence in our major financial institution, that it returns profits to this State and that the reputation of that bank and this State is restored quickly indeed.

It is interesting to see the headlines in this morning's press—that this motion today was a last ditch stand by the Opposition. I ask the Opposition whether it is capable of getting out of the ditch. Certainly, the contributions by the Leader and Deputy Leader do not show any indications of their wanting to lift themselves out of that ditch. This motion is really irrelevant and is an exercise in base politics. The Opposition has chosen to ignore the facts and has gone for the jugular. In this case it is prepared to sacrifice the State's most valuable financial institution for their own political aims. We have to ask ourselves: 'What are the Opposition's motives in this matter? What is the Opposition's commitment to the State Bank? Who speaks for the Opposition on these matters? Is it simply the Leader of the Opposition or other members of his Party, in particular the member for Coles? Who makes Liberal Party policy on financial matters of this type?' We heard the Federal Opposition spokesperson on privatisation having no difficulty in enunciating what he believed to be the Liberal Party's policy with respect of financial institutions of this type. He said that he would sell the bank straight away to commercial interests. Is that the view of the Opposition in this place?

Mr LEWIS: On a point of order, Mr Speaker, what the Federal Leader of the Opposition or anyone else thinks about the State Bank is irrelevant to the terms of this motion. I ask you, Sir, to bring the Minister back to the terms of the motion.

The SPEAKER: Order! I will clarify what we are about. We are debating a broad series of issues relating to the royal commission.The Opposition and previous speakers have referred to overseas companies. Unfortunately, I did not hear the exact words as I was talking about the statistical table. I am not aware of what was said and I apologise to the House. I ask the Minister to be careful in his references to people who may or may not be involved. Further, I have perused the figures as presented and rule them out of order.

The Hon. G.J. CRAFTER: I thank you for your ruling, Sir, and table the comparisons between the Opposition's terms of reference and where each one is dealt with in the terms of reference of the two inquiries that have been announced. The Leader knows, in fact we all know, that it would not be in the interests of this State to simply see the State Bank of South Australia passed to commercial interests. Unfortunately, the Leader did not refute the statements that I referred to as being made by the Federal Opposition spokesperson on privatisation, and I ask, 'Why not?'

There lies the essence of this reckless disregard that we see from the Opposition with respect of its attitude towards the royal commission, its terms of reference, the Auditor-General's inquiry, his terms of reference, the careful and painstaking way in which the Attorney-General and officers of the Government have gone about establishing the terms of reference, and the nature and extent of the inquiries that we are debating this afternoon. They have been done to ensure that there is, as the Premier has assured the House this afternoon, a full, frank and effective inquiry whilst at the same time confidence in the bank is preserved and the fundamental rights of its customers are protected. Does there lie with the Opposition another plan for the State Bank? We have not heard about that as yet. What is its commitment to the State Bank and how does it reconcile its statements and behaviour of the past few weeks with the statements of the Federal Liberal Party on the future of the State Bank in this State?

I refer to the information that has been provided in recent days. First, there was a press conference on Monday, lasting over one hour and preceded by a half-hour background briefing by the Attorney-General in which he fully and frankly released and discussed the appointment of a royal commission and the Auditor-General's inquiry into the State Bank. Those attending were given all materials relating to the establishment of the two inquiries. In addition to press releases, those present were given the complete terms of reference of the royal commission, and the Leader has again today selectively quoted from sections of those terms of reference. They were also given the revised and expanded terms of reference for the Auditor-General's inquiry; a Bill to amend the Royal Commissions Act, together with a second reading explanation; a Bill to amend the State Bank of South Australia Act, together with a second reading explanation; and the additional material was delivered to the Opposition as the press conference began. The Opposition was also given copies of the ministerial statement that I delivered yesterday outlining the basis of the Government's decision to hold the royal commission and addressing the major issues that needed to be dealt with in establishing a royal commission.

However, despite the extensive media coverage, despite ready access to all documents and materials and despite my statement to the House yesterday, the Opposition still fails to grasp two essential facts: first, that a full royal commission into the bank and its affairs, including customer transactions, would have an adverse impact on the viability of the bank, and there are authoritative statements to which the Premier has referred and which simply cannot be ignored by the Opposition in this matter. Secondly, the royal commission and the Auditor-General's inquiry will between them cover the full range of issues identified as needing to be addressed in a way which minimises adverse consequences on the bank. This is where I cannot stress enough the reckless behaviour of the Opposition with respect to the question of confidentiality, whether it is the shredding machine example or one of the many other examples which have emanated from the Opposition in recent weeks, including those from the member for Coles.

On the issue of bank confidentiality, the Government has received advice from J.P. Morgan (which company the Opposition is pleased to quote on other matters but wants to ignore on this issue) that there are significant risks to the ongoing operations of the bank in holding a full public royal

commission into the bank's operations. It is also important to note that the Chairman of the State Bank, Mr Nobby Clark, in a public interview stated:

> The important thing is we have an ongoing business to conduct and one would hope the requirement of the commission is such that they recognise that we have an entity that is based on confidence and worked through people.

The comments which have been made about having a post-mortem on a living body and which have been referred to in the debate today and quoted in the press yesterday are apt and should be reflected upon. If the Opposition had its way, that post-mortem, would be conducted and that living body would have a few parts left over that could not be reassembled after the exercise if the Opposition had its will and way in this matter. The Government's arrangements will preserve that confidence, and the bank will continue to operate and fulfil an important role in the State's economy for many years to come.

The royal commission will examine the so-called political issues, that is, the relationship and communications between the Government, in particular the Treasurer, and the bank. There is no suggestion of cover-up over these so-called political questions, as the Opposition wants to allege. In calling for a royal commission, the leader of the Opposition is reported to have said, 'We want to know who knew what and when.' Those questions will clearly be answered by the royal commission and no-one can deny that.

The royal commission will also examine the role of the board in its control and supervision of the Managing Director and bank operations and, while the Opposition wants to titillate the community on the sideshows that surround the life and times of the former Managing Director of the bank, those substantive and crucial issues will all be addressed by the royal commission.

Significantly, the royal commission has been asked to consider what changes need to be made to the Act. These are matters which can and should be dealt with by a royal commission, and they will be. On the other hand, a royal commission, with its adversarial approach and protracted examination of witnesses, is simply not suited to investigating detailed and complex financial transactions. They will be investigated, however, and this is best left to the Auditor-General and his specialist investigators—and I reported yesterday in my statement the details of those specialist investigators who will assist the Auditor-General in this regard—both because that would be more efficient and would assure blameless bank customers that their private affairs would not be dragged out in public and unfair competition would not occur in the marketplace.

Both reports—of the royal commission and the Auditor-General—will be made public. The Auditor-General's directions require him to produce his report in a manner which would enable it to be made public, while at the same time protecting confidential matters.

The Opposition's motion is totally unacceptable to the Government. It would destroy customer confidentiality and, therefore, place at risk the bank itself. In addition, sections of the motion are based on a misunderstanding, or perhaps a misrepresentation, of the terms of reference approved by the Government. It must be remembered that all substantive issues raised by the Opposition have been dealt with in the Government's arrangements. It is no good now saying that the Government did not go far enough, when the Opposition itself played a role in setting the parameters of the investigation.

Paragraph *(a)* of the motion calls on the Government to transfer the first term of reference of the Auditor-General to the royal commission. That term of reference, which is very general and asks the Auditor-General to investigate and inquire into the causes of the bank's difficulties, would necessitate an examination of specific transactions. Such an examination cannot properly be undertaken by a royal commission. The Government believes that to do so would undermine the arrangements we have put in place to ensure minimal impact on public confidence in the bank and the bank's operations.

Paragraph *(b)* of the motion is either mischievous or shows the Opposition simply has not done its homework. Amendments to the State Bank Act which I introduced yesterday and copies of which were delivered to the Opposition around midday on Monday make clear that the operations of the bank do include off balance sheet companies. I stated in the second reading explanation:

> An investigation pursuant to section 25 is into such matters as are determined by the Governor relating to the operations and financial position of the bank group. Although the term 'operations of the bank group' would encompass a very wide range of matters relevant to the investigation, questions of legal interpretation might arise as to the scope of the investigation. In that event it is intended that there be power available to make a regulation spelling out that operations of a particular company, entity, trust arrangement or any other arrangement, form part of the operations of the bank group. This measure will ensure that, in the event of a doubt arising, arrangements or entities not included on any of the bank group's balance sheets can nonetheless be included in the investigation.

With respect to the royal commission, the operations of the bank are defined by reference to the definition contained in the State Bank Act. The royal commission will therefore have the power to examine off balance sheet companies to the extent necessary under its terms of reference.

Paragraph *(c)* of the motion is clearly an attempt to create confusion, by suggesting the commission may not have power to consider the Government's role in relation to the management of the bank. Any objective examination of the terms of reference will show that they are very wide indeed and will result in a thorough examination of the role played by both the Government and the Treasurer.

I will not waste too much time dealing with paragraph *(d)* of the Leader's motion to suggest that a formal communication pursuant to statute cannot be considered under a reference which calls on the commission to inquire into and to report on the nature and extent of communication between the Government and the bank. That simply cannot be taken seriously.

Likewise, paragraph *(e)* of the motion calls on the Government to clarify that 'communication' extends to communications between the Government and the bank group. A reading of the relevant terms of reference would reveal specific reference to the bank group as well as to the bank itself. Furthermore, definitions in the terms of reference make clear that references to the State Bank Group refer to the bank and to its subsidiaries.

The Government believes that paragraph *(f)* of the motion, if agreed to, would create unnecessary duplication of the work of the royal commission. The arrangements adopted by the Government establish two inquiries proceeding in tandem, with related but different terms of reference. Paragraph 3 of the royal commission terms of reference provides for a degree of integration to allow the commission the opportunity to receive and consider the report of the Auditor-General to the extent necessary to meet his own—that is the Royal Commissioner's—terms of reference. To take the Opposition's line and to ask the Royal Commissioner to reconsider all the matters referred to by the Auditor-General's inquiry negates the rationale of the two inquiries. This, in turn, would lead to all the problems, as detailed earlier, relating to the maintenance of confidentiality, to say nothing of the cost and inefficiency of such a proposal.

Regarding the final part of the motion, suffice to say that the role of the Treasurer is dealt with under paragraph 1 of the royal commission terms of reference and bank officers are dealt with under paragraph *(c)* of the Auditor-General's terms of reference. There is no point at all in repeating these terms in paragraph 3 of the royal commission terms of reference, as suggested by that paragraph.

The motion before us, as I said, is unnecessary; it is irrelevant, it is wasting the time of the House, and it simply reveals the motives of the Opposition in this matter, and they are less than honourable.

Mr INGERSON (Bragg): The Minister of Education talked about wasting the time of the House. We have heard today two presentations, one from the Premier and one from the Minister of Education, in which there has obviously been no attempt whatsoever to deal with the very serious issue of the terms of reference of this royal commission and of what the Auditor-General should be doing. There has been no attempt by either the Premier or the Minister of Education to consider those issues.

I will go through a few of the points first that the Premier made and then, quickly and briefly, that the Minister of Education made. The Premier talked about the Opposition's pursuing a political agenda. If the closing up of terms of reference is not the closing up of a political agenda, I would like to know what it is. We as an Opposition are trying to expand the terms so that they cover all the references we believe they ought to cover. We really are saying just one thing: that is, that some of the Auditor-General's terms of reference should be transferred into the public arena so that the Royal Commissioner can consider them.

That is the most important point we have been making. We have not asked for significant changes in the terms of reference. All we have said is that two of those special references made to the Auditor-General would be better served if they were dealt with by the public inquiry. The Premier says that we are shirking responsibility. I thought that the major role of the Opposition in this State was to bring to this House the concerns of the community.

Some two years ago the member for Coles brought to this place a major issue relating to Equiticorp. As a result of that, we saw the fiasco of the bank needing to have $1 billion or thereabouts injected into it by the State Government. That flowed from that simple question that was shirked and not answered by the Premier some two years ago. As for all the other questions in between, if all those issues had been faced and answered at that time we would not be in the mess we are in today.

I turn to the role of the Treasurer. The Treasurer stood here today for 20 minutes, and if anyone wants to look and see that he said nothing, obtain a copy of his speech today. For 20 minutes all he talked about was what the Opposition should or should not be doing. Anyone would think that he was starting to set the rules for this Parliament. For 20 solid minutes he said nothing about why he should be held accountable, yet, in the end, the only person in this State and in this Parliament who is accountable for this fiasco is the Premier, and the Opposition has the right to ascertain in this place at any time the role of the Treasurer and to expect to get the answers.

For 18 months we have not obtained any answers at all. If members go back and look at *Hansard*, they will see that every time it got a bit too hot in the kitchen for the Premier and Treasurer, there was no answer; it was fudged until early in February when, all of a sudden, the answer was $970 million injected into the State Bank from the Treasury. For 20 minutes we saw the Treasurer ducking and weaving. He talked about the shredding issue and created a smokescreen around that, then he talked about the terms of reference and how all members of the Opposition wanted to do was change them. He also stated at the same time that the Attorney-General was concerned about our conduct in this issue. It is important that the House know that, for three weeks after we had spoken to the Attorney-General, he did not even have the guts to come back to the Opposition and talk about our submission on the terms of reference.

It is important that the Parliament know that the Government, through the Attorney-General, was not at all interested. The Attorney was prepared to talk to the Independents in both places but he was not prepared to come back and talk to the Opposition. It is important, when we hear those statements from the Premier, that they are properly refuted. In the end, this whole exercise is about public accountability. It is about whether the Premier and Treasurer of this State and the Bannon Government are responsible for the situation the State Bank got into. It is their mess. They are expected to answer in this House for their actions.

The Minister of Education talked about the need for comparison sheets. He did not even know that you cannot put before this Parliament anything other than statistical information. Surely, if the Government were fair dinkum about showing comparisons between the terms of reference and what we wanted to do, he should have stood up in this place and read them into *Hansard*, instead of tabling them so that no-one, apart from those who wanted to read them at the table, could see them.

As everyone knows, tabled documents do not go into *Hansard*, so that was just a bit of grandstanding. The Minister talked about bipartisan support. How can you get bipartisan support from an Opposition when you will not even talk to it, as was evidenced in the issue I noted some minutes ago about the role of the Attorney-General in this whole matter?

Then we had another red herring thrown in about the role of the Federal Liberal Party. That was a statement made by an individual member of the Federal Liberal Party about the State Bank, but perhaps it is an issue that ought to be put on the agenda. Perhaps because of the mismanagement of the Bannon Government we will be forced to go down that line. However, it always gets back to the mismanagement of the Bannon Government.

Finally, the role of the Premier was simply skipped over again by the Minister of Education. We had 20 minutes of legalese, which puts people to sleep if they sit here long enough. It just droned on and on yet, when you listened to it, nothing was being said. That is the summary of those two speeches.

Yesterday a very significant document was placed before this House detailing the cost to the community of clearing the name of an honourable member at some $6 million. The terms of reference for that inquiry were total: every single issue in relation to the clearing of that individual's name was absolute. Every reference was looked at—and so it should be. Today all the Opposition is asking the Government to do is to look at the issue of $970 million of taxpayers' money—

The Hon. E.R. Goldsworthy interjecting:

Mr INGERSON: As the member for Kavel rightly says, it is probably more than that, but $970 million of taxpayers' money has been put into this area by the Treasurer, yet yesterday there was no question about spending the $6 million and no question about the total and absolute terms of reference, when today we have a closing up of those terms of reference. I believe that, as elected representatives,

we have a duty to uncover, not to cover up, the deficiencies that have existed in the past. That duty falls on all of us on both sides of the House.

Some colleagues on the other side have already expressed their concerns. The member for Semaphore and the member for Elizabeth have both been reported as saying that if they felt there were any cover up they would withdraw their support for the Government. As the Liberal Party has maintained, we have not created a political football in the State Bank. I hope that our Independent Labor colleagues will continue to respect the fact that we have been and always will be responsible in questioning matters surrounding this State's premier financial institutions.

We believe that those members share some, if not all, of our concerns. Only this morning on the ABC the member for Elizabeth was reported as saying that he was perturbed about one key area that the royal commission in its present form will not be addressing, and that is the role of the off balance sheet companies, a question that the Leader of the Opposition and the Deputy Leader have put clearly before the House as something that should be addressed. The member for Elizabeth believed that these were a responsible and significant portion of the bank's bad loans and should be investigated.

Surely, if the member for Elizabeth has a problem in this area he should join us in ensuring that the terms of reference are widened to incorporate his concerns. While not wishing to reflect on you as Speaker of the House, Sir, as the second Independent you have raised your own concerns about the State Bank saga, which have been widely reported in the media. While members of the Opposition are suffocated by Labour traditions not to allow free speech or freedom of opinion, both Independent members can be the catalyst in the public's bid to clear up this official mess.

The Opposition needs your support, Mr Speaker, for this motion to pass, so that the people of South Australia and future generations will have the inquiry they deserve.

Mr GROOM (Hartley): The Opposition's motion is nothing more than a desperate attempt to gain as much political mileage as it can and keep the politics going. Never mind the welfare of the State Bank or, indeed, of South Australia: the motion is nothing more than an admission that the Opposition has blown its political tactics, by having to resort to something as shallow as this, and their flat speeches reflect this degree of shallowness.

When the Opposition called for the royal commission at the outset, I do not believe it ever thought that the Premier would readily agree because in readily agreeing it is quite clear that the Opposition lost its momentum. I think what the Opposition was after was some form of slow drip tactic where it could gradually trot things out over a period. That path has been cut off. Members should well remember that there was no run on the State Bank: the State Bank's position was protected entirely with our own resources, the resources of South Australia. The ability of this Government to put in place a support package of this nature in this economic climate is to its credit.

Members interjecting:

The SPEAKER: Order!

Mr GROOM: Not only is there to be a royal commission but also there is to be an Auditor-General's inquiry—quite unparalleled compared with anything that takes place anywhere else in the western world. Both inquiries will cover the entire field of necessary inquiry in a responsible way and in a way that is in the best interests of South Australia and its future generations. The terms of both inquiries are exceptionally wide. In today's *News* I read that the Leader of the Opposition called it a cover up, but that is nothing more than a shallow, political cliche. Every relevant matter can clearly be considered within the terms of reference of both the royal commission and the Auditor-General's form of inquiry. One only has to read the terms of reference to see that that is the case. Indeed, both inquiries will be conducted by people with impeccable credentials—people whom South Australians can trust.

The Opposition motion is hollow, and it is nothing more than an old, worn-out Opposition formula trotted out once again. It is a predictable response of an Opposition Party in trouble with its political tactics. It has tried it before. One only has to recall the Salisbury Royal Commission. What did the Opposition do when the last major political inquiry took place in relation to the dismissal of the then Police Commissioner? There was a predictable call from the Opposition for a royal commission. When that royal commission was agreed to by the then Premier, what did Mr Tonkin say? He complained about the restrictive nature of the terms of reference. Despite the fact that the terms of reference in that inquiry were in the widest possible terms, what did the then Opposition do? Apart from trotting out the old cliche, it put forward a very familiar motion—in much the same terms as is being put today—in the Assembly and the Legislative Council calling for expanded terms of reference. So we had a great political debate—the old formula.

When the royal commission was finally established the Opposition went before it and, through counsel, applied to widen the terms of reference, despite the fact that the Premier of the day said that the terms of reference were expressed in the widest possible way. The same old formula was trotted out then as is being trotted out today. During that inquiry, the Royal Commissioner listened to the arguments and said:

> The importation into the commission of the words so interpreted—

that was this so-called seeking to add to the terms of reference—

> did not seem to me to add anything to the terms of reference, and now that I have heard all the evidence I am satisfied that my inquiry would not have been any wider, nor would my task have been varied, had the terms of reference contained those additions.

That is exactly what we have today: the same old political formula, when you are in trouble with your tactics, claim that the terms of reference are restrictive—they are not wide enough—and then introduce a motion in this House. Today we are just seeing a replay of 1978. It is nothing more than that: it is a very predictable response of an Opposition in trouble with its political tactics. Who else was behind the tactics on that occasion? Who else complained about the restrictive nature of the terms of reference and was instrumental with motions in the House? None other than the Hon. Ren DeGaris—and we know what he is doing today.

Members interjecting:

Mr GROOM: Well, it is quite clear that he has a substantive influence on events some 12 years after because the formula, the pattern, is just the same: it is nothing more than a replay of 1978. Another tactic used at that time was to say, 'We should have an interstate judge.' Of course, the Opposition got that from the 1976 royal commission of inquiry into the administration of juvenile courts, when the judge in question alleged that his judicial independence was being threatened. The same sort of pattern occurred. The Opposition claimed that it should not be a District Court judge on that occasion but a Supreme Court judge or, indeed, an interstate judge. In that inquiry the judge had to

go before the commission and withdraw the allegations against the Premier and the then Attorney-General. That was highlighted at the time. However, the formula, the pattern and the behaviour of the Opposition are predictable, and we are just getting a regurgitation of 1978—the old, traditional, worn out formulas.

Members interjecting:

Mr GROOM: The Opposition will have a further say. I have agreed to limit my time so that plenty of time is left for any other Opposition speakers. However, the objective is nothing more than to get as much political mileage out of it as the Opposition can, and to try to discredit the Premier in the process as much as it can. That is the reasoning behind this motion: when you are in trouble, claim the terms of reference are too restrictive, not wide enough, all the while seeking to keep the politics going to extract as much political mileage out of it as possible. The Opposition tactic is just so familiar. The motion today is just part of its political agenda. It is nothing more than a political objective to extract political mileage.

When the Opposition sought to move a similar motion in the Salisbury Royal Commission, it was not concerned about the welfare of South Australia in that instance: it was concerned about its politics, and that speaks for itself. How can any responsible member of Parliament move the motion that the Leader of the Opposition moved claiming that they had some eminent legal person to advise them? We do not know the name of that eminent legal person.

An honourable member: It was Ren DeGaris.

Mr GROOM: Well, I suspect that it was Ren DeGaris. Never mind! If members opposite are so confident about their legal advisers, let them disclose their legal advisers so that everybody can assess the veracity of the advice they are getting, because in a plain, ordinary grammatical sense, if one looks at those terms of reference, one sees that they are extraordinarily wide. Every relevant matter that is capable of being considered can be considered within the existing terms of reference, and they are being considered by people of absolutely impeccable qualifications, and by an institution. Apart from the royal commission, the Auditor-General is one of the most respected institutions in South Australia, and the Opposition ought to have confidence in the credentials of that institution, because it has served this Parliament well over many generations.

The objective is nothing more than political mileage. Just look at the terms of reference in 1 *(c)*, *(d)* and *(e)* of the royal commission: quite clearly they cover the field, including the role of the Premier and the Government. The terms of reference quite clearly include the companies that the Leader of the Opposition and the Deputy Leader want covered. That has been made quite explicit—there is no cover up. Their claim is far from the truth: there is no cover up because this is just an old, worn out political formula. Not only is the Government seeking the widest, most comprehensive inquiry but also two Bills have been introduced into this Parliament, one in relation to the Royal Commissions Act to ensure that 'record' is widely defined to include computer records, to secure the attendances of witnesses, both locally and interstate, and the other in relation to the State Bank Act itself, amending it to ensure that there is full and proper integration between the Auditor-General and the Royal Commissioner, to compel witnesses to appear before the Auditor-General, and to ensure that the Auditor-General's powers are secure. One could not get a more thorough and comprehensive form of inquiry.

The Opposition's tactics today have a very familiar ring about them. One only has to read *Hansard* and look at the newspaper clippings of the day to find out that that is the case. In the Salisbury Royal Commission, the Opposition called for a royal commission, got wide terms of reference, and promptly attacked the terms of reference: a cynical, political exercise. Today is nothing more than a replay of that formula—that tired, worn out formula. The Opposition should stop playing political games and, as the Premier said, let the Royal Commissioner and the Auditor-General get on with the job in the best interests of South Australia.

The Hon. JENNIFER CASHMORE (Coles): Everything we have heard from speakers on the Government side seems to indicate either their ignorance of or their indifference to a critical factor, in fact, the most critical factor, in this debate, that is, that the people, the owners of this bank, not the passive shareholders, are angry. Their anger amounts to a cold rage that I have had poured out to me on the telephone and through correspondence in the form of over 400 telephone calls and more than 70 letters in the past week. The people want answers to the questions that the Opposition is putting and the Opposition is seeking to have examined by means of amendment to the terms of the royal commission as outlined in this motion.

Nothing that any speaker on the Government side has said has given the faintest acknowledgment of the fact that every citizen of this State is entitled to open scrutiny and full inquiry in accordance with the terms of reference as amended by the Opposition in respect of this motion. Unless that open inquiry is conducted, no matter what the Auditor-General says, no matter what the Royal Commissioner says, the outcome will not be satisfactory from the point of view of the people and their confidence not only in the State Bank but also in the Government, the institution of government and the institution of Parliament. That is critical.

The Premier was correct when he stated at the outset that there is an intermix between financial matters and political matters in relation to this issue. The Premier claims that he does not want to jeopardise the financial security of the bank. I suggest that everything that the Premier and his colleagues have said indicates an overwhelming desire not so much to protect the bank but not to jeopardise the political interests of the Government. That is the agenda of the Premier, of the Minister of Education and of the member for Hartley, whose rhetorical contribution I will not bother to dissect. That is the agenda of the Government.

Of course an Opposition has a political responsibility, and we are doing our best to fulfil it. But for the Premier to claim that the bank must not be put in jeopardy is out-of-date nonsense. The Premier has put the bank in jeopardy. But for the guarantee that has been put up by the people, the $1 billion in terms of capital and the $104 million interest repayments per year for we know not how many years to come, the bank would not have its doors open today. Do members of the Government understand that? It is not we who are putting the bank in jeopardy. The bank has been put in jeopardy by maladministration, by neglect of duty, by a complete dereliction of the responsibility of the Treasurer. That is what put the bank in jeopardy—not the Liberal Opposition, but the Treasurer, the board and the management of the bank.

I refer specifically to paragraph *(a)* of the motion, which calls for the transfer of clauses A and E of the Auditor-General's terms of reference to the terms of reference of the royal commission. These terms of reference do not embody the critical factors which are in the Auditor-General's terms and which must be considered by the Royal Commissioner if evidence is to be given, if witnesses are to be called and if the inquiry is to be conducted in open court

in the way it should be and must be if the truth is to be found.

How is that possible when the commissioner's terms omit the absolutely critical terms, namely, what matters and events caused the financial position of the bank and the State Bank Group and what were the processes that led the bank or a member of the bank group to engage in operations that have resulted in material losses? We must know in public and open court what the loan assessment procedures were. Too much has been said about management of the bank overruling the advice of loan assessment officers when it came to approving massive loans. Too many of those loans were rejected. The loan application was rejected by loan assessment officers but their opinion was overruled by management.

Members interjecting:

The SPEAKER: Order!

The Hon. JENNIFER CASHMORE: How is it possible for the Royal Commissioner to satisfactorily examine matters to do with conflict of interest when that is not part of his terms of reference? There would not be a South Australian who is not concerned about the potential conflict of interest of the former Chairman of the State Bank Board, in his position as Chairman, on the one hand, and senior partner in Thomson and Simmons, who are the bank's solicitors, on the other. There would not be a South Australian who is not concerned about the position of Mr Marcus Clark as a director of Equiticorp at the same time he was Managing Director of the bank that was lending that company tens of millions of dollars, indeed, more than $100 million. These are the matters that must be investigated, but they cannot be investigated by the Royal Commissioner because they are not part of his terms of reference.

The Premier has promised a full, frank and comprehensive inquiry. However, as we know from bitter experience, his promises amount to nothing. The only thing that guarantees a full, comprehensive inquiry is terms of reference that permit such an inquiry to occur. Only by amending the terms of reference in order to take account of what is embodied presently in the Auditor-General's terms of reference, transferring them to the commissioner's terms of reference, can we possibly obtain the kind of inquiry that will not only get to the bottom of this tragedy but will ensure that it does not happen again and that the faith of the people in their institutions is restored.

At the moment, that faith has been completely destroyed and it will not be restored as a result of terms of reference that are so narrow as to restrict the open and public inquiry, the calling of witnesses and, in particular, the reference by the Royal Commissioner to whether the procedures, policies and practices were adequate. I call on the House to support the motion.

Mr D.S. BAKER (Leader of the Opposition): I totally reject any assertions by the Premier and other speakers on that side of the House that the Opposition has been irresponsible in its questioning of the bank and in its actions over the past two years. We have had to put up with abuse from the Government side of the House for two years on this matter. In the past 12 months, we have been very careful when asking questions that none of them could damage the bank. In fact, I have written privately to the Premier with any possibly damaging questions to make sure that they were answered properly, and that is still going on, because a week ago I wrote a private letter to the Premier to investigate a matter that I thought should not be brought into the public arena. So I reject those assertions. Indeed, the abuse that we have had to put up with from the Premier and other Government members in the past two years has been amazing.

On 13 April 1989, the Premier's former Press Secretary, a Minister for the time being, namely, the Minister of Employment and Further Education, moved that this House 'condemns the Opposition for its sustained and continuing campaign to undermine the vitally important role of the State Bank of South Australia in our community'. He went on in the debate to say:

> No-one of significance in the Australian financial community would not acknowledge that the success of the new bank is, in a large part, due to the brilliance of its Managing Director, Tim Marcus Clark. His appointment in February 1984 was a major coup that stunned the Australian banking world. It was a major coup for this State.

That is the sort of nonsense that we have been getting lately.

Members interjecting:

The SPEAKER: Order!

Mr D.S. BAKER: The Treasurer has presided over the greatest financial disaster of a Government instrumentality in this State's history. The buck stops right on the Treasurer's desk. He has to be accountable for it. He has not even shown the courtesy to be in the House for most of the debate, and I think it is about time that he accepted some of this responsibility for what is going on. It must be realised that all the profits the bank made since 1984, which he trumpeted over the years, were wiped out in six months—$420 million was wiped out in six months.

The taxpayers have to put in another $1 billion of their funds. It is not good enough. I urge the House to support the Opposition's motion, because the taxpayers demand that we have a royal commission that is accountable. They want to know who did what, why and when it happened. They also want to know who is responsible. More importantly, they also want to know (as all members in this House want to know) that it can never happen again in this State. It is in the interests of South Australia that all members support the motion.

The House divided on the motion:

Ayes (21)—Messrs Allison, Armitage, P.B. Arnold, D.S. Baker (teller), S.J. Baker, Blacker and Brindal, Ms Cashmore, Messrs Chapman, Eastick, S.G. Evans, Goldsworthy and Ingerson, Mrs Kotz, Messrs Lewis, Matthew, Meier, Oswald, Such, Venning and Wotton.

Noes (21)—Messrs L.M.F. Arnold, Atkinson, Bannon (teller), Blevins, Crafter, De Laine, M.J. Evans, Ferguson, Gregory, Groom, Hamilton, Hemmings, Heron, Holloway and Hopgood, Mrs Hutchison, Mr Klunder, Ms Lenehan, Messrs McKee, Quirke and Rann.

Pairs—Ayes—Messrs Becker and Gunn. Noes—Messrs Mayes and Trainer.

The SPEAKER: There being 21 Ayes and 21 Noes, I cast my vote for the Noes.

Motion thus negatived.

MINISTERIAL STATEMENT: VICTORIAN POTATOES

The Hon. LYNN ARNOLD (Minister of Agriculture): I seek leave to make a statement.

Leave granted.

The Hon. LYNN ARNOLD: In making this statement, I apologise to members of the House that I do not have copies as this matter was drawn to my attention only before Question Time by the member for Kavel, for which I am appreciative. We have ascertained that the Chief Quarantine Officer in Western Australia has imposed an interim set of conditions with respect to the import of potatoes into West-

ern Australia, the effect being that the interim set of conditions make it all but impossible for our potatoes to go into that State. I am also advised that the Minister of Agriculture in that State, Mr Ernie Bridge, is writing to me on this matter.

This situation, which will affect an export to Western Australia of some 25 000 tonnes per annum of potatoes worth in excess of $13 million, has arisen following an outbreak of potato cyst nematode in Victoria. That outbreak, which was identified in Victoria on 5 February at a 15 hectare farm at Wandin in the Dandenong Ranges, resulted in the Potato Growers Association coming to the Government here and recommending a series of actions to prevent the entry of that nematode into South Australia. Five courses of action were proposed and we have accepted substantially those recommended courses of action.

On 1 March I accepted a recommendation that there be amendments to the plant standard under the Fruit and Plant Protection Act 1968 to provide that no potatoes which had been grown within a 20 kilometre radius of Wandin, Victoria, be allowed entry into South Australia. All bulbs and field plant nursery stock grown within a 20 kilometre radius of Wandin, Victoria, will be allowed entry only from accredited growers. Certified seed potatoes from Victoria will be allowed entry into South Australia only if they are brushed and in new containers. Victorian potatoes for processing in South Australia must be processed in registered premises. Ware potatoes (including one-off seed potatoes) grown in Victoria may enter South Australia only as washed potatoes.

Essentially, they are the recommendations put to the Government by the Potato Growers of South Australia Committee and the South-East Potato Growers Association. There are a few minor variations but the substance has been picked up by the Government. The Western Australian Minister of Agriculture has verbally advised me—but I have not yet received correspondence to this effect—that Western Australia does not believe that the restrictions which we have imposed are sufficient to prevent the entry of potato cyst nematode into Western Australia. I will have the department go back to the Potato Growers of South Australia Committee and the South-East Potato Growers Association so that we can have further discussions on the matter. I will certainly be following up this matter with the Minister of Agriculture in Western Australia and, if further changes are needed to our arrangements in this State, I will certainly examine those at the earliest possible opportunity.

PHYSIOTHERAPISTS BILL

Adjourned debate on second reading.

(Continued from 13 December. Page 2767.)

Dr ARMITAGE (Adelaide): This Bill has been a long time coming. It is one of a series of occupational Bills which are to be brought into this Parliament in an effort to upgrade the practice of those various occupations with the modern day. I openly declare to the Minister that the Liberal Party agrees with the thrust of the Bill, although we will move a couple of amendments that we believe will make the Bill even more responsive to the needs of the community and certainly enhance the thrust of the Bill which, according to the Minister's second reading explanation, is designed to upgrade standards of physiotherapy. The Opposition is completely at one with the Government in seeking, in relation to all these occupational Bills, to upgrade standards in the various professions.

The physiotherapy profession is a vital component in the health sphere and has certainly become much more important over the past 15 or 20 years, some of the reasons being the particularly high standard of physiotherapy in South Australia and the community expectations which have resulted from those high standards. Indeed, another reason why the physiotherapy profession has become a more important component within the total health sphere is the efficacy of the therapy that physiotherapists provide. As a previous member of the medical profession with my own practice, I was pleased to send patients to a physiotherapist because the majority of patients came back feeling better. Whilst all the other medical agencies do their best, the efficacy of physiotherapy is very important.

Physiotherapists are also particularly important in the health sphere today when so much more emphasis is being put on home care and ambulatory care within the community. This is partially because of financial pressure on hospitals to decrease bed stays, partially because of the increase in day surgery and partially because the patients like being at home rather than in an impersonal hospital. But whatever, physiotherapists are a particularly important element in care within the community. It is vital that support for the physiotherapy profession be at least maintained, if not improved, so that the services provided match the expectations of the community in home and ambulatory care situations.

Physiotherapy has advanced in the past, dare I say, 50 years but certainly in the past 20 years in leaps and bounds. It now has increased status within the professions, and I understand it is a popular choice of those who have completed their matriculation; the marks that must be obtained for entry to a physiotherapy course continually increase. Of course, there is the danger that the best practitioners are not necessarily those who achieve the highest marks in any university course. However, it is a fact of life that physiotherapy is a popular profession in which many students wish to enrol.

One of the factors affecting physiotherapy today is the greatly increased use of technology; technologies in physiotherapy today are vastly different from previously, and this, of course, implies a greater level of responsibility. The Bill addresses this. However, despite the advances in technology, responsibility and expectations within the community, there are still expectations in terms of a caring, professional person. In relation to this Bill, a physiotherapist who graduated in 1946 wrote to me as follows:

> Personal dedication, intelligence, initiative, integrity and sensitivity to a patient's needs will always be the hallmarks of a qualified physiotherapist but we must not rest on our laurels. A knowledge of business and administration, human rights and knowledge of compensation, litigation and never-ending changes to tax laws and medical benefits are requisites to a physiotherapist's success together with quality assurance.

That one paragraph encapsulates everything that physiotherapists of yesterday, today and tomorrow would be aiming towards. There is an increased need in society for rehabilitation. This is a particularly important element of health care, given the justifiable emphasis on proper worker rehabilitation and on sporting rehabilitation. Indeed, with the money available in sport today it is sometimes difficult to define whether physiotherapy in relation to a professional or semi-professional sportsperson is work or sport rehabilitation. The increased expectations on physiotherapists have also led to a belief in the community that a physiotherapist, as a person of first contact, is able to help with lifestyle readjustment measures also. This all goes to prove that the community believes, as the Liberal Party and I believe, that physiotherapists are a great and vital part of the total medical and therapeutic team.

As the Minister said in his second reading explanation, South Australia has an enviable reputation as a leader in physio training and research. However, I signal darkness ahead in that sphere, my reason for saying this being the dramatic cuts to the budget which will see clinical supervision of patients within the physiotherapy course not even decimated in the truest sense of the word but perhaps removed completely. That is a particularly unfortunate aspect, especially given that under this Bill the board will be charged with exercising a general oversight of the standards of practice of physiotherapy and monitoring the standards. Without clinical input, which will be removed because of cuts in funding, it is quite possible that the board may be unable to register graduates. That is a particularly unfortunate situation, but one facing the physiotherapy profession at present.

For historical reasons, the cost of training physiotherapists in South Australia is borne mainly by the education dollar. These funds provide supervision for practising physiotherapists. I am led to believe that the proposed budgetary cut for the School of Physiotherapy which will occur within the next few years will mean that every current clinical supervisory position will be abolished and, in addition, at least four staff in established positions will lose their job. The school will no longer be able to provide even half the 1 000 hours of supervised clinical practise required for registration as a physiotherapist.

All this is seen in conjunction with the recognised, long-standing deficiency in the number of physiotherapists in South Australia, particularly in country and regional areas. I have spoken at great length previously about country health in South Australia, and this is simply another element. I know that the Minister has received letters from people on Yorke Peninsula expressing enormous anxiety about the level of physiotherapy provided in that area, mainly because the local physiotherapists are occupied full time in keeping up with an ever burgeoning workload, thus the expectations of people who are discharged from hospital simply cannot be met. I know that these concerns have been communicated to the Minister as I have received copies of those letters. Physiotherapy is a vital element in the provision of health care. I am disappointed that, given those recognised deficiencies in numbers and the vacancies in these areas, we are even contemplating cuts to the funding for the School of Physiotherapy that may well result in a decreased number of graduates or in graduates being unable to be registered.

I also put to the Minister that the funding cut is being made in a situation where the South Australian Health Commission already gets a good deal from the physiotherapy school through the service of students who do the jobs in hospitals, under supervision. At present, that is part of the clinical practice component of the undergraduate course. The Health Commission saves money by having these students do those jobs, and it is false logic to believe that the withdrawal of funding will save money.

Physiotherapy practice has moved with the times and in some cases has been ahead of the times. The legislation ought to follow suit. In particular, the Bill presages a number of changes to the Physiotherapy Board; in particular, a consumer representative will be appointed, and the Liberal Party fully supports this move. One of the other changes in physiotherapy practice in the past 20 or 30 years is the greatly increased number of private practitioners as ports of first call within the health scenario. This tendency is also reflected in the Bill, as it ought to be.

The Liberal Party completely supports the clause dealing with the physiotherapist who returns to practice after a break of five years or more. It is quite clear that, given the advances in therapeutic techniques, in technology and, indeed, in the expectations of the community in relation to physiotherapists, it is vital that a physiotherapist returning to practice should be full bottle on all the developments within the profession since their leaving it.

Prior to reregistering the physiotherapist who is returning after five years, the board may require a refresher course to be undertaken, and that is completely appropriate. It may also impose conditions on the practice of that physiotherapist. Again, that is completely appropriate and in line with the expectations of the community and, I am certain, of the majority of physiotherapists. Potential difficulties exist with those sorts of things and the situation of a mature aged student returning to physiotherapy after a long time and having school fees to pay and so on has been brought to my attention. Would the refresher course be too long; would the conditions imposed on that person limit income; and so on? I am sure those points can be worked out later; they are underlying difficulties in what is otherwise an excellent clause. Society, unfortunately, has become increasingly litigious and I, as a previous member of the medical profession, point out for the Minister's edification that the fear of being sued for various things is one of the reasons for the small increase in the number of tests being carried out.

However, in relation to this Bill it is increasingly obvious that physiotherapists ought to be indemnified, and the fact that this Bill addresses that matter is totally appropriate and has our support. Another common clause in all these occupational registration Bills is the provision that a medical practitioner must report if a person is medically or physically unfit to practise (in this case) physiotherapy. I guess the Physiotherapy Board has the ultimate sanction as to what is medically or physically unfit, but certainly it has been put to me by a number of people who wrote to me about this Bill that there is an element which needs to be clarified, and also the question answered as to what right of appeal physiotherapists have who have been so deemed by medical practitioners.

I will raise a number of other facets about the Bill in the Committee stage. However, I reiterate that this Bill has the support of the majority of the profession. It certainly has the support of the Liberal Party, and I believe it is totally appropriate that we should be examining it at this stage.

Mr S.J. BAKER (Deputy Leader of the Opposition): I join with my colleague the member for Adelaide in supporting this Bill, a measure that has been on the parliamentary doorstep for at least five years. I used to be somewhat bemused by the former Minister of Health, the Hon. John Cornwall, and his attempts to get one of his mates into the profession. He held the Act against the rest of the profession for a number of years, saying that they would not get their own Act until they gave this particular person status. Of course, that person was no better than one of the masseurs, people who operate on a massage table.

The measure has had a fascinating history. It is important that the profession has its own set of rules, an up-to-date set of rules at that, and I think that under the rules we have before us today the profession can flourish.

Along with the member for Adelaide, I raise the question of funding for physiotherapy. Members would realise that physiotherapy is becoming one of the hardest courses to enter, because of the entrance requirements and scores that must be attained, brought about by limitations on supply and the excess demand for the course. As some person said to me, within two years it will be harder to get into physiotherapy than into law and medicine. So, the questions

must be asked as to whether there is an over expectation about the future prospects of physiotherapists or, indeed, whether there is just an unfulfilled demand out there which needs to be addressed. Whatever the reason, a lot of people seem to be interested in doing the course, and the lack of funding, plus the stipulated increase in scores, are simply not assisting the course in providing places where there seems to be a demand. We have an ageing population and we all seem to be getting those aches and pains which are better addressed by physiotherapists than perhaps through some of the quack medicines we had once upon a time. With those few words, I commend the legislation and I thank the Minister for at last bringing it into the House. I am sure the profession will be absolutely delighted.

The Hon. D.J. HOPGOOD (Deputy Premier): I thank the members who have spoken in this debate for their support for the legislation. I note some amendments which are on file and, of course, I will not canvass the substance of those amendments at this stage, except to say that my two amendments seem to be quite unremarkable. The amendments that have been put on file by the member for Adelaide attract my support with the exception of the last one, where I will be interested in hearing the argument, and I may well be persuaded on the basis of that argument. I will keep my powder dry in relation to that one.

The member for Adelaide, and the Deputy Leader of the Opposition, did raise this matter which, although it is not covered by the Bill, was certainly linked to the Bill by the member for Adelaide, and I am quite happy to address it, because it is a potentially serious problem. It is, I assume, the same matter that was raised a short time ago by way of a question in another place.

However we look at this, the intention—and however firm that might be—of the University of South Australia, were it to be carried out, would simply mean that there would be a net transfer of funding in this training area from the Commonwealth to the State. The justification, as I understand it, given to those who advocate this move is that, in fact, in the Eastern States their Health Commissions provide a greater support to this clinical training than is the case in South Australia. So, the mix—the relative proportions of Commonwealth and State funding involved—are very much in favour of the State, in the case of South Australia, and very much in favour of the Commonwealth in the other States. There is a suggestion that this should be redressed.

That is all very well but, of course, that is to look at this in isolation from many of these other mixed funding areas. I can quote a number of areas where it is definitely the other way around when it comes to the shandying of Commonwealth and State funds. So, our initial reaction is to make it very clear to the University of South Australia—and indeed the commission which provides the funds for tertiary education—that we are not very impressed by this move, and we would seek to oppose it. However, we will sensitively monitor whatever happens and what the outcome of it may be. I wanted to make that clear—that it is a decision in relation to the Commonwealth funding which has been made, which has exercised the concern of the members and me, and we have to address it in that way. It is not as a result of anything that this Government is doing through its State budget.

There are a number of other matters which I assume the honourable member will canvass at the appropriate clause in the Committee stage. It only remains for me to join with other members in commending the Bill to the House.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Interpretation.'

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

Page 1, lines 21 and 22—Leave out the definition of 'company' and insert the following definition:

'company' means a company as defined in section 9 of the Corporations Law;

The amendment is straightforward. When the Bill was introduced, the Companies (South Australia) Code was the correct reference. Since then the Corporation of South Australia Act has been enacted and the definition of 'company' obviously must be changed to be consistent with the new corporations law. I commend the amendment to the Committee.

Amendment carried.

Dr ARMITAGE: Clause 4 deals with the definitions and, in particular, the definition of 'director'. As we have discussed with other Bills, I note the absence of the phrase stating that 'a person who is in a position to control or substantially influence the affairs of the company', which is present in other occupational and licensing Acts but which is not present in this Bill. Is this omission intended?

The Hon. D.J. HOPGOOD: I am advised that paragraph *(b)* has a similar effect, and this is the wording which is being inserted in this sort of legislation at present.

Clause as amended passed.

Clause 5 passed.

Clause 6—'Constitution of board.'

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

Page 3, lines 1 and 2—Leave out 'South Australian Institute of Technology' and insert 'University of South Australia'.

This is precisely the same amendment as that which a previous Committee considered in relation to earlier registration legislation, and I urge its support for the same reason.

Amendment carried; clause as amended passed.

Clauses 7 and 8 passed.

Clause 9—'Personal interest of member.'

Dr ARMITAGE: This clause provides:

A member who has a personal interest or a direct or indirect pecuniary interest . . . will be disqualified from participating in the board's consideration of that matter.

That is clearly an attempt to clarify the situation of conflict of interest. However, as I have in previous Bills of this nature, I merely ask: what does the Minister intend about the consequences of a member (who in fact is disqualified) participating? What will happen?

The Hon. D.J. HOPGOOD: This is still being discussed with the board. It has had no problem with it in the past but, again, I give the commitment that, if it is necessary that an additional subclause should be added, we can address it in another place.

Clause passed.

Clause 10 passed.

Clause 11—'Committees.'

Dr ARMITAGE: Clause 11 (2) provides:

The board may appoint a person who is not a member of the board to be a member of a committee.

Are there any restrictions on who the members of the committee may be? If it were a legal matter, for instance, would the person concerned necessarily be a legal practitioner?

The Hon. D.J. HOPGOOD: Obviously, that is a matter of commonsense. The question is whether it is necessary to have some statutory limitation, and we thought not. There is such a thing as a regulation or an administrative act of a board or appointment being judged by the courts to be *ultra vires* the Act. That is the ultimate sanction available.

It was felt that, as long as the power is secure, probably commonsense and existing practice were sufficient to guide us.

Dr ARMITAGE: I merely asked that question to have the matter on the record: I fully understand that it is a matter of commonsense. I move:

Page 4, line 18—Insert '(other than the function of the registration and professional discipline of physiotherapists)' after 'Board'.

The Liberal Party wishes to move this amendment because we perceive the board as being in charge of the profession, if you like, and that is appropriate. We believe that many functions of the board could be delegated by the board to various committees, and we have no dilemma with the board's establishing such committees. However, given that the ultimate sanction of the board is either to register or not to register a person applying for registration as a physiotherapist, we believe that, in particular, the function of the registration and the professional discipline of physiotherapists ought to be a function of the board rather than of a subcommittee or committee of the board.

Equally, we admit that there may well be instances in which the board will delegate to these committees the matter of examining whether or not someone ought to be registered. We have no dilemma with that. As the board is the final arbiter and its ultimate sanction is registration or not, as well as professional discipline of those already registered, we believe that it is more appropriate if that function be carried out specifically by the board rather than by a committee established by the board. For that reason, I move this amendment.

The Hon. D.J. HOPGOOD: It is a fine point and I see no reason to make a great issue of it. I am quite happy to accept the amendment.

Amendment carried; clause as amended passed.

Clauses 12 to 14 passed.

Clause 15—'Functions of board.'

Dr ARMITAGE: This is the particular clause causing anxiety because of the lack of funding, whether it comes from the Commonwealth, the State, education or health budgets. One of the functions of the board under the provisions of this Bill is the registration and professional discipline of physiotherapists. Registration necessarily entails a certain commitment to clinical training, and it is appropriate that that be so.

However, wherever the funding cuts may be coming from, it is a fact that, if they are there, the Minister of Health must address the fact that the future of physiotherapists continually coming from the school in the streams to which we have become accustomed is in jeopardy. It is a fact that, because of the potential lack of clinical training as a result of the funding costs, the board may be compromised in its position, being responsible for the registration and professional discipline of physiotherapists and for exercising under clause 15 *(b)* a general oversight over the standards of physiotherapy practice, and under clause 15 *(c)* monitoring the standards of courses of instruction and training available, etc.

Whether the funding is as the Minister has indicated, I am not particularly concerned. I am telling the Minister that it will be a problem in the future which the Minister of Health must address. Accordingly, I believe that it is appropriate that the matter be raised now, as that is the function of the board, and the board may well be in a particularly parlous state if this issue is not addressed.

The Hon. D.J. HOPGOOD: I note that the honourable member is not moving any amendment to this clause or asking me for any interpretation of it, but I am quite happy to reiterate what I said at the conclusion of my second reading explanation: the problem is not being ignored. It is being addressed, but if, without any sort of by your leave, the Commonwealth (which is, in effect, what we are talking about) says to the State, 'Up until now there has been a particular mix of funding, but from now on you will have to pick up a greater proportion of that,' and we were simply to lie back and take it and say, 'Okay: there is nothing we can do about it. We will automatically provide the funding,' some of the honourable member's colleagues further along the bench would want to read us one or two lessons about fiscal responsibility.

All I can say to them is that we will sensitively follow the outcome of this, but we will do what we can in the meantime to try to ensure that the long agreement about the division of funding for this is maintained, if it can be. If it cannot, we may need to look at other means.

Mr BRINDAL: Accepting what the Minister just said about fiscal responsibility, this Parliament also has a responsibility to the people of South Australia to ensure that their health services are maintained and improved. Does the Minister not see some dichotomy in clause 15 *(c)* calling for the monitoring of standards? That is fine: you can monitor a standard and the standard can go down and down. I believe that if funds continue to be cut and if this cocktail is not mixed correctly, all we will see is the dessication of physiotherapy in South Australia.

How can the Minister think that monitoring the standards of courses of instruction is a legitimate function of the board and then place that alongside its duty to maintain and improve such courses? Any person in this place, whether or not they exercise fiscal responsibility, must realise that the improvement of courses is often contingent on funding. If the funding is not available, the board may well monitor the course but it will be a course in decline and it will be to the general detriment of physiotherapy in South Australia. In the context of this clause, does the Minister see some irony in the words used?

The Hon. D.J. HOPGOOD: I remind the honourable member that dessication is what you do to a coconut: decimation is what you do to funding. I refuse to stand here and be lectured by people with respect to funding cuts for which I am not responsible. I have said that the State will do what it can in this area, but I point out again that we are not responsible for the cut that is being talked about at present (if, in fact, there is to be any cut—and we hope there will not be). It is one which emanates from that part of the funds which come from the Commonwealth.

Clause passed.

Clauses 16 and 17 passed.

Clause 18—'Qualifications for registration.'

Dr ARMITAGE: Under clause 18 (2) *(a)* (ii), a company is eligible for registration as a physiotherapist as follows:

The directors of the company must be natural persons who are registered physiotherapists (but where there are only two directors, one may be a registered physiotherapist and the other may be a prescribed relative of that physiotherapist).

I am unclear as to where there is a sanction against the other person who might be a prescribed relative of the physiotherapist who is, indeed, practising under the name of the company as a physiotherapist. Will the Minister clarify that?

The Hon. D.J. HOPGOOD: Clause 4 (1) *(c)* provides:

'prescribed relative', in relation to a physiotherapist, means a parent, spouse, putative spouse, child or grandchild of the physiotherapist.

Dr Armitage: That is not necessarily another physiotherapist.

The Hon. D.J. HOPGOOD: No, that is right. It is only in these circumstances that that can occur. I assume that

the sanction is simply that the registration would not be made available and, indeed, if it was found that a mistake had been made, the registration would be cancelled. Is the honourable member asking whether there should be some further sanction beyond that?

Dr ARMITAGE: The company, which can have a physiotherapist and a non-physiotherapist relative as its directors, is eligible for registration as a physiotherapist. Where is the sanction that stops the non-physiotherapist relative from practising?

The Hon. D.J. HOPGOOD: Clause 26 provides the obligation for registration and the penalty for a registered person who practises or provides services that constitute physiotherapy. The person can be a member of a company, but the clause prohibits that person—that is, the non-practising partner—from actually providing this service. I assume that that is not unusual in some other forms of registration.

Dr ARMITAGE: In relation to clause 26, which is the justification for this, would it not be possible for the non-physiotherapy registered person to be included in clause 26 (2) *(b)*, which would make this non-registered person 'a person carrying on the business of a hospital, nursing home or rest home who practises physiotherapy through the instrumentality of a registered physiotherapist'? It might well be that they are involved in that.

The Hon. D.J. HOPGOOD: Only under these limited circumstances. I think we must accept that the problem that has occurred in getting the legislation together is that there are a number of practices—and I am sure when we get to some of the other clauses there may be questions about that—where we do not want people to be completely caught up in the legislation. So, there have to be some let-outs, to use a rather crude term. The honourable member is exactly right, but that practice could occur only in the limiting circumstances envisaged in clause 26 (2) *(b)*.

Clause passed.

Clause 19 passed.

Clause 20—'Registration and provisional registration.'

Dr ARMITAGE: I recognise that this is a minor point, but I believe it is worth mentioning. Clause 20 (4) provides:

> A certificate of registration must be issued to a registered physiotherapist.

Is it envisaged there will be any onus on the physiotherapist to display that certificate of registration?

The Hon. D.J. HOPGOOD: Not as a statutory requirement. Physiotherapists do, as do all allied health professions, but it is not felt necessary to make it a statutory requirement.

Clause passed.

Clause 21—'Limited registration.'

Dr ARMITAGE: Clause 21 *(b)* provides that a person who applies for registration under the Act who does not have the necessary qualifications or who does not fulfil other requirements, and so on, may be registered by the board if in its opinion registration of that person is in the public interest. Will the Minister clarify for me and for the Liberal Party in general how it may be in the public interest for someone who does not fulfil the requirements under the legislation to be registered as a physiotherapist?

The Hon. D.J. HOPGOOD: First, I make the point that this clause deals with limited registration. It is not envisaged that a person who is so registered would be able to do other than that which was placed on the registration, and I draw the honourable member's attention to subclause (3) which provides the sorts of limitations that might be imposed. At this stage, I cannot give the honourable member a specific example because this is a new factor.

Clause 21 (1) *(a)* (ii) refers to teaching or undertaking research or study, and I think for the most part that is what we are talking about. However, in an abundance of caution it was thought that this clause should go in. Again, there is the sanction on the board that in the granting of such a limited registration, first, it would be necessary to make the sort of limitations indicated here; and, secondly, there is always the possibility of challenge where it was thought that even such limited legislation was just so over the top that it was *ultra vires* the legislation.

Clause passed.

Clauses 22 to 25 passed.

Clause 26—'Obligation to be registered.'

Dr ARMITAGE: I move:

Page 9—
Line 9—Insert 'personal' before 'supervision'.
Line 13—Insert 'personal' before 'supervision'.
Line 15—Insert 'personal' before 'supervision'.

As I understand it, the Act contains this provision and, with these amendments, the Opposition is seeking a continuation of the present practice whereby someone who is undergoing a prescribed course of training has an element of personal supervision by a registered physiotherapist. The Liberal Party believes that, with the insertion of the word 'personal' prior to the word 'supervision', it conveys more of an element of direct responsibility by a registered physiotherapist for the person in training or the person carrying out the business described in proposed new subsections (2) *(b)* and (2) *(c)*. Because it is in the Act, the Opposition believes that insertion of the provision in this Bill will do nothing more than continue the present circumstance, which works well.

The Hon. D.J. HOPGOOD: I have no objection to the amendments.

Amendments carried; clause as amended passed.

Clauses 27 and 28 passed.

Clause 29—'Board's approval required if physiotherapist has not practised for five years.'

Dr ARMITAGE: As I indicated in my second reading speech, the Liberal Party totally supports the general tenor of this clause and I believe it is an expectation of the community. I have two questions of the Minister. First, the board is unlikely to know when a registered physiotherapist has not practised for five years unless there is some requirement to notify the board when the registered physiotherapist ceases to practise. Equally, given the intent later in the Bill concerning people who are deregistered in other States, the obvious thrust behind this Bill is to apply uniform standards across Australia, so it would be appropriate to do something similar with this clause. Whilst I fully support the fact that someone coming back into practice after five years ought to obtain the approval of the board, I ask how that will work in practice.

Secondly, a large number of people who corresponded with me about this matter expressed real concern that neither the legislation nor the Minister's second reading explanation detailed the contents of the refresher courses or specified the qualifications and experience that the board may require of the person gradually coming back into the practice of physiotherapy before granting its approval. Indeed, a large number of people suggested that the board ought to be charged with monitoring the reacquisition of skills by the person re-entering phsyiotherapy. In addition, the board ought to ensure that the refresher courses that are available are appropriate.

The Hon. D.J. HOPGOOD: In relation to the second matter, I advise that the board does not propose to alter the content of the present refresher courses that are available, and I did not see it was necessary to go into any great

detail in the second reading explanation about that. That information can be made available to the honourable member and, in fact, it should be made widely available. I understand that it is available on request. I have no objection to a greater monitoring role by the board, and I think the board would look forward to it.

On the first question, all we can do is set standards and indicate that the approval of the board must be obtained. If a person does not do that, but commences practising, that person will be subject to the fine—the sanction—in the legislation. There may be one in a thousand cases where someone in good faith accidentally breaches the legislation. In most cases, a person deliberately sets out to breach the legislation and, in those circumstances, whatever you try to do, the problem of detection is always there. All I can say is that the sanction is a reasonably strong one, and it is stronger than merely the fine. Obviously, people who set on this course are putting at risk such personal reputation they may have, which will count against them in any profession. Secondly, the investment in whatever premises and whatever equipment they have made will be wasted, if they come under this clause. We feel that that is all that is necessary to ensure reasonable compliance.

Clause passed.

Clauses 30 to 33 passed.

Clause 34—'Companies not to practise in partnership.'

Dr ARMITAGE: My question concerns the definition of 'person' in this clause. Under the Acts Interpretation Act, I understand that this means that a company registered under this Act must not practise in partnership with another person or company unless it has been authorised to do so by the board.

The Hon. D.J. HOPGOOD: The honourable member's interpretation is correct.

Clause passed.

Clause 35—'Employment of registered persons by company.'

Dr ARMITAGE: Will the Minister define more directly the relationship between the directors and the number of physiotherapists in a company, given the tendency of physiotherapists today to work odd hours, part time, etc? I imagine that the intent of the clause is that a company must not employ more full-time equivalent registered physiotherapists than twice the number of directors. Is that the case?

The Hon. D.J. HOPGOOD: The honourable member's interpretation is correct. It refers to full-time equivalents. Secondly, it is a reasonably common provision in this sort of legislation so that the board can have some reasonable control over the development of large entrepreneurial practices.

Clause passed.

Clauses 36 and 37 passed.

Clause 38—'Powers of inspectors.'

Dr ARMITAGE: I note that, unlike the Psychologists Bill, this measure does not contain a provision relating to the board's issuing to inspectors identity cards in a prescribed form that must be produced if the inspectors are to exercise the powers of inspection under the legislation. Given the intent of other Bills which we will be discussing, can the Minister clarify why it was decided not to have a similar clause in this Bill?

The Hon. D.J. HOPGOOD: As I understand it, it was something that the psychologists particularly asked for, so it was included. Generally speaking, the request is not made. We can consider it further, but I do not see that it need be handled other than administratively.

Dr ARMITAGE: I have no desire necessarily to see it in. I was just asking for clarification of the difference between the two Bills.

Clause passed.

Clauses 39 to 53 passed.

Clause 54—'Service of documents and notices.'

Dr ARMITAGE: Under this clause, a notice or document may be sent by post. First, I question the use of the word 'may'. Secondly, will the notice or document be sent by registered or certified post? Thirdly, given the fact that we are attempting in this Bill to update the practices of physiotherapy, are documents sent by facsimile and so on reasonably covered under this provision, given that, I understand, many of them have legal tenure these days?

The Hon. D.J. HOPGOOD: I am advised that a facsimile would not do. The use of the word 'may' is to ensure that we do not preclude the possibility of the direct transfer of the document in person. I give the same answer that I gave in relation to the earlier legislation with respect to registration: that is the norm. However, I must be perfectly honest and say that the legislation does not preclude the use of ordinary mail.

Clause passed.

Clauses 55 and 56 passed.

Clause 57—'Regulations.'

The CHAIRMAN: Before the member for Adelaide moves his amendment, I advise the Committee of a clerical correction. In clause 57 (2), after 'Without limiting the generality of subsection (1)', a comma is to be inserted in lieu of the full stop.

Dr ARMITAGE: I move:

Page 18, lines 6 and 7—Leave out paragraph *(f)* and insert the following paragraph:

(f) empower the board to exempt (conditionally or unconditionally) persons of a specified class from any specified provisions of this Act;.

As I said before when discussing the responsibilities and functions of the board, the Liberal Party believes that the board, as the ultimate responsibility within the profession and, given the expertise of board members and the obvious care with which the Governor's appointment will be made, and given the fact that people are representatives of broad groups within the physiotherapy community, it seems *infra dig* that clause 57 (2) *(f)* would give the Governor power, basically, to exempt persons from the necessary registration clauses.

We believe that, if a specified group of people ought to be registered, with the efflux of time, when it becomes clear that they are suitable for registration and perhaps in that day and age ought to have been part of the exemptions under clause 26 (2), it is more appropriate that the board, which has the ultimate sanctioning power, have the power to exempt those persons of that specified class from those provisions of this legislation. I move this amendment on the basis that the Liberal Party believes that it will strengthen the power of the board. It is more appropriate that the board have power to exempt rather than the Governor.

The Hon. D.J. HOPGOOD: The fact of the matter is that what the honourable member seeks to do is to limit the Governor's power to exempt, except with the consent of the board. I said earlier that I would listen to argument on this matter. I have just heard the argument and I must concede that I cannot think of a circumstance in which the Governor on advice would want to exercise this power except on the recommendation of the board. So, in those circumstances, it seems that I probably have to concede the point to the honourable member.

It may well come back to haunt us. If the honourable member is going to be in this House as long as I have been

here already, it may be that in the year 2006 a Government may find itself in some mild dispute with the board of that day and may well feel it is on strong grounds to proceed notwithstanding the advice of the board. Who knows, the honourable member may be part of that Government. However, it will be unable to do so, and it may look back and say, 'What on earth were Hopgood and Armitage doing?' It sounds a bit fanciful—a bit beyond 2000—so in the circumstances, I am prepared to accept the amendment.

Amendment carried; clause as amended passed.

Schedule and title passed.

Bill read a third time and passed.

ROAD TRAFFIC ACT AMENDMENT BILL (No. 4)

In Committee.

(Continued from 5 March. Page 3255.)

Clause 15—'Safety helmets'—which Mr Ingerson had moved to amend as follows:

Page 43—

Lines 14 to 17—Leave out subsection (2a) and insert the following subsections:

(2a) A parent or other person having the custody or care of a child under the age of 16 years should take all reasonable steps to ensure that the child wears a safety helmet that complies with the regulations and is properly adjusted and securely fastened at all times while riding or being carried on a cycle.

(2ab) A person incurs no civil or criminal lability for failing to comply with subsection (2a).

After line 23—Insert new subsection as follows:

(2d) This section does not apply in relation to a child under the age of 16 years riding or being carried on a bicycle until six months after the commencement of section 15 of the Road Traffic Act Amendment Act (No. 4) 1990.

Mr LEWIS: The third question I wish to put to the Minister about this clause relating to helmets is whether, if statistical evidence indicated that the number of head injuries to passengers in motor vehicles—cars in particular—was equally relevant to or greater than the number of injuries to cyclists, he would personally advocate wearing helmets inside motor vehicles to prevent those injuries occurring since one ought not to discriminate between the kinds of vehicle, in my opinion.

The Hon. H. Allison interjecting:

Mr LEWIS: That does not necessarily mean that you will not whack your head—seat belts or otherwise. I have been told by doctors and nurses involved in trauma care that a large number of serious head injuries could be avoided if people travelling in cars were also wearing helmets and that the number of injuries so sustained would be greater than the number sustained by people riding cycles. In those circumstances, one feels compelled to say that we ought not to overlook the risk to good health and sound mind posed by our travelling along the road in a motor vehicle as being any more or less worthy of the protection of the head than someone travelling along the road on a cycle.

The Hon. FRANK BLEVINS: No, the Government has no intention of legislating for such a provision.

Mr LEWIS: Quite obviously the Minister does discriminate and believes the head injuries sustained inside motor vehicles, which might be preventable by the wearing of a helmet, are not serious or worthy of being addressed as are head injuries sustained when one is knocked from a cycle, even though perhaps the greater number of injuries might be saved by requiring the wearing of helmets in motor vehicles. It is quaint the way we make laws and the reasons why we do things. There seems to be little logic in it at all. It is equally quaint that we impose penalties in law which cannot be imposed in fact once the law has been proclaimed.

The Hon. FRANK BLEVINS: In case anybody reads *Hansard*, I would not want them to think that the contribution that has just been made by the member for Murray-Mallee, which purports to ascribe motives to me or the Government or to suggest what the Government thinks or what I think, is in any way representative of the facts. The Government has no intention of legislating in this area, besides which it is not in any way a part of the clause before the Committee.

Amendments negatived; clause passed.

Schedule and title passed.

Bill read a third time and passed.

STATUTES AMENDMENT (WATER RESOURCES) BILL

Adjourned debate on second reading.

(Continued from 22 November. Page 2200.)

The Hon. D.C. WOTTON (Heysen): The Opposition supports the Bill, which amends five Acts as a consequence of the new Water Resources Act. All these Acts impact upon water, and it has therefore been necessary to assess the overlap between them. The first relates to the Irrigation Act 1930. This amendment makes the taking of water from or the discharge of water into the Murray River or any body of water flowing through or adjacent to an irrigation area subject to the Water Resources Act 1990. This complements the provisions of the new Act.

I do not wish to spend a lot of time on this legislation, but I was interested in a presentation made recently by Mr Kerin at a Murray-Darling Basin Ministerial Council meeting. He presented a paper on future strategic directions for water management and made the following points:

Council [the Murray-Darling Basin Ministerial Council] has achieved a great deal over the past five years, not only in terms of institutional arrangements, but also in terms of the development of a new ethos for sustainable resource management in the basin.

He further indicates that council recognises that:

It is crucial for the momentum for change under the Murray-Darling Basin initiative to be maintained through political and community commitment.

The natural resources management strategy (NRMS) and salinity and drainage strategy are both addressing fundamental problems facing the basin.

He goes on to indicate:

Under the salinity and drainage strategy, the package of interception works already in place or planned will reduce salinity in the Murray River by over 20 per cent, and the drainage program over the next five years will substantially help to protect productive agricultural land from salinisation and waterlogging.

The final two points made by Mr Kerin in his presentation were as follows:

The combination of increased productivity and significant environmental benefits which will result from funding these strategies clearly demonstrates the value of the initiative in addressing significant issues of concern to the community and Government.

Above all, before we commit ourselves to the next 'great leap forward', we must be sure that our strategic directions are right and the political commitment necessary for their achievement is in place.

He finally stated:

Our resources are too threatened, our funds are too scarce and time is too pressing for us to do otherwise.

I think that is all good stuff—there is no doubt about that whatsoever. I would just hope that the same impetus can continue and that the same importance can be placed on the points and the strategic direction that has been laid down by Mr Kerin. Certainly, we all recognise the impor-

tance of that—South Australia probably more than any of the other States, being at the bottom of the river stream.

I was interested to consider a number of items that were raised at that meeting, including the matter of sustainable development for the Murray-Darling Basin, and I will refer to that a little later. While it has very little to do with this piece of legislation, I was somewhat concerned about the debate that took place at that council meeting regarding the Murray Valley League and whether or not the league should continue to be funded. I am delighted to see that the South Australian Minister indicated her strong support for the work that the Murray Valley League has done in this State and, one would hope, will continue to do. The league has a close relationship with local government and is supportive of the Murray-Darling Basin Ministerial Council and the commission. I agreed with the Minister when she indicated to that meeting that the league had done some excellent work in South Australia.

However, I was concerned at the outcome of the resolution from that meeting where it was decided not to fund the Murray Valley League and to direct the commission to monitor the league's success over the next year. The Murray-Darling Basin Ministerial Council decided to review within 12 months the range of avenues available for community consultations including the CAC and the MVL, and I would hope that the Minister would continue to add her support to the work being carried out by the Murray Valley League and that she continues to give high priority to financing that organisation.

I was also interested to receive, as a result of that meeting, a paper presented by the Hon. Ian Causley, the Minister for Water Resources in New South Wales, dealing with 'integrated drainage—the key to sustainable irrigated agriculture in the Murray-Darling Basin'. I wish it were possible for me to refer in detail to the statement made by Ian Causley, because it is an excellent paper and one that is very significant as far as irrigation and sustainable irrigated agriculture in the Murray-Darling Basin is concerned. He says it is opportune that this matter be discussed at this time because the council was to consider a report prepared for the council (the Murray-Darling Basin Ministerial Council) by the commission on options for an accelerated drainage program for the basin. He states:

The report deals with the critical issues of waterlogging, and salinity in the irrigation areas of the Riverine Plain. Currently, some 560 000 hectares in the irrigated areas of the Riverine Plain have shallow watertable problems. The cost due to lost production from salinity and waterlogging is estimated at $44 million per year. Without intervention, the total area with shallow watertables is expected to double and the losses increased to $123 million per year in the next 50 years.

That is an amazing statistic. Ian Causley goes on to say:

There is clear consensus that the area of waterlogging and salinisation is increasing dramatically and that there will be significant productivity losses unless drainage is provided as an integral part of a broad-base strategy. Currently, 28 per cent of the area under irrigation has drainage. Up to 67 per cent requires drainage.

He goes on to say:

The challenge for us is not to be defeated by these problems.

He indicates—and I concur with him—that we just cannot afford to take a defeatist attitude. The report continues:

There are hundreds of millions of dollars of infrastructure tied up in irrigated agriculture throughout the basin and the lives of many, many people are tied directly and indirectly to the continued viability of irrigation industries.

It then goes on to talk about the commission's drainage report. Again, I indicate that it is an excellent paper. It continues:

While drainage is obviously necessary in many instances as a key element of programs to address these problems, our overall approach is to integrate—

and he is talking about the New South Wales approach—

six key components in programs tailored to the specific needs of individual areas:

(1) Community involvement . . .

(2) Environment component . . .

(3) Institutional component—necessary legislative and administrative changes; demand management initiatives such as permanent water transfers, pricing structure changes, etc.; land-use controls; incentive and subsidies.

(4) On-farm component—improved farm planning and management; internal drainage; water recycling; groundwater pumping in appropriate areas; landforming; improved irrigation technology; irrigation scheduling; crop rotations, woodlots, etc.

(5) Economics and cost sharing—establishment of principles for economic evaluation of projects; cost sharing along public benefit: private benefit lines; identification of sources of funding.

(6) District drainage component—options for major (or district) drainage; design criteria; linkages to community or private drains, etc.

Ian Causley has also provided a table which indicates the drainage program proposed by all the States and sets out the source of funding and the amount set aside in 1990-91, 1991-92, up to 1994-95. It is interesting to note that in Victoria, for example, looking at the source of funding coming from both Government and local, the combined source is $6 412 million in 1990-91, compared with $8.7 million in New South Wales, down to South Australia with $190 000 being contributed for this financial year.

Going up to 1994-95 it is anticipated that in Victoria the source of funding will be in the vicinity of $11.52 million, New South Wales $18.5 million and South Australia $5.79 million. I realise that there is quite a difference in the total funding for the three States, but I am concerned that South Australia appears to be so far behind. I seek leave to have this table inserted in *Hansard* without my reading it.

The SPEAKER: Is the table purely statistical?

The Hon. D.C. WOTTON: Yes, Sir.

Leave granted.

Drainage Programs as Proposed by the States

State	Source of funding	1990-91 $'000	1991-92 $'000	1992-93 $'000	1993-94 $'000	1994-95 $'000	Total $'000
Victoria							
	Government	4 374	5 933	7 141	7 820	8 120	33 387
	Local	2 039	2 563	2 908	3 088	3 400	13 998
Sub-total		6 412	8 496	10 049	10 908	11 520	47 385
New South Wales							
	Government	6 960	8 240	13 120	14 080	14 800	57 200
	Local	1 740	2 060	3 280	3 520	3 700	14 300
Sub-total		8 700	10 300	16 400	17 600	18 500	71 500

Drainage Programs as Proposed by the States

State	Source of funding	1990-91 $'000	1991-92 $'000	1992-93 $'000	1993-94 $'000	1994-95 $'000	Total $'000
South Australia							
	Government	152	1 048	3 112	5 456	4 632	14 400
	Local	38	262	778	1 364	1 158	3 600
Sub-total		190	1 310	3 890	6 820	5 790	18 000
Total		15 302	20 106	33 339	35 328	35 810	136 885

It would be good for people to be able to see very clearly where South Australia sits in regard to the contribution that will be made with the drainage program and to compare it with the other States. The second piece of legislation that is amended is the Local Government Act of 1934. This is an administrative amendment to make reference to the new Water Resources Act of 1990, in lieu of the repealed Act in relation to the protection and management of watercourses by local government.

The third of the five Acts of Parliament that will be amended as a consequence of the introduction of the new Water Resources Act is the Pollution of Waters by Oil and Noxious Substances Act 1987. The definition of 'State waters' in this measure refers to waters within the limits of the State, including inland waters, for the purpose of controlling the pollution of coastal waters. The new Water Resources Act 1990 is the vehicle for the control of pollution of inland waters. The amendment that we are considering today provides a new definition of 'waters' for the purposes of the Pollution of Waters by Oil and Noxious Substances Act, limiting it to waters that are subject to the ebb and flow of the tide, hence restricting control to coastal waters.

The fourth piece of legislation to be amended is the Public and Environmental Health Act 1987. If we look at sections 21 and 22 of this Act, we note that they deal with the pollution of water and currently overlap with Part 5 of the Water Resources Act 1990, covering the protection of water resources. Under the latter Act, authorisation may be granted for the release of certain wastes under specific terms and conditions. The release of this authorised waste, however, constitutes an offence under the Public and Environmental Health Act. The amendment to section 21 resolves this untenable situation by exempting such authorised waste.

Section 22 prohibits or restricts the taking or use of polluted water. We would recognise that 'pollution', under the Public and Environmental Health Act, means rendering a supply unfit for human consumption. This is a vitally important amendment, because a lot of water distributed throughout the State, including irrigation supplies, does not meet the standards for human consumption, and because of its particular use this is not a requirement. The amendment to section 22 limits the section to waters distributed for human consumption and, of course, along with all of these other amendments, is one that the Opposition supports.

The final piece of legislation to be amended as a result of this legislation is the Waterworks Act 1932. These amendments delete all the provisions relating to watersheds and zones, for the controlling of water pollution. We find that these are now covered by section 46 of the Water Resources Act 1990 which enables regulations to be made to prohibit, restrict or regulate activities in any part of the State. I am particularly pleased to see this amendment. I know the Minister is very much aware, as I am, of many of the problems that have been experienced as a result of changes that have been required under this legislation. The amendments are necessary as a result of the High Court decision some time ago which upheld prohibition on piggeries, zoos and feedlots, etc., and other activities with a high pollution potential in the Mount Lofty Ranges, that is, in the watershed ranges from Williamstown in the Adelaide Hills to Myponga, south of Adelaide.

In a four to one decision the High Court upheld the validity of a regulation made under the Waterworks Act 1932, which prohibits piggeries, zoos and feedlots on land within the Mount Lofty Ranges watershed. During an appeal hearing on this matter, an officer from the Engineering and Water Supply Department claimed that the aviary that was being discussed in a particular development fell within the definition of a zoo. It was therefore prohibited by the Waterworks Act regulations, and the people involved were to be charged an entrance fee to the aviary.

This threw many people throughout the watershed area into considerable confusion. People who had birds, animals, etc. were extremely concerned about the ramifications of those amendments. So, the matter was taken to the High Court where a judgment was brought down. These are only a few of the problems that have been experienced under this legislation. It is particularly good to see this amendment to delete all the provisions relating to watersheds and zones in the Adelaide Hills. The Opposition and I support the legislation, and I commend it to the House.

Mr LEWIS (Murray-Mallee): My contribution is simply to underline the remarks made by my colleague the member for Heysen, wherein he drew attention to the concern that is abroad about the future funding of the Murray Valley League. This organisation of volunteers extends across four States and has been in existence for about 50 years. It has been a forum to which people who are genuinely concerned about the future of the watershed have been able to take their concerns and debate them in an atmosphere which has been without partisan affiliation and without parochial consideration, and which has the interests of the nation and of the whole watershed paramount in its objectives.

To deny that organisation, which has drawn public attention quite necessarily to the plight of the whole watershed area, funding of the kind essential to ensure that it can function effectively, to my mind, is ridiculous. It smacks of opportunism of a kind I have not encountered anywhere. Any contemplation of such action is foolish indeed.

Not only is that against the interests of South Australia but against the national interest. The Murray Valley League can only continue to prod Governments and bureaucrats, especially in areas of regional responsibility, into action more quickly than otherwise would have been the case. At present we owe the Murray Valley League a great deal, and I place on record my respect for and commendation of the work it has done, especially in recent times, to bring together people within the bureaux of Government administration in all three tiers of Government, and in arenas of public concern.

Scientists have been brought together with lay people, and farmers with environmentalists. We all now acknowledge that the river and its tributaries are a multiple user resource that must be sustained. It is unthinkable that the Govern-

ment would contemplate cutting its funding when so few dollars go so far in extending public consciousness in ways that would not otherwise be possible if we were to attempt it independently of the existence of that organisation.

I pay tribute to the people in that organisation over the past decade who have been so successful in bringing public awareness to its current heightened degree. I refer to people such as Jim Hullick of the Local Government Association (the immediate past National President) and Mr Graham Camac (current National President), both of whom are prominent South Australians in their own right, from different arenas of public concern and activity, and all the other people who have served that organisation, its goals and objects, and the public interest, for the whole of its existence.

The Hon. P.B. ARNOLD (Chaffey): I wish very briefly to indicate my support for the Bill, which makes the necessary consequential amendments to the five Acts indicated by the member for Heysen. I wish to state to the House my longstanding support for the Water Resources Act, and the fact that I regard it as one of the better pieces of legislation in South Australia. However, the Minister has indicated that the five Acts that are being amended as a result of this Bill are consequential on the Water Resources Act. I also indicate that, indirectly, another Bill that is consequential, although perhaps not officially, is currently before this House, that is, the Valuation of Land Act Amendment Bill, wherein the Minister is vitally concerned about pollution of the waterways and the water resources of this State.

Of course, native vegetation has a very real impact on the pollution of waterways, particularly of the Murray River. If there is any move to restrict or discourage people from planting native trees, particularly, that will lower the watertable and reduce salinity (particularly surface salinisation of land in South Australia), of course, that is a step contrary to the whole purpose of the Water Resources Act and what the Minister is trying to achieve. I indicate my support for the Bill, but urge the Minister to consider carefully the provisions of the Valuation of Land Act Amendment Bill, which can have direct implications for the Water Resources Act and the quality of water in South Australia.

The Hon. S.M. LENEHAN (Minister of Water Resources): I thank members opposite who have participated in this debate, and particularly thank the shadow Minister of Water Resources for his contribution. It is pleasing to note that the Opposition supports what are fairly commonsense amendments to this legislation. I do not intend to pursue any of the points that were raised, as they were fairly clear. My position is on the public record with respect to a number of the issues raised by the Opposition; therefore, I welcome the support of members opposite for this Bill and commend it to the House.

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

VALUATION OF LAND ACT AMENDMENT BILL

Consideration in Committee of the Legislative Council's amendments:

No. 1. Page 1, lines 16 to 21 (clause 3)—Leave out paragraphs *(a)* and *(b)* and substitute:

(a) by striking out from paragraph *(b)* of the definition of 'annual value' in subsection (1) '(other than fruit trees)' and inserting '(other than commercial plantations)' after 'planted thereon';

(b) by striking out from the definition of 'capital value' in subsection (1) '(other than fruit trees)' and inserting '(other than commercial plantations)' after 'planted thereon';.

No. 2. Page 2, lines 23 and 24 (clause 7)—Leave out paragraph *(a)*.

No. 3. Page 3, lines 13 to 16 (clause 10)—Leave out the clause.

No. 4. Page 3, lines 17 to 19 (clause 11)—Leave out the clause.

No. 5. Page 4, lines 3 to 5 (clause 15)—Leave out paragraph *(a)*.

No. 6. Page 4, lines 7 to 13 (clause 15)—Leave out subsections (3) and (4) and substitute:

(3) The Valuer-General must publish information as to land value in such forms as the Valuer-General thinks appropriate and make publications containing such information available for purchase at prices approved by the Minister.

(4) The Valuer-General must—

(a) at the request of the owner of land, permit the owner to inspect, free of charge, entries in the valuation roll relating to that land;

(b) at the request of any person, and on payment of the prescribed fee, provide that person with information from the valuation roll as to the value of land.

The Hon. S.M. LENEHAN: I move:

That the Legislative Council's amendments be agreed to.

As the Committee would be aware, there has been some interesting public speculation about exactly what was meant by the whole question of looking at the anomaly that existed with respect to fruit trees, particularly in the Riverland. Therefore, I sought to have my colleague in another place move a very simple amendment, which included the words, 'other than commercial plantations'. It seemed to me that this put above all question any discussion or debate about the issues that had been raised in the community, particularly by certain members of the Opposition.

It was never the intention of this Government, and it was certainly never my intention, to include the planting of native vegetation in terms of a disincentive through this legislation. We sought to correct an anomalous situation whereby only those trees considered to be fruit trees were to be considered for valuation. By adding the phrase 'commercial plantations' I think that for anybody with any degree of commonsense the Government's intention becomes quite apparent.

The other amendments have been moved by the Legislative Council and, while it was not my choice initially to accept them, I think in the interests of cooperation I am happy to do so. I am also quite happy to accept the third series of amendments; and I know that you, Mr Chairman, will be very pleased with my willingness and cooperative spirit in that regard. I commend the amendments to the Committee.

The CHAIRMAN: The Minister has moved that all amendments be agreed to, but the member for Murray-Mallee has circulated a proposal to substitute an alternative amendment to amendment No. 1. Therefore, the Chair will put amendment No. 1 as a separate question, even though the Minister has moved them *en bloc*. The member for Murray-Mallee may wish to speak to his foreshadowed alternative amendment now, and in so doing he may canvass the matters that it contains.

Of course, before the honourable member can formally move his alternative amendment, it will be necessary for the Committee to negative the Legislative Council's amendment No. 1. At this stage, the honourable member cannot move his alternative amendment—that will occur only if the Committee negatives amendment No. 1. I invite the member for Murray-Mallee to speak to the question before the Chair, and he may foreshadow the matters contained in his amendment.

Mr LEWIS: It is the Opposition's wish to amend the Legislative Council's amendment No. 1, and I thank you, Mr Chairman, for your indulgence in allowing us to follow that course. I foreshadow that I will move in that way in

the event that the Committee supports the Opposition proposal to delete all reference to vegetation of any kind from the valuation of land for the purpose of determining taxes and rates to be paid on that land, be they land tax in a commercial situation or water rates, sewerage rates and council rates in a domestic situation.

In her opening remarks, the Minister made the demeaning statement that anybody with an ounce of commonsense would understand what the Government intends. What she is trying to do is cover up the fact that there is no definition anywhere in this legislation of the word 'commercial' or the term 'commercial plantation'. Nor is there in this legislation, or anywhere else, a definition of a tree which would enable the Minister to get herself off the hook. Therefore, common she may be, but sense she has none. That is an unfortunate situation for us to find ourselves in.

Given that the Act is opened up, and that we are contemplating the law about such matters, it is quite appropriate for any member of this place to change the effect of the law. In this day and age the community's mores about vegetation in general, and trees in particular, are quite different to what they were a few years ago. It is now the desire of everybody to encourage the planting of trees of any kind anywhere. The Opposition, recognising the desire abroad in the community, sought to have vegetation of any kind removed from the consideration of valuers in determining the valuation of land for the purpose of determining rates and taxes.

The Minister did not explain herself at all well when we last debated this measure in this place—in fact, she was confused. She said that she wanted to give the people in the Riverland a level playing field but, instead of abolishing the taxation and rates to be collected on the value of the trees grown by fruit growers, what she was intending to do was establish that all people growing trees would pay rates and taxes upon them. In fact, according to the Minister those trees would include proteas, banksias, acacias, and anything at all that was grown for commercial benefit. I put the view that that would mean that we would be taxing erect, herbaceous, perennial plants. The Minister did not dispute that. No spokesperson from the Government has ever disputed that that was what was intended.

The Government intends taxing erect, herbaceous, perennial plants. The Government now has this esoteric notion of what is meant by the word 'commercial', and it is on the basis of where such vegetation, called 'trees' as I have described it, enhances the value of property. That is the way the law will be written if we adopt the Legislative Council's amendment No. 1. I point out, for the benefit of members who did not know this, that the Minister herself suggested this amendment to her colleague in another place to, in her opinion, clarify the situation. Leastways that is what was said in the debate in the other place. Given that that is the case, the Minister must believe that the chlorophyll in the leaf of a plant which happens to have some commercial value is sinful by some degree, or taxable for some reason, but not if it is in the leaf of a plant that does not apparently have any commercial value. I find the Minister and the Government's opinion incredible.

From what the Government has said, a gum tree planted for the purpose of soaking up unwanted effluent, or reducing the level of a watertable, or planted for the purpose of providing shade in the car park of a shopping centre, where it clearly enhances its value, must be assessed in value as an addition to the land. Obviously, that is the yardstick that is to be used. According to the Government, the gum tree in the shopping centre car park, the gum tree in the wood lot soaking up effluent, or the gum tree lowering the level of the watertable and removing the risk of salination is a gum tree which can be, and should be, taxed. However, when it is naturally growing on the other side of the fence in that locality, it is not.

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

Mr LEWIS: As I was saying, we have the spectre of trees, which enhance the value of land, being added to the value of that land on one side of the fence because they were planted apparently for that purpose, therefore being included in the valuation for the purpose of determining the land tax and/or water rates, sewerage rates and local government rates. However, not more than a few metres away on the other side of the fence, the same species, which occurs naturally in that location, will not be included because it was not planted for commercial purposes and, therefore, is not subject to taxation.

As a case in point, I refer to Moore Brothers at Loxton. River red gums, which are saline tolerant, have been planted deliberately to use up the effluent from the factory in the town. A few metres away, more river red gums (*eucalyptus camaldulensis*) grow naturally near the river on land of identical soil type. Nonetheless, for the purposes of determining taxes, they are not considered as an enhancement on the land. If anything is inane, that has to be.

I put to the Minister that what she needs to do is tell the Committee exactly where her definition of the words 'commercial plantations' and 'trees' can be found. As I understand it, the legislation does not contain that definition. Therefore, it is subjectively determined by the Valuer-General and, if there is not a satisfactory definition of 'commercial', it will be subjectively determined, location by location, property by property, by the valuer on duty at the time. I do not like that prospect. It is far better in this day and age to allow the leaves of trees, regardless of whether they germinated naturally or were planted purposely, to get about the business of converting atmospheric carbon to cellulose, and not provide disincentives to landowners for the purpose.

Mr BLACKER: I raise an issue that was not current when the Bill was debated. It relates to the dilemma that is confronting so many people in the country in relation to land valuations. The example I cite relates to a farming property just north of Tumby Bay. The Department of Agriculture, which valued the property on the basis of its productivity or its ability to grow crops and pasture for stock, estimated the value at $344 000. The Valuer-General's Office put a figure of $420 000 on the same property. Although younger married members of the family live there now (that is an exaggeration: they are about my age), the father retains an interest in the property and is looking for a pension or part pension on the basis that he can no longer recover any sort of asset from that property.

The Federal valuer increased the value from $420 000 to $490 000. A $70 000 increase in today's depressed economic climate is unusual because in all other areas values are going down. The people concerned complained and tried to have it checked out. They asked the valuer of the property why it had been increased. His explanation was that it was because of all the trees that they had planted. That creates a difficulty with what the Minister is saying.

The Hon. S.M. Lenehan: It is a Commonwealth matter.

Mr BLACKER: Yes, it is a difference in valuations by the various departments and the State and the Commonwealth. I appreciate that the Minister is not directly responsible for this, but such confusion exists within the community

and the people who contacted me believed the State Minister was responsible. The various values of the same property have allegedly been made on the basis of its capital value, but the valuations vary from $344 000 to $490 000. As I said, the trees that have been planted were given as an explanation for the increase.

The lady who is part owner of the property said that they would fix that. Although they have planted in the vicinity of 20 000 trees over the past 30 years, they would cut them down, because their rates and taxes have also increased. I raise this point because it is a dilemma that is facing many people. I appreciate that it is not the direct responsibility of the Minister. However, it raises the whole concept of valuation and the lack of a standard value for the same property. Let's face it, at the moment, many properties have absolutely no value in terms of resale. Property after property is being placed on the market with no bid, no offer, being made. What is the value of land?

This argument could be taken one step further in relation to the State Bank, but I do not intend to broaden the debate. What is the value of property when there are no buyers? This dilemma must be addressed by Federal and State Governments and local government to find out what is the realistic value of land so that it can be rated or taxed according to the enhancement of the planting of trees. The member for Murray-Mallee raised the very important issue of the value of trees on aesthetic grounds and for the purpose of lowering saline and other watertables, encouraging native vegetation, providing stock shelter and creating natural habitats for birds and other wildlife. The arguments go on and on and I, for one, would like to see more trees planted and greater encouragement given to that practice.

However, when we have anomalies such as this, it begs the question: why should one plant trees if it leads to a difference of values between Government departments and, therefore, act as a disincentive? The people to whom I referred planted the trees with the best of intentions. They hoped it would improve the aesthetic value of their property, where they hoped to live for the rest of their lives, and which would be handed down to their children. They did not do it for capital gain. It was done for overall aesthetic value and to create stock shelter but, because of the wide variation of values as determined by licensed valuers, from different Government departments, this problem has arisen.

I venture to say that the person who made the valuation did so because it would help his departmental cause in denying the incumbent access to a pension. I suspect that was the ulterior motive in having that—

Mr Lewis: Like Austudy.

Mr BLACKER: The member for Murray-Mallee mentioned Austudy, and that has cropped up time and again. Federal persons involved with the valuation will not accept the State valuation as being the standard. Somewhere along the line, a piece of land has a value and it should not be at the whim of individuals that that value could increase, as in this case, from $344 000 through a range of figures up to $490 000.

The Hon. S.M. LENEHAN: I will be very brief, because I am aware that quite a number of other matters need to be dealt with this evening. With respect to the question raised by the member for Murray-Mallee, 'commercial plantation' could be defined as trees planted for commercial purposes, such as commercial orchards and pine plantations. In the Oxford Dictionary, 'plantation' is defined as an assemblage of planted growing plants, especially trees. While the definition of 'commercial' has a number of other connotations in terms of commercial broadcasting and commercial college, etc., the verb form means to make commercial, to derive commercial profit from. I believe it is very clear exactly what is referred to in this Bill and I do not intend to take up the time of the Committee in debating it at great length. It will always be a matter of interpretation for individuals. I believe it is clear and, for the public record, what the Government means by the term 'commercial plantation' is now in the *Hansard.*

The member for Flinders, in a sense, has answered his own question, if I may presume to say that. Quite obviously, for a discrepancy of that size, I suppose one would have to question the professionalism of the valuers concerned. The general question raised by the honourable member is, 'What is the property worth; what is the property valued at?' I guess the simple answer is that it is really worth what someone is prepared to pay for it. The Valuer-General in South Australia is directly answerable to the Parliament and not directly answerable to me in terms of setting valuations, although I can request him to revalue something. But I cannot and certainly would not direct—and neither would the Parliament nor the community ever want me to direct—the Valuer-General, because that would take away the integrity and objectivity of a very fundamental system upon which so many of our financial and social economic bases of our society are founded.

It seems to me that, having said all that, if there was this huge discrepancy between a valuation made by the Valuer-General within the State jurisdiction and a valuation made by a valuer in the Federal area, and given the information that the honourable member provided to the Committee (and he suspected there may well have been an ulterior motive—to ensure the valuation of property was so high that it precluded the owner of the property from some other form of public assistance), perhaps that is the answer to the question. I do not have a simple answer. I do not have the Federal valuation system under my influence. Within the proper responsibilities as Minister of Lands, I certainly try to make the situation in South Australia very clear with respect to the valuation system and how it operates. I do not pretend that it is a perfect system, because human beings are making valuations and working every day.

I guess I would have to ask whether there is anyone in this Parliament who has never made a mistake, and of course there is no-one, although some members might like to pretend. Although we have a system where human beings actually implement what the Parliament has required, there will always be a small margin of error. Having said that, we do have enough checks and balances within our valuation system and within the Department of Lands to provide an assurance to the community that it is a fair and just system, and that it is executed without fear or favour. I guess I am in a privileged position of being able to say that, as the Minister responsible for that section of my department. The only thing I could offer the constituent of the member for Flinders is that perhaps it might be appropriate to try to organise a meeting between the valuer from the Commonwealth department and the Valuer-General to see whether they could not perhaps look at, at a professional level, establishing what might well be considered a realistic value, a value that more closely approximates the market at the moment.

I fully agree with the member for Flinders that it is a depressed market and that valuations in country areas are certainly much lower than they have been for a number of years. If it would be of any use to the honourable member, I would be very pleased to ask the Valuer-General to facilitate such a meeting. Perhaps the honourable member might

like to see me some time later this evening about that matter.

Mr BLACKER: I thank the Minister for her response and I will certainly take up what she has said. I am trying to understand how a piece of land can have three different values. Whether or not we take into account the current depressed market, there cannot be three different values at whatever level we are looking.

I wish to raise one further matter, and I stand a chance of being ruled out of order, because it marginally extends the debate: the valuations on a State-wide basis are indexed each year according to a predetermined figure, I understand. The computer index goes up or down. Can the Minister indicate a guideline? Has the computer index dropped in the past year or two as a result of the depressed economy and what we all know is the depressed value of land?

The Hon. S.M. LENEHAN: I believe that that is the case, but I will have it checked with the Valuer-General. I would be very pleased to provide that information for the honourable member as soon as possible.

Mr LEWIS: It is distressing to the Opposition to learn from the Minister that she has no intention of defining 'commercial plantation' other than referring to the Oxford Dictationary. Why do we bother to put definitions of anything in legislation anywhere? 'Commercial' is an ambiguous term. Clearly, shade trees in a parking lot are put there for the very purpose of attracting customers to park their cars in that parking lot and to go to shop there rather than at the neighbouring shopping centre that has no shade. Further, is the tree that is planted to lower the saline water table put there for commercial purposes? It certainly enhances the value of the land and does that in perpetuity. If the Minister asserts that it is not commercial when it is put there for that purpose, does it become commercial if the owner of the tree decides at some future time to chop it down when it has reached its maximum yield before it dies and to sell it for either lumber or fuel wood or for any other purpose whatsoever?

So pine trees planted for the purpose of being sold as Christmas trees therefore come under 'commercial purposes'? If so, at what value will they be assessed and what happens if the valuer misses the crop when the valuer comes to do the assessment of the land where the pine trees have already been cut and sold at Christmas? So, if the land is valued in November or early December, they will be included for land tax purposes, but if they are valued in January or February and the crop has gone, they will not be included. If the Minister cannot give satisfactory answers to the kind of question I am putting to her, it ill behoves her to lecture me and other members of the Opposition about our concerns regarding this legislation. It is clearly an attempt to save her own face because she failed to understand the implications of the changes she is making to the legislation. That was clear from the time she began discussing it with us when the legislation was before the House prior to its passage to the other place. Now, to save face, she has cobbled together these amendments, particularly the one which seeks to establish that all commercial plantations will be valued for the purposes of striking rates and determining land tax.

The final point I make on behalf of the Opposition, as was made in the other place, is that where pine trees are concerned, or indeed any other lumber plantation, the Government's Woods and Forests Department or any other department which owns land and chooses to plant trees upon it has a distinct and enormous cost advantage extending over the growing period of that plantation.

In some instances private foresters in the South-East will pay $400 000 more in rates. The Woods and Forests Department gets out of that scot-free, and that gives the department an enormous advantage over commercial afforestation interests in this State, whether the trees are in the South-East, on Lower Eyre Peninsula, on Kangaroo Island or in the Adelaide Hills. The Opposition disagrees very strongly that the Government should give itself such a high cost advantage in that fashion.

We believe that the bottom line is quite simple: to avoid the ambiguity, to get away from the problems inherent in this ill-conceived statement of intent where there is insufficient definition, and to ensure that everybody, everywhere, is left with the incentive to plant more trees and retain the trees they have already planted. They should not be included in the site value, the annual value, capital value or any other jolly value for the purposes of determining rates and taxes of any kind. That is the bottom line. The Opposition is firmly opposed to the Government's proposal and trusts that all members of the House will see the good sense of striking it out of the legislation by voting in the first instance against amendment No. 1 and then support the proposal which is before the House in my name.

Amendment No. 1 agreed to.

Amendments Nos 2 to 6 agreed to.

EDUCATION ACT AMENDMENT BILL

Returned from the Legislative Council with the following amendments:

No. 1. Page 2, line 6 (clause 2)—After 'affects' insert '—*(a)*'.

No. 2. Page 2 (clause 2)—After line 8 insert the following word and paragraph:

or

(b) the determination of any other claim made by or on behalf of any person who was at any time or is an employee under this Act, if that claim was lodged with the Department at its Central Office or an Area Office before the commencement of this section.

Consideration in Committee.

Amendment No. 1:

The Hon. G.J. CRAFTER: I move:

That the Legislative Council's amendment No. 1 be agreed to.

Motion carried.

Amendment No. 2:

The Hon. G.J. CRAFTER: I move:

That the Legislative Council's amendment No. 2 be agreed to with the following amendment:

Leave out 'the commencement of this section' and insert '5 March 1991'.

The simple effect of this subsequent amendment is to allow for the commencement of the section that has been inserted in another place to apply from yesterday's date, 5 March 1991, which has the effect of allowing for those claims for salaries that have been lodged with the Education Department in the terms of this section to be valid claims if they were lodged prior to yesterday's date. The Government, I should say, is not happy about this amendment. It has the effect of providing a boon or a benefit to a group of employees in the department who did not, in our view, earn income for the period that they did not work but who, by a decision of a lower court, are claiming that boon or benefit, which is, indeed, a windfall for those persons. That lower court decision was to be applied in other cases.

I understand that some 16 cases have been lodged with the Education Department. Each case will be contested most vigorously by the Education Department, and we will be seeking to distinguish the lower court decision that has caused this legislation to be brought into the Parliament at

this time. As the amendment came from the other place it was unsatisfactory in that it was to provide for the commencement of the section at the time of the proclamation of the legislation and the legislation coming into effect. That was an uncertain time in the future which was unsatisfactory, and this amendment provides a certainty about the commencement of that section of the legislation, and to that extent it improves the measure.

Mr BRINDAL: I accept what the Minister has said and do so with some disappointment. Opposition members in this place and in the other place made our arguments quite clear on why we first sought to amend this Bill here and subsequently—successfully—in another place. The Opposition has no desire to put this or any Government to unnecessary expense. The point involved here is an important principle at law, namely, that if and when the current Government or we in Government make mistakes, we cannot legislate our way out of them. We have every sympathy for the Government in this case.

We believe that the Government is fighting a just cause and we are confident and hopeful that those cases to which the Minister referred and which he has indicated he will contest in court will be successfully won by the Crown. I do not believe that many of those people have rights to the moneys that they claim and I would hope that the courts rule accordingly. Nevertheless it is very important that as legislators we do not correct our mistakes by legislating our way out of them. As the Minister is not happy with the amendment as it comes down here, neither are we happy with the date of the new amendment—we would rather it stand as it was. However, as the Minister is prepared to compromise so, too, is the Opposition, and we accept the amendment.

Motion carried.

AUDITOR-GENERAL'S INQUIRY

The Legislative Council transmitted the following resolution in which it requested the concurrence of the House of Assembly thereto:

That this Council requests that the Government instruct the Auditor-General as a matter of urgency to examine and report on the potential debts and liabilities of Government institutions and statutory bodies including, but not only, SGIC, WorkCover, SASFIT and in relation to unfunded workers compensation obligations.

NATIVE VEGETATION BILL

Adjourned debate on second reading.

(Continued from 13 February. Page 2892.)

The Hon. D.C. WOTTON (Heysen): This Bill has come about as a result of considerable consultation over time. Much publicity has been given to the consultations with both the United Farmers and Stockowners Association and the Nature Conservation Society. I cannot recall exactly when the green paper was released, although I believe it was about 12 months ago. Opportunity has been provided for comment on that paper. We have seen on numerous occasions photographs and articles indicating that the Minister, the President of the UF&S (Mr Don Pfitzner) and the President of the Nature Conservation Society (Mr John Sibley) are in full agreement regarding the purpose of this legislation. I have been concerned since the legislation was introduced about comment from both organisations that they believe that they have not had enough time to consider the Bill. That comment has been made to me by both organisations, and I will go into more detail later. Their concern has been that there have been differences in both the green paper released and the Bill before us. Both organisations have indicated that they would have liked longer to comment on the Bill itself.

Over the past few days I have received numerous amendments from the UF&S and a limited number from the Nature Conservation Society. On 10 January the Minister made a joint statement with the President of the UF&S and the President of the Nature Conservation Society indicating that there would be major changes to South Australia's native vegetation management program. She indicated that the most significant change would be an emphasis on managing those areas that cannot be cleared and are under heritage agreements, rather than payments to those refused clearance. She went on to say that the new arrangements have the support of the UF&S and the NCS and indicated that since 1985 over $40 million had been paid or committed for payment to land-holders refused permission to clear their land.

The Minister also indicated that over 250 000 hectares of farming lands had been protected under legally binding heritage agreements and at least another 50 000 hectares is likely to receive the same protection. In that same statement the President of the UF&S (Mr Pfitzner) stated that whilst his organisation had some concerns on the administration of the new arrangements it supported them and accepted that broad scale clearance for development was over. Mr Pfitzner went on to say:

There needs to be more flexibility in dealing with small-scale clearance applications to aid good property management.

He further stated:

There is a substantial resource of native vegetation on farming land which needs attention. The problems being caused by invading weeds and rabbits are two examples of this.

Mr Pfitzner added that vegetation retention was for the benefit of the community as a whole and that he supported the Government's moves to provide assistance for its protection and management. He stressed the importance of managing the vegetation as part of property and catchment planning. He saw opportunities for increased local community input through involvement of soil conservation boards in assisting farmers to develop property plans where native vegetation existed on their properties and also in providing advice on clearance proposals.

A statement was also made at that time by the Nature Conservation Society President, Mr John Sibley, who also welcomed the Minister's initiative. Mr Sibley said:

Financial incentives need to be available so land holders voluntarily place biologically important vegetation under heritage agreements.

I need to say at the outset that I personally support the legislation. I have some concerns that I hope the Minister will recognise when we discuss our amendments during the Committee stages. I have a number of amendments to put forward on behalf of the Opposition, and I note that the Minister also has a number of amendments to her own legislation.

I make it clear that I generally support this legislation. However, I still have concerns for people who own properties which contain a significant amount of native vegetation and who, for one reason or another, have not sought to become involved in a heritage agreement, or have not sought compensation to have small sections of that vegetation removed. I feel that I am a bit between the devil and the deep blue sea, because I support the legislation strongly, but I also recognise that there are some concerns on the part of landowners, and I also believe that the retention of

native vegetation is for the State and for the majority of people of South Australia to enjoy. Because of that, I believe that the majority should pay to assist the minority in the management of their properties.

I have a concern. I have just referred to the Minister's statement that over $40 million had been committed for payment to land holders refused permission to clear their land. I wonder what sum the Government will provide through general revenue to assist people who wish to improve the management of their native vegetation. In Committee I will be asking the Minister that question specifically, because it is important that the Parliament and the State know just what commitments the Minister and the Government are prepared to make regarding that matter, as far as ongoing funding is concerned. I suspect that it will be significantly reduced. I can understand that to some extent, too, because I do not believe that we can continue to go down the track of spending the millions of dollars that have been spent in recent times. However, I will be asking the Minister specifically to answer that question during the Committee stage.

When talking to people in the rural sector, a number have asked why it was necessary to introduce the new legislation. The Minister has made that quite clear in her statements in the media, and I have passed that information on to people who have inquired in that way. There is no doubt at all that there is widespread agreement within the community about the need to conserve areas of native vegetation.

For some 10 or 11 years, Governments of both persuasions in this State have initiated a number of programs for the retention and re-establishment of native vegetation in the agricultural regions of the State. In 1980 I was pleased to be the Minister who introduced a voluntary heritage agreement scheme. Under that program—which was a new approach to bushland protection in South Australia, and in fact Australia—landowners were encouraged to enter into heritage agreements to retain and manage important areas of native vegetation on their land through the provision of selected financial incentives.

During 1981, again as Minister, I introduced the revegetation scheme, which was implemented to develop techniques to encourage natural regeneration of degraded areas of native vegetation and to facilitate the use of direct seeding methods for the revegetation of denuded areas. The response to the heritage agreement scheme, in its first two years of operation, was very heartening indeed. However, the present Government considered that that scheme on its own was not fully effective in reducing the continuing rate of land clearance and, consequently, in 1983 regulations were introduced under the Planning Act to control vegetation clearance. After 18 months of operation the Government held a series of discussions with the United Farmers and Stockowners of South Australia, which culminated in the drafting of the Native Vegetation Management Act. The new Act not only controlled the clearance of native vegetation but extended the heritage agreement scheme by providing additional finance and financial incentives for the management of significant bushland areas.

So, over that period, South Australia has taken an important initiative which has, with goodwill and cooperation between Government and landowners, resulted in the long-term protection and management of much of the remaining vegetation. Of course, we realise that South Australia is a State with relatively little remaining native forest woodland and scrub. Because of that, of course, such an initiative must be applauded, and will be applauded, I believe, by future generations.

As the Minister pointed out in her second reading explanation, native vegetation in the agricultural regions of South Australia is a declining resource of increasing value to the whole community—there is no doubt about that at all. Without management of much of the remaining vegetation, continued clearance will inevitably lead to an impoverished landscape. Already the extent of clearance has resulted in a disastrous loss of wildlife habitat. In recent times I have had the pleasure of listening to Mr John Hunwick, a person for whom I have considerable respect, telling us something of the disastrous situation that this State faces with the loss of species. I am sure that there is now a greater recognition of that concern than has been the case in the past. Almost a third of the mammal species which once occurred in South Australia are now locally extinct, and in some areas the loss has been much higher. The loss of habitat, of course, has been the principal cause of this dramatic decline.

I note from the 1989-90 Native Vegetation Authority annual report that a total of 297 applications to clear native vegetation were received during that year. The types of applications received were: broadacre, 196; brush cutting, six; wood cutting, 11; scattered trees, 47; and minor, 37. A number of details are provided in that report, and I seek leave to have two tables from it incorporated in *Hansard*.

The SPEAKER: Are they purely statistical?

The Hon. D.C. WOTTON: Yes, Sir.

Leave granted.

Table 2: Applications with decisions 1 July 1989-30 June 1990

Granted	23
Part granted	41
Granted conditionally	48
Part granted conditionally	28
Refused	131

Table 3: Area statistics (ha) for applications with decisions 1 July 1989-30 June 1990

	Applied (ha)	Granted (ha)	Refused (ha)	% Refused
*Broadacre	96 634	5 900	90 734	94
Woodcutting	1 781	666	1 115	63
Brushcutting	137	96	41	30
Scattered trees	879	803	76	9
Minor	23	22	1	—

* This category includes areas of regrowth. Figures have not been adjusted for decisions on reapplications.

The Hon. D.C. WOTTON: The report goes into some detail about the success of the heritage agreement scheme and indicates that during 1989-90 a total of 121 agreements were entered into over 98 814 hectares, with a further 15 918 hectares to be protected by heritage agreements when properties purchased by the Government are resold. The area of new heritage agreements was of the same magnitude as the area of native vegetation clearance applications received during 1989-90.

The report indicates that the total area now protected under these heritage agreements and properties purchased comprises 237 930 hectares, so the heritage agreement scheme has been very successful. As I said, the two organisations and the Minister have agreed about the direction the legislation is taking. In fact, as I said earlier, the President of the UF&S has indicated quite clearly that he believes this legislation signals the end of broad-scale clearance, and the changes follow the issue of a discussion paper early in 1990.

It is interesting to note that the support of the UF&S goes back to before 1985. In an article in the *Farmer and Stockowner* of August 1985, under the heading 'After 27 months of debate, new land clearance Act developed', the President of the UF&S, Mr Don Pfitzner, said:

Agreement with the Government over new native vegetation clearance measures should create a new climate for conservation in South Australia . . . The agreement—

between the UF&S and the Government—

has been widely publicised in recent days and while a lot of the hurt experienced by members since May 1983 cannot be erased, at least we have a new starting point . . .

It was common knowledge that the original legislation did not and would not work for many and varied reasons. The new arrangements should, however, bring more equity into the system, while encouraging management of areas restricted from clearance.

It is encouraging to see that that support has been there for some time. I was interested to read another article under the heading 'Clearance facing big reductions', which states:

UF&S natural resources chairman, Peter Rehn, said the organisation had been warning farmers for two years to claim compensation under the old scheme, and $41 million had been paid out since 1985. There will be a drastic drop in the compensation paid, but we recognise that the scheme couldn't last forever. On the positive side there will be more money available for management of feral and native animals and weeds in areas under heritage agreement.

There will also be more flexible decision-making at a local level on minor clearance applications, which will involve local soil boards. Mr Rehn said it was regrettable that some people who had not yet applied for compensation would receive lower payments, but the UF&S had done its best to warn them of the impending changes.

A number of similar articles herald the legislation we are debating tonight. I want to refer very briefly to the Bill itself. As I said earlier, there will be an opportunity for amendments to be moved during the Committee stage tomorrow, but I should like to foreshadow some of the concerns of the Opposition regarding this legislation.

In the first place, the Opposition feels strongly that reference should be made in the legislation to the need to spell out the fact that this legislation does not apply to the metropolitan area. We realise that that is dealt with under the regulations, but believe that it is important that it should be placed in the Act itself so that the areas of land excluded from the Act can be spelled out very clearly in the legislation.

We are also concerned about some of the definitions, particularly in regard to the matter of clearance, and we will be moving an amendment regarding the burning of native vegetation. We feel that clause 3 must be amended so that people innocently involved with the burning of native vegetation—for example, where a prescribed burn is used as an appropriate management tool—do not find themselves liable to prosecution.

I am sure that the Minister would realise that there are private landowners who, over a long time, have used prescribed burning as an important management tool. In fact, there have been times when prescribed burning has taken place in some sections of national parks and, as this Act binds the Crown, I believe that we need to take that into consideration as well.

I will not be moving an amendment in this matter, but I question the need for the severing of branches, limbs, stems or trunks of native vegetation to be included in the interpretation of 'clearance'. What happens with regard to ETSA, for example, with its tree trimming program? Does this mean that ETSA must seek an exemption?

Mr S.G. Evans: That's in the hands of councils now.

The Hon. D.C. WOTTON: Whoever has that responsibility—the council or ETSA—does it need to seek an exemption? I have received representations, as I am sure the Minister has, from the brushcutters who are concerned about this particular matter. There is a need for clarification of that issue.

I turn now to the definition of 'native vegetation'. The Opposition believes that it is essential that the people who plant vegetation, unless they are required to do so under a particular condition, should not be caught up under the legislation. I have noted that the Minister is moving an amendment in this area. We will deal with that in more detail during the Committee stage. When it comes to the objects of the legislation, we will be seeking to amend them to simplify the objects and omit some sections of the objects that appear in the legislation.

It is important that that should happen. It is important that we indicate that we should prevent native vegetation from being cleared, except under circumstances necessary, for example, for effective land management, and again I believe that is an area that the Minister is considering. We believe it is necessary to tighten up the membership of the council, particularly in regard to the persons selected by the Minister from a panel of three from the United Farmers and Stockowners Association and from the Local Government Association. It is essential that that person be a practising farmer or someone who has some experience in the management of native vegetation. Clause 8 (2) provides:

All members of the council must have some knowledge of, and experience in, the preservation and management of native vegetation.

I also want to query a number of the conditions of office, and that opportunity will be provided in Committee. We will introduce amendments in relation to the functions of the council recommending that one of the functions of the council should be to administer the fund in accordance with section 18 of the Act. I would have thought that that would come automatically.

In relation to delegation of powers, we believe that, if a delegation is to be provided, the delegation should be in writing, as with the revocation aspect. In relation to the annual report, we believe it is necessary for the legislation to read:

On or about 31 October in each year, the council must prepare and present to the Minister a report upon the work of the council in carrying out its functions and achieving its objects.

It is important that that information be provided in the report. We will put forward amendments regarding the native vegetation fund, and responsibilities in that regard, and assistance to landholders. These matters can be dealt with specifically in Committee.

In relation to clause 23, which deals with the control of clearance of native vegetation, the Opposition is certainly not clear what is the Minister's intention with this clause. We recognise that there is a maximum penalty of $60 000 but, if limbs or branches were removed, would the minimum fine be a division 7 fine of $2 000? There is considerable uncertainty about that clause, and the Opposition will certainly ask questions in Committee. I realise that there are many other members who wish to speak in this debate.

Concerns have been expressed about the draft regulations. I am concerned that the opportunity has not been provided to debate a number of those issues that will be included in the regulations and, unless the regulations are amended, it might be necessary for them to be disallowed at the appropriate time to enable appropriate debate on some of those matters referred to, but we will consider that at a later stage. I look forward to the Minister's responding, particularly in Committee. The Opposition supports the legislation.

The Hon. JENNIFER CASHMORE (Coles): It is interesting that we debate this Bill tonight when in Canberra the Federal Government is trying to decide a policy which will guarantee natural resources in terms of forest resources in the State of Tasmania and the eastern States of this country. In South Australia no such debate exists because no such

forest resources exist. Of course, that is the reason for this legislation, which is pioneering legislation following upon pioneering legislation. The Minister's second reading explanation rightly states that the first Native Vegetation Management Act, enacted in 1985, involved a bold and innovative approach. As far as I am aware, it is unique in this country, and it might well be unique in the world.

We sit and speak in a Chamber where many pieces of legislation come into that category. There is a great tradition in this Parliament of innovative legislation which is designed specifically for our needs and which does not necessarily follow the hidebound traditions of what people in the past have thought can be done or, indeed, should be done. We have tended to tailor our legislation to the unique and special needs of this State, and the Native Vegetation Bill is one such piece of legislation.

The Bill recognises that the limits of broad-scale clearance of vegetation in this State have been reached. From now on it is not a question of land development: it is a question of land management. Nothing makes this clearer than the report entitled 'The State of the Environment Report for South Australia', produced by the Environmental Protection Council of South Australia and released by the Government in 1987-88. The priority issues for action, which form the introduction to the report, indicate that approximately 80 per cent of the native vegetation in the agricultural regions of this State has been cleared. Many types of wildlife habitats have been eliminated or severely reduced. In the arid zone, vegetation habitats have been changed, some markedly, by the grazing of stock and feral animals.

The report makes the point that measures to protect habitats and species need to be expanded. It goes on to say that land degradation remains a major concern. It is not just an environmental concern: it is an economic concern of colossal importance to every citizen in this State and, of course, particularly to the Government.

It demonstrates—if any demonstration were needed—that there is an integral link between environmental management and economic development and, if we ignore one part of that link, the whole chain breaks down, and we do so at our peril. The report states that over one-quarter of the agricultural area of this State, at the time the report was prepared, was in need of remedial treatment, especially in the cereal belt, due mainly to water and wind erosion. Of course, that is very closely linked to vegetation clearance. Land salinisation is of increasing concern and that, of course, is closely related to vegetation clearance. Of the arid region, nearly 20 per cent suffered substantial severe erosion, and most of the remaining arid area has also suffered from some erosion.

If we look at the individual regions of the State, it can be seen that the South-East has the highest number of endangered and vulnerable taxa, that is, genera and species of plants and vegetation, and the highest proportion of its flora is threatened. Many of the threatened plants in the South-East and the Mount Lofty Ranges are restricted to wetlands that have been largely drained in the ranges but still exist in the South-East. The Mid North region has the highest proportion of its significant taxa extinct or threatened due to the very extensive clearance that took place well prior to the establishment of reserves for flora and fauna.

As is readily seen by any of us who go north past Gawler, the magnificent open paddocks and the broad sky that greet us are a wonderful sight, particularly when the earth has just been ploughed or when the crops are ripening. But it is bare, bare land, and there is very little to relieve that bareness by way of trees that bind the soil, protect it and ensure that the moisture is retained where it should be and that salt does not destroy the surface of the land. In the belief that it is relevant to the Bill under discussion, I seek leave to insert in *Hansard* a purely statistical table, No. 7.8, which can be found on page 111 of the 'The State of the Environment Report for South Australia' and which identifies the categories of plant taxa that are extinct, endangered, vulnerable, rare and unknown in South Australia.

Leave granted.

TABLE 7.8 EXTINCT, RARE AND THREATENED PLANT TAXA IN SOUTH AUSTRALIA
Source: Leigh, J., CSIRO (Unpublished)

Category	Extinct	Endangered	Vulnerable	Rare	Unknown	Total
1	2	1	0	0	5	8
2	1	14	23	33	6	77
3	4	13	27	56	12	112
Total	7	28	50	89	23	197

Note:
Category 1—species known only from type collection.
Category 2—species with a very restricted distribution in Australia and with a maximum geographic range of less than 100 km.
Category 3—species with a range over 100 km in Australia but occurring only in small populations which are mainly restricted to highly specific habitats.

The Hon. JENNIFER CASHMORE: I also seek leave to insert in *Hansard* table 7.13, which is to be found on page 116 of that report and which identifies the number of categories that are either poorly conserved or not conserved at all in the various regions of the State.

The SPEAKER: Is it purely statistical?

The Hon. JENNIFER CASHMORE: Yes, Sir.

Leave granted.

TABLE 7.13: MOST THREATENED PLANT ASSOCIATION CATEGORIES IN EACH ENVIRONMENT PROVINCE
Source: Davies (1982)

Environmental Province Conserved (After Laut, 1977)	Total No. of Association Categories Recorded	No. of Association Categories Not Conserved or Poorly Conserved Within that Province	No. Not Conserved or Poorly Conserved as % of Total
1. South-East	54	9	35
2. Murray-Mallee	67	32	48
3. Mount Lofty block incorporating Kangaroo Island	79	47	59
4. Eyre and Yorke Peninsulas	65	24	37
5. Eastern Pastoral	28	16	57
6. Flinders Ranges	40	21	53
7. Western Pastoral	51	41	80

The Hon. JENNIFER CASHMORE: Anyone reading those tables will note that, in the South-East, 35 per cent of all categories of vegetation are either not conserved or poorly conserved as a percentage of the total. In the western pastoral district, 80 per cent of all categories are either not conserved or poorly conserved as a proportion of the total. In the Murray-Mallee, the figure is 48 per cent, in the eastern pastoral it is 57 per cent, and in the Flinders Ranges it is 53 per cent. As the—

The Hon. Ted Chapman interjecting:

The Hon. JENNIFER CASHMORE: I would like to refer to Kangaroo Island, and I know the intense interest of the member for Alexandra in that area. Kangaroo Island is incorporated in the Mount Lofty Ranges block and 59 per cent of categories in the Mount Lofty Ranges, including Kangaroo Island, are either not conserved or poorly conserved. I pay tribute to my colleague the member for Alexandra for his personal efforts on his property on Kangaroo Island not only to conserve what exists but to enlarge and expand native vegetation through the planting of what I have seen in photographs and what I recognise as being particularly beautiful groves and species which provide a park-like appearance and which are certainly a fine example of land management at its best.

We need this legislation in order to conserve, maintain and develop the increased planting of native vegetation for the reasons I have outlined. In addition, one reason I have not mentioned is bio-diversity. Since the State was settled, we have rendered extinct seven species of plants, 28 mammals, five birds and species of a freshwater fish and freshwater crayfish. A further 190 plant species, 30 mammals, 109 birds and 23 freshwater fish species are at risk due mainly to the loss of and change in their habitat. The fish do not form part of the purview of this Bill, but the mammals, flora and birds certainly do.

The report on the environment of South Australia goes on to say under the heading 'Assessment' on page 122:

> The present disagreements—

and we must remember that the report was produced in the late 1980s—

> between landowners, conservationists and the Government over the control of vegetation clearance must be resolved if the long-term well-being of remnant vegetation on private property is to be assured.

No amount of legislation can possibly replace or compensate for a conservation ethic if such an ethic does not exist. The two go together, and it is hard to say which comes first. I do not believe the legislation could possibly have been introduced with any hope of support unless the ethic existed. At the same time, the legislation reinforces the ethic and gives strength and authority to those who are concerned about saving the land and what grows on it.

My colleague the member for Heysen has given a complete analysis of the Bill and what the Opposition sees not so much as its defects but as areas in which improvements could be made. Reference was made to the financial assistance that has been provided under the Act to compensate farmers for the prohibitions on the clearance and development of their land. The $41 million expended since 1985 is a fairly substantial sum of money, although in terms of the sums of money that we have been debating in this House today it is not vast. Clearly, there cannot be endless compensation. Equally clearly, there needs to be fair warning of a cessation of that compensation. The warning has been given. It has been accepted and, as the Minister said in her second reading explanation, the two principal organisations, the United Farmers and Stockowners and the Nature Conservation Society, representing conservation interests, have come to broad agreement about the Bill.

I conclude by referring to one important clause in the Bill, that is, clause 5, which states that the Act binds the Crown. I hope that we will never again see a Government of this State so slither out from under its statutory responsibilities that it enacts legislation to enable the felling of at least 1 000 native pine trees in the name of development and in contravention of its own laws. I alert the whole House and the whole State to clause 5 of this Bill, and I assure the Minister that all eyes will be upon her and the Government to see how that clause is administered by the Government for what I believe to be the remaining, short duration of its life in the administration of the Native Vegetation Act.

Mr BRINDAL (Hayward): I commence my remarks by reading into *Hansard* a letter which states:

> In my last letter I referred to the alarming rate at which timber is disappearing in the northern regions of South Australia. I am told that the matter is now receiving serious consideration in several influential quarters, and I hope that the problem will be dealt with quickly by competent authorities. One newspaper a few weeks ago stated that in the United States of America a belt of trees one thousand miles long and a hundred miles wide had been planted to deal with the drift of soil which is only of quite recent occurrence in that land.
>
> There are thousands of men idle in our large towns and cities. It ought to be possible to mobilize them and employ them in the work of restoring vegetation to the interior of Australia, and save our land from drift which every year is pushing its way into the more or less settled areas.

I have read that letter into *Hansard* because it is most interesting to note that it was written by the Bishop of Willochra and appeared in *The Willochran* on 31 July 1935. Obviously, the problem is not a new one to South Australia: it has been around for many years. To that end, many members, including members on this side, must commend the Minister and the Government for the initiatives taken in this area.

As I understand it, this Bill is really an updating of previous Acts making them more relevant. I refer to the Native Vegetation Act 1985, which followed the Native Vegetation Retention Scheme of 1983 and the Native Vegetation Management Program of 1985. As this Act tidies up these other pieces of legislation and makes them more relevant to 1991, again the Minister is to be commended.

I will listen with great interest to this debate—because my electorate is a suburban electorate and my interest in the matter is largely from the point of view of the ecology and of the future development of South Australia—with the hope that we may leave this State a slightly better and more balanced community than we found when we started to consider these matters. I will listen with interest to the debate because I know that many of my rural colleagues on this side of the Chamber—and I suspect on the other side of the Chamber—do not—

The Hon. Jennifer Cashmore interjecting:

Mr BRINDAL: The member for Stuart has a certain amount of rurality about her. I will listen with interest to their contribution because I believe they have some important points to make and they have an interest which varies from our own. Nevertheless, we will all have the time to make a contribution to the deliberations of this Parliament. Like my colleagues the members for Heysen and Coles, I am particularly pleased that this Bill binds the Crown. That is one of the most important steps forward for the Minister in this debate. One of the great bones of contention, and a rightful bone of contention for landowners across South Australia, was that while the Crown expected a standard of behaviour and discipline regarding the clearance of native vegetation from private land-holders, it clearly did not expect the same discipline from its own departments and statutory authorities.

It is well known that one of the greatest (shall I say) vandals when it comes to trees is ETSA. That may well be for good reason, but I can very clearly understand the feelings of a farmer who is not allowed to clear his land when next door ETSA or the local council is conducting piecemeal felling and is basically not accountable for the same laws as those involving the farmer, especially when the farmer relies on his land for the production of an income, and must on-sell that land not on the amount of native vegetation there but on the amount of income that can be derived from it.

The issue is an important one. I commend the Minister for what she is trying to do. I am quite sure that members on this side of the House would support constructive amendments to this Bill so that we might arrive at the end of the evening with a constructive amalgam of the interests of the rural people of South Australia who cannot and must not be ignored, and in the interests of ecology and the natural systems of this State. I will not detain the House any longer. I can see that some members on this side are agitated. Apparently debate in this place must be limited according to the time available. That is unfortunate, because it is an important debate. I wish I could contribute more. However, I will not detain members any longer.

Mr BLACKER (Flinders): I rise to put on record my grave concern about this Bill and the fact that the opportunity for heritage agreements has been removed effectively from the present system. When this legislation was first introduced in the House, it came in by a means of various instalments, so to speak, and started with encouragement by the member for Heysen (the then Minister) for land-holders to set aside land under the voluntary vegetation retention scheme.

The Hon. Ted Chapman: Many of our people were sucked in by that.

Mr BLACKER: The member for Alexandra has made some reference to various aspects of it. That was the first stage. Then we brought in a Native Vegetation Act which meant that everyone who wanted to clear scrub had to get permission from an authority. That authority did not have the power to provide any compensation at all. Then we had the Native Vegetation Management Act and the procedure to go through heritage agreements. Although I supported the legislation at that time, because it was infinitely better than the previous legislation, I expressed some very grave concerns that a section of the community would carry the largest burden of native vegetation retention for the rest of the State.

The Hon. Ted Chapman: I supported you then, and I support you now.

Mr BLACKER: I believe that that injustice still applies, because we cannot say that those areas of the State that have large areas of native vegetation have been over-cleared. I refer quite specifically to Eyre Peninsula where one can board a plane at Streaky Bay, fly in a direct line to Port Lincoln and be over scrub for 90 per cent of the journey. Other sections of the community have been over-cleared, there is no question about that.

The Hon. S.M. Lenehan interjecting:

Mr BLACKER: I hear the Minister say, 'What is the answer?' The point I wish to make is this: why should those people who have been managing and working with native vegetation with some degree of compromise and skill now be obligated to pay for the native vegetation on behalf of the rest of the community? That is where the injustice lies. I am not against preserving as many trees as is humanly possible. I totally support tree planting schemes. I totally support Governments giving some incentive for the provision of fencing to guard the trees.

I believe that the Prime Minister's attempt to try to plant one billion trees (or whatever the figure was, although the figure was totally ridiculous and unachievable) was an excellent concept. In fact, the money suggested by the Prime Minister in promoting that scheme worked out at about 4c per tree, which would not pay for the piece of wrapping paper to go around the tree, let alone the cost of germinating the seed or providing the tube to plant it, so it was an utterly ludicrous exercise. However, the concept of encouraging people to plant trees was excellent.

At that time, I came under a great deal of criticism from certain members of this House—and the member for Alexandra said he supported me in that concept. Even members of the United Farmers and Stockowners who held executive positions were critical. I did not take too kindly to that because I supported the Bill on the basis that it was better than the previous situation, but I expressed caution. I guess what I did not expect was the removal of that compensation to take place quite so soon. The member for Heysen has read into *Hansard* details of the support of the UF&S for this legislation. I am sure that members of the UF&S on Eyre Peninsula do not agree with the basic thrust and concept that has been read to the House tonight.

I make the point that we are now asking one section of the community, the section that has native vegetation remaining on their property, to shoulder the burden and cost of the vegetation retention. In many cases it prevents those people from ever making their farm viable. I guess the word 'viable' in today's economic climate is questionable. However, their chances of ever getting out of their difficult situation at the moment are becoming even harder

because they cannot even look down the track with an opportunity of moving on.

No doubt some people will interpret my comments as being anti-vegetation and anti-scrub. I hope that is not the case. What I am saying is that there is an injustice in the system whereby one section of the community must pay for the wrongdoing (if we call over-clearing a wrongdoing) of previous generations in other areas at other times, with that imbalance and injustice being perpetrated by this Bill. I cannot accept that that is fair and just and I believe that the member for Eyre, who shares much of the area to which I am referring, would concur in what I am saying, because many of his constituents live in the area in question.

Many other aspects of the Bill have been referred to and will no doubt be referred to by other members of the House. No doubt many more issues will arise in Committee, but I put that point on record and trust that with these comments, further to the comments made on an earlier occasion, at least my constituents know quite clearly where I stand on this issue.

The Hon. TED CHAPMAN (Alexandra): I am conscious of the fact that tonight we have until 10 p.m. to debate this subject and that a great part of tomorrow's sitting will be set aside for completion of this debate. The situation is as broadly outlined by the member for Flinders, who has his finger on the pulse. Fewer and fewer people in this country are paying for more and more to eat, and fewer and fewer people are conserving native vegetation, which is important to be conserved for the benefit of more and more others who know nothing about it but who wish to rely on those few. But I ask at what cost to those few.

Approximately 85 per cent of South Australia is in the native vegetated state it was in when Burke and Wills undertook their expedition. So, let us not get carried away with the idea that most of South Australia has been devastated by land or vegetation clearance because, indeed, it has not. By and large, the area that is represented in this place by the member for Eyre is approximately 85 per cent of the area of South Australia, and it is the pastoral region of this State on which bluebush, saltbush and other native plants were growing when this place was settled by white people and are still growing there today.

The fluctuation in the growth of that native vegetation is entirely dependent upon the seasons prevailing in the areas in question and, of course, upon the grazing that takes place on that land by feral animals or sheep and cattle, etc. But it is carefully looked after and, as I say, depending upon the seasonal conditions, it is the same sort of country now, uncleared and undeveloped as it was when the white man came to this State. Therefore, let us not get carried away with euphoria or a whole lot of emotion by statements about the greater part of the State having been cleared, because they are just untrue.

Of the approximate 15 per cent of the remainder of the area that has the higher rainfall, involving the agricultural and cultivated area of the State around its coastline from the Western Australian border to the South-East and up to the Mallee area on the Victorian border, where there is a narrow strip of agricultural land as well, there is and always has been room for concern, and many parts of those areas are devastated, as has been outlined by the member for Flinders, and need attention. There is no question about that and I make this comment as a primary producer, a conservator of land and soil and the vegetation growth on it. I am very conscious of the need to do this. However, I do not believe, as indeed my colleague the member for Flinders has outlined, that so few people who hold that land should be entirely responsible for its preservation for ever and a day with no compensation at all but for the so-called benefit of those who just wish it to be retained in that form. Unfortunately, I do not have the time (nor is the time provided for us today) to argue that point further.

In Committee I will be defending the position of my constituents in one of the richest native-vegetated areas of South Australia, that is, Kangaroo Island, some 26 per cent of which is parcelled up in national parks and fauna and flora reserves of one kind or another, the balance being rural holdings, most of which still each have significant areas covered by native vegetation. The land-holders, the owners, the people who bought and worked their properties in that country are now being asked to put aside the areas in question, whether under a heritage agreement or not, for no compensation whatsoever as from 19 February 1991.

It is a disgrace and in that respect I do not support the Minister in her submission on this Bill. About two years ago the choice of whether those people went into heritage agreements was entirely their own. I did not support that idea when it came in, and I do not support it now. It is one of the worst and shonkiest ways of the Government getting its hands on land in this State and then demonstrating over and over again that it cannot manage what it had before, let alone what it has now. The people who own the land in heritage agreement by and large do not care any more. They have the money in their pocket, and the Government has control over the activities on the land, but it does not know how to look after it. I conclude on that note. I am getting the message from the Whip. I will get right into this subject tomorrow—that is not a threat but a promise.

Mr QUIRKE (Playford): I rise tonight to make a few remarks on this subject, but will not take too much of the time of the House. It is an interesting debate, and the debate on this Bill is becoming extremely interesting in this place. I congratulate some of the members of the Opposition who started out in the debate being extremely constructive in their support for this measure, which I have no problem supporting. I can see the difficulties for them where a balancing act is obviously taking place between members opposite who have extensive rural constituencies where many people will be affected by this measure and those with legitimate concerns for heritage and heritage listings in South Australia.

The very cornerstone of this whole debate is the whole concept of private property versus heritage concerns. In essence, the point is being argued that property owners have certain rights and that those rights are inviolable. The very important other side of the coin is that in South Australia we have cleared a great deal of vegetation. The member for Coles hit the nail on the head when she said that we have generally cleared far too much land. Many land-holders with vast tracts of native vegetation on their land will now be denied the right to clear that land. The justice of what has been said by some members opposite is a very difficult case. I will elaborate on that in a moment. In many respects, this has come at an extremely difficult time.

The member for Flinders, who a short while ago congratulated me when I said that I would be brief, raised the question of the viability of some of the land-holders and some farms. There is no doubt that we are going through an extremely difficult time. Some of the issues in the rural sector right now will pose many problems for our community. The empathy of members on this side of the House is with many of the people experiencing extremely tough times. As we all know, there are problems with markets and

with cleared land as to whether or not crops will be going in this year. I have been given some good news whereby the banks in general will be very reasonable with farmers caught in this situation, particularly those who will have trouble cropping or will experience other difficulties this year. The Commonwealth and State Banks have always been very good with their lending policies, and it is an extremely difficult time for them. I am very grateful to people such as Julian Miles of the Commonwealth Bank in Salisbury who has gone out and worked hard in the rural community. He and others have played an excellent role, and I hope that that continues.

In terms of land viability versus heritage concerns, in South Australia the problem is that so much land has been cleared; and I would be the first to admit that that clearance has been primarily in areas immediately adjacent to the coast down into the South-East. We have heard tonight that the least cleared areas, on percentage terms, are Kangaroo Island and Eyre Peninsula. However, the overall problem of the rising watertable in many areas is of sufficient ecological concern that we have to make some very hard decisions. One of those hard decisions—and it will be to the cost of the community if we ignore it—is the encroachment of deserts in the not very distant future because of the salinity that the rising watertable will bring to the surface in many areas. It may well be the case that on Kangaroo Island that argument is not as logical as it is on Eyre Peninsula or in other parts of South Australia. I freely admit that my knowledge of the Kangaroo Island watertable is something upon which the member for Alexandra could educate me.

In South Australia generally since 1836 we have had a policy of clearing and developing land for agricultural and other purposes without very much concern for native vegetation. The member for Goyder is here and it is interesting to point out that the Goyder line last century received much derision. Goyder was a former Surveyor-General who went out and argued strongly that there was a line beyond which the regularity of seasons could not be predicted. When he made that statement in the middle of last century it was an extremely brave man who moved according to it. Until 1872 the rainfall in South Australia was widespread and reached points so far north that crops were reaped well into the Flinders Ranges and beyond.

One of the greatest puzzles was that in 1872 the seasons changed quite dramatically. It has been argued that the clearance of large amounts of green vegetation in South Australia was one of the reasons that rain clouds no longer dropped sufficient amounts of rain into the former wheat growing areas. At the time the logic was that rain will follow the plough. Unfortunately, the Goyder line proved to be an extremely accurate prediction of the regularity of the seasons and of the potential for agricultural exploitation. In fact, it was one of the earliest statements on climatology.

There is no doubt now that we are faced with a situation which, in many respects economically, is such that the only alternative we have is to prevent the further clearing of vegetation. There are engineering solutions to the rising watertable, but they are expensive and unfortunately the situation today is so difficult on the land that economically they do not warrant serious consideration. The native vegetation already cleared in many areas will be supplanted within a matter of years by land and effective saline deserts upon which we will not be able to grow anything. I would like to say much more, but the ecology argument necessarily wins the day. I have no doubt that some people will be holding large amounts of land and would benefit very much economically under other agricultural circumstances from a policy that would allow them to develop and bring more land on stream. The problem is that we have done too much of that already.

Mr MEIER (Goyder): Many of us would have heard about the proposed changes towards the end of last year and then officially in January of this year with a divine press release from the Minister, the President of the UF&S and the President of the Nature Conservation Society. I knew because I was forewarned it was going to occur. Certainly the statement indicated that the new arrangements had the support of the three people I have just mentioned. It was an endeavour to completely change South Australian's vegetation retention program. Since that announcement we have seen the introduction of the Bill, which I assume had the support of the UF&S, the Nature Conservation Society and the Minister, seeing she brought it in. What surprises me is that a whole host of amendments have been brought to us by the UF&S—and I have met with its representatives myself in company with the shadow Minister.

We have also received quite a few amendments from the Nature Conservation Society, and I see tonight more than a dozen amendments from the Minister herself. So, I must question whether this Bill has been thought through as it should have been in the first instance. It surprises me that, if all this preamble has been gone through with supposedly proper investigations, we have a Bill before us now that is going to be amended severely. I wonder about the Opposition's approach when we have to consider the Minister's amendments to her own Bill and whether they will change the Bill significantly. It is a pity to see that in the first place.

I do not intend to go into detail on the Bill now, because it is very much a Committee Bill. There are quite a few remarks that will be made by the Opposition, and possibly by myself. I do see us heading down a dangerous path when we start enforcing some of these regulations and legislative changes through harsh penalties. Mr Speaker, you would be aware that penalties here go as high as a division 1 fine of up to $60 000. So, the legislation is to be implemented by force. Once more the rural population is put under the big stick. If they do not do the right thing, look out.

I would briefly like to point out a way that I think we should be going more than the way we are going. I refer to an article on the Conservation Research Program (CRP) in the United States of America under the Agricultural Stabilisation and Conservation Service. The article states:

> The United States Department of Agriculture's most ambitious conservation effort, CRP, was authorised by the Food Security Act of 1985. It targets the most fragile farmland by encouraging farmers to stop growing crops on crop land designated by soil conservationists as 'highly erodible' and plant it in grass or trees. In return, the farmer receives an annual rental payment for the term of the 10-year contract. Cost-shares are also available to help establish the permanent planting of grass, legumes, trees, windbreaks, or wildlife plantings.

Without enlarging on the program further, it is quite clear that in the United States every incentive is given to help people put their land back into trees and grassland, where that is considered necessary. They receive a bonus for doing so, and they put it aside for a 10-year period.

I know that this Bill primarily aims at retaining native vegetation—in other words, the original stands—but we all know, particularly those of us who represent country areas, that we have to have massive reafforestation programs. As a member of Trees for Life and as a person who grows hundreds of trees annually, I am pleased to be able to do my little bit. I am delighted that so many farmers in my area are also doing the same. However, earlier today we dealt with legislation to place a new tax on trees. That

debate is over, so I will not go through it again. However, that is not the right way to go at a time when we should be promoting trees as much as we can.

There are parts of the vegetation clearance regulations and the legislation before us that I do not like. I do not like the tone of it; and I do not like the attitude of it. I think the legislation puts the cart before the horse. It is a pity that it makes farmers do things against their will and which may not be in their best interests. Rather, we should be looking to conserve land for, say, 10 years, as in the example I have just cited, and to re-evaluate things after that. In that way you would not close off land forever and a day; rather, you would assess the situation from time to time and give real incentives to people to improve their land by planting trees and grasses, if the land needs improvement or if it has been affected by excessive clearing in the past. I will certainly have more to say in the Committee stage.

Mr LEWIS (Murray-Mallee): I am disturbed by aspects of this legislation. To my mind, it was not fair of the Minister to simply announce publicly that this was to end, and then not give people any clear-cut indication of the date from which broad-scale clearance would be prohibited. There was no public statement from the Minister to that effect. There was a statement from a solicitor, a Mr A.G. McFarlane from Piper Alderman, but none from the Minister. I think that is grossly unfair. That has caught hundreds of people unawares, and the Minister's department now knows, even if she does not, that applications dated prior to the 13th have been refused.

The Hon. P.B. Arnold: The 19th.

Mr LEWIS: No. I am telling you, prior to the 13th. Applications dated as long ago as the 11th have been refused on the ground that this legislation was coming before Parliament. I think that is disgusting. That is asking people who are already down and out to cop it again. It is quite unjust. There are hundreds of people in those parts of the State which have significant areas of native vegetation left in the ecosystem on their land who are now paying the price for what the public perceives as being the excesses of the past. It is not fair, and it ought not to occur. I will not be a part of it. What is more, I do not think that the way that the Native Vegetation Management Act 1985 has been administered to date has been fair. There are circumstances known to me where individual farmers, have made their own application in consultation with officers of the department and attempted to negotiate that application through the system. If the Minister does not believe me, I will give her names and addresses—

The Hon. S.M. Lenehan: I know what you have been up to.

Mr LEWIS: Don't you worry. I have written well over 2 500 letters on this legislation. The Minister and her predecessor stand condemned because of the maladministration that has gone on. There has been deliberate deception and deliberate extension of negotiations with land-holders to the point where they have been worn down. Red herrings have been drawn across their path and they have been deliberately browbeaten into accepting unfair settlement figures on the arrangements for payment for heritage agreements. Requests that have been made, quite legitimately, for compassionate consideration have been ignored.

Let me cite examples. It was within the Minister's discretion and that of her predecessor to look at the problems she created in the lives of a Mr Burtt and a Mrs Kerr, two separate cases. Mr Burtt is a scrub clearing contractor who was severely affected by the Act. He is not a landowner, so is not automatically eligible for payments under the Act, yet he was conducting a competitive and fair business at low cost for the people whom he was serving prior to the introduction of the legislation.

In 1978 he and his two sons commenced work as scrub clearing contractors, which was their sole occupation. Over a period of time they acquired a substantial amount of clearance machinery. They put back into their business what they received from it. In 1980 he moved to Eyre Peninsula and commenced work at Cowell. His intention was to work slowly across the West Coast towards Wirrulla, undertaking contract clearance as he went. By mid-1985 he had $200 000 (in 1985 dollars) worth of work on his books around Wirrulla and Poochera.

One of his contracts was for clearing a block of scrub of 10 000 acres (just over 4 000 hectares). At that time he was charging $140 an hour for chaining, and covering approximately 25 acres per hour (10 hectares per hour). He was also undertaking blade ploughing, for which he was charging $110 an hour and covering approximately 4 acres an hour (1.7 hectares per hour).

When the Act came into force in November 1985, things changed dramatically. Whereas under the regulations made pursuant to the Planning Act 1982 upward of 70 per cent of applications (by area) were being approved, under the new Act this was reduced to between 5 per cent and 10 per cent. In more recent times it has been virtually nil. Effectively, Mr Burtt's livelihood was wiped out. He attempted to help himself by undertaking sharefarming on a property. While he personally was gainfully employed, the owner of the property provided the necessary machinery. This left Mr Burtt's own machinery idle.

He had borrowed substantial amounts of money from finance companies in order to upgrade the plant necessary to undertake the contracts. While he had continuous employment he was able to service these debts quite comfortably. However, as soon as the legislation effectively put a ban on clearance, he was unable to maintain the payments. In the end most of the machinery was sold up by the finance companies.

He had a substantial quantity of clearing plant worth something of the order of $200 000. I will not go through it all, but several items were involved. They were sold off by the finance company. After its fire sale, it received only $96 000 when it should have received more than double that. This represents a direct loss of the difference, and Mr Burtt is now left without being able to pay that. It has effectively bankrupted him, but the Minister has done nothing about the request made by Mr Burtt through me and now through his solicitors.

Another case is that of Mrs Kerr. Her late husband conducted a charcoaling business, and this is an example of the kind of thing that goes on. He conducted a charcoaling business in the Robertstown area for some 15 years. More than one charcoal burner has been involved, but this case illustrates the point. Their charcoal was supplied to customers in three States. At its peak the business employed five people and produced about 500 bags of charcoal a month. They were harvesting on a recycled basis. They would go back over the same ground and get the same kinds of stems after about 20 years. The timber for this charcoal production came from a number of properties in the Robertstown area that they systematically harvested. The process was relatively simple. The Kerrs would seek the permission of the property owner to cut timber on the land. They would then come in with a team of cutters and harvest the timber. It was then converted into charcoal by burning in pits either on site or at a nearby central location. There is no doubt that the Kerrs had a successful business oper-

ating at the time the first clearance restrictions came in in the early 1980s.

However, the Native Vegetation Management Branch has a substantial file relating to their business and the unsuccessful applications they made to the Native Vegetation Authority for wood cutting permits. It is fair to say that sometime in 1985 Mr Kerr was requested to stop cutting mallee by inspectors from the Department of Environment and Planning. He thought that he was the holder of a legitimate permit issued by the Robertstown council. In July 1985 he applied to cut timber on four sections in the Hundred of Bundey. That application was eventually reduced to sections 143 and 144 and refused.

Mr Kerr reapplied for the same areas in November 1986. That application was refused. There seem to have been different principles referred to as the basis for refusal on each occasion. So much for anomalies! If the Minister tries to besmirch my reputation by saying that I am not doing things that are fair, I should like her to look at the sty in her own eye first. I have not done anything that is untoward, unreasonable or unlawful. I support the principles that are involved in the retention of native vegetation as and where it can be demonstrated that it is an essential part of the necessary micro-ecosystems and niches that we have to preserve to ensure that the species of which they are comprised are saved in perpetuity. I have no quarrel with that principle. But I return to the matter in hand.

In October 1986, Dr Bob Inns wrote to Mr Kerr enclosing a list of the five alternative locations where a wood cutting approval might be successful. Dr Inns made plain that the presence of a name and section number on the list did not indicate an automatic recommendation of approval from the branch. The Kerrs looked at the alternative locations proposed but rejected all of them. The reasons for that rejection included the timber being unsuitable; someone else already cutting on one block; at least one block, while being geographically adjacent to their existing cutting area, was too far away, considering the distance that would need to be travelled to get access to the timber they were offered; another was owned by people who cut firewood themselves during the winter; and the final property had already been subject to application, which was refused.

All the properties mentioned comprised regrowth with small mallee. Mr Kerr pointed out that, in order to get good charcoal, they needed bigger, older timber. The smaller timber produces a crumbly, small charcoal which is useless for the purpose. The majority of their charcoal is used by the charcoal chicken industry.

At the time of the introduction of the Act, the Kerrs were negotiating the sale of their business to a Mr and Mrs Degenhardt. A copy of that contract shows that the purchase price was to be $40 000, $30 000 of which was for plant and equipment and $10 000 for goodwill. Clause 18 of the agreement states that 'this agreement shall be subject to the transfer to the purchaser of the permit for the clearance of trees as is issued by the State Planning Commission of South Australia'. The contract failed when Mr Kerr was unable to obtain a wood cutting permit. They struggled on for a couple more years, buying in charcoal and reselling it, mostly at a loss.

The Native Vegetation Act does not take into account this type of situation, yet the Minister has had the discretion to deal with it. In reality, the Kerrs were the unfortunate victims of the legislation, being denied any apparent right to financial assistance. Had they been the owners of land on which their wood cutting permits were refused, a remedy would have been available pursuant to the Act. However, this was not the case. These people have clearly suffered hardship. They had been enterprising and hard working and had developed a viable business which has disintegrated as a result of the change in the law. If we look at the history of the matter, we see that there are three distinct occasions on which they have suffered hardship.

First, during the 1984-85 transition following the Dorrestjin case, their whole business was based on a continuing supply of timber. The raw product which was previousl freely available became scarce. During this period, the Kerrs brought in charcoal in order to continue supplying their customers. Secondly, they suffered hardship when the contract to sell the business fell down. They had built it up over a lifetime. That was a direct result of the lack of a permit to cut timber. Thirdly, that failure was further compounded when the business eventually had to shut down due to the lack of supply of raw product and their inability to supply their customers.

As it turns out, it is my judgment that Mr Kerr would be with us today if he had not been so treated by the Minister and her predecessor. The widow is now left without anything. She is absolutely penniless. The Minister says that she is compassionate, that she believes in social justice and in equity. Garbage! The Government does not know the meaning of the word in any sense other than where it can get immediate political gain from the kinds of circumstances that exist in the marginal seats it needs to win to hold on to power.

It is not interested in people who live outside those electorates and those situations. My experience of dealing with the Government leads me to believe that. I am afraid that I have no alternative. There are other points within the legislation that worry me immensely. They are not incapable of resolution but, based on the experience I have had in dealing with the Minister in the past, I doubt very much whether it would be worth my while or my breath to attempt to resolve them.

For instance, I worry about the fact that, under the delegation of powers and functions in clause 15, the council delegates powers or functions to a local council. The local council may, with the approval of the council, subdelegate those powers to a committee or officer of the local council. For goodness sake, if one looks at the kinds of powers that have been delegated to such a person who does not have any qualifications of the kind that would be appropriate to administer the legislation as we have it before us, one sees that that is despicable. It is the kind of thing that is going on with the libraries at the present time. The Minister just hives off responsibility for parts of legislation and leaves it to local government to pick up the tab, forcing, in this case though, local government to accept not only the cost of administering it but the odium as well.

I am disturbed, too, by things such as the provisions applying to the tabling of a report. The council must provide a report to the Minister by 31 October, but there is no date in the legislation as to when the Minister must present that report to the Parliament. So, if the Minister does not like the report, she can obviously send it back and have it rewritten to suit herself. It just goes on and on. We know what happens when reports do not come out the way Ministers want them: Ministers read them and say that they have not seen them and send them back to be reworded. Of course, in due course one would hope that the Freedom of Information Act would make that aspect redundant.

I do not understand why it is now necessary for us to simply dispense with heritage agreements. I do not think it is fair on the people who happen to be the hapless owners of the remaining vegetation to compel them to keep, at their own expense, whatever vegetation they have left, and deny

them anything like a reasonable payment for the asset they held in fee simple as citizens prior to the introduction of this legislation. Ye Gods, if it were in the metropolitan area, no-one would even dream of legislation of this kind.

Imagine taking the frontage strip of a house block from its owner with no compensation where the block fronts a road that the Government wishes to widen for the purpose of public interest in providing greater and simpler traffic volume flow in consequence of that road widening, with the Government just saying that it is in the public interest to remove it. It would not be on: it would not be accepted. Yet that is what the Minister has done, and what her predecessor did, systematically over five years. There needs to be a means by which it is possible for honest, innocent, law-abiding citizens to obtain just and fair compensation for the loss of their asset where that loss is in the public interest and where they have done nothing.

Notwithstanding all the things that disturb me about this legislation—and I do not wish to repeat what other members have said, clause by clause—I will take my chances and make the appropriate comments on it as it is dealt with in Committee.

Mrs HUTCHISON (Stuart): Like other members on both this side and the other side of the House, I support the legislation. As a country dweller, I am obviously well aware of its importance to the country and to the State as a whole. By way of background, I point out that the native vegetation management program was developed in response to a loss of biological diversity and wildlife habitat on land outside the reserve system. Over the past seven years the program has concentrated its resources on assessment of clearance applications and payment of financial assistance for, in effect, what is a partial loss of property rights to owners. During this time, the State has committed more than $40 million to the program. This amount is a major input to farm finances and, at the same time, it represents the priority of this State in terms of expenditure on conservation, and that cannot be argued in any other way.

The Commonwealth also has committed itself to a much greater level of expenditure on protection of natural resources, examples being the Land Care, Save the Bush and Greening of Australia programs. Opportunities might exist for South Australia to gain greater access to these funds and, given our pioneering position in this area (and that has already been referred to by the member for Coles) in dealing with remnant vegetation protection and maintenance of a biological diversity, we would stand a good chance of obtaining more of that funding.

The current situation (and this has been touched on by the member for Heysen) is that approximately 240 000 hectares have been placed under 312 heritage agreements at a cost of $27 million to the State. Another 150 voluntary heritage agreements have also been finalised and, on an area basis, the rate of refusal by the Native Vegetation Authority for clearance applications has been more than 95 per cent. It has been the policy to acquire properties rendered nonviable by a decision refusing clearance, and approximately 25 000 hectares has been acquired, with land of the highest conservation significance being added to the park system and other land being resold for agricultural purposes with a heritage agreement in place at sale.

It has been indicated that there must be a change of emphasis, because the program has been in existence for seven years, financial assistance having been available to land-holders for five of those years. Given the resources available to Government, the increasing community concern for the protection of our natural resources and the priorities for expenditure of public funds, the major factors that indicate that we need to change our emphasis are as follows: first, a formal recognition that further broad-scale clearance for agricultural development of land is becoming unacceptable to the community at large (and the member for Coles said that we have reached the limits of broad-scale clearance); secondly, a recognition that the retention of the remaining vegetation is becoming important, and that includes the species diversity, land use management, salinity reduction (and someone has already referred to that) and wildlife conservation perspectives; and, thirdly, a recognition of the need to seek a commitment for not only a continuing level of expenditure by Government for the management of retained vegetation outside the park system but also the protection of the current investment of $40 million which the State has put into it.

Mr Lewis: Forty-seven, I thought you said.

Mrs HUTCHISON: No, the honourable member didn't listen: he should read *Hansard*. Fourthly, consideration must also be given to the increasing need to undertake applied research on health and the impacts of vegetation and to provide for management advice to land-holders whose properties contain native vegetation and in relation to other parcels of vegetation to ensure the protection of the investment in heritage agreements. Members must agree that that is a very important aspect. Fifthly, there is the acknowledgment that the program has a significant cost, which has budgetary implications, both in terms of existing and future expenditure on nature conservation programs, given the State's difficult financial position. Sixthly, we must signal to the Commonwealth that the State recognises the need to manage its remnant vegetation for maintenance of biodiversity and to encourage, at the same time, an increased Commonwealth involvement in that.

The objectives for change that have been stated are to recognise the limits to broad scale clearance in South Australia, to redefine the clearance principles to cover small scale clearance for management purposes, to place the responsibility for approving small scale clearance with a statutory body for vegetation management, and to reorganise the use of human and financial resources of Government to concentrate on applied native vegetation research, long-term protection and management of heritage agreement areas and other areas of high biological significance and diversity outside the reserves system.

In addition, the objectives are to establish a two-tier planning process that will involve both Government responsibility and landowner responsibility, to provide management advice to land-holders with native vegetation on their properties and financial assistance for management, to establish a native vegetation fund that will be administered by a statutory body, to create a statutory body to consider small scale clearance applications, and to allow the statutory body to pay incentive packages to eligible land-holders. These are the major reasons that have indicated the need for a change of emphasis.

I turn now to some of the hard lessons that have been learnt over the past seven years of the program. The voluntary approach involving seeking land-holders to identify and reserve native vegetation on their land has limited application in terms of broad scale retention. If controls are to be introduced, both the rural and urban communities must be given every chance to understand the need for them and their administration. In addition, the legislation must be drafted, if possible, with a high level of community consultation, and that is occurring. It needs to be effective and workable from the start.

The Government must have a strong commitment to the program and to the legislation, and this Government has that strong commitment. All-Party support is desirable as, once the program begins, it must not be stopped or changed part way through, and this is vital if it is to succeed. Paddock clearance is potentially a major problem in the negotiation phase and requires a means for freezing clearance during negotiation. A remnant vegetation program not only requires Government commitment to the legislation but also the money to allow reasonable and equal treatment to all those affected. Shoestring budgets will not work. Landholders retaining vegetation must receive recognition of financial disadvantage by payment of financial assistance, and that is for things such as fencing costs, rate relief and provision of management advice. The program needs to concentrate on and emphasise positive outcomes as soon as possible. There is a need for support and commitment of resources to maintain the integrity of retained vegetation, or else the initial investment is compromised.

In summary, in July last year the Commonwealth Government announced the provision of over $500 million to address land degradation during the decade of land care, and that has been timely and certainly welcomed by South Australia. With new soil conservation and land care legislation and new pastoral lands management and conservation legislation, and with many land care projects being established under the National Soil Conservation Program, I feel sure that South Australia will continue to set the pace in land resource management for other Governments. It is an unquestionable fact that we have set the agenda for land resource management.

Mr Lewis interjecting:

Mrs HUTCHISON: I do not think that the member for Murray-Mallee could negate that at all. The parallels between land care programs and management of retained vegetation are becoming increasingly apparent and increasingly necessary in the development of a new and workable land use ethic in Australia, and in that I agree with the member for Coles. I am happy to support this Bill and I urge all members to do the same thing if we are to get a good program in this State that other States in Australia can follow.

Mr S.J. BAKER (Deputy Leader of the Opposition): I support every effort that can be made to conserve our natural vegetation, and that is important. We have come to realise in recent years that what we have done over the past 100 years or so has been counterproductive for our future health and well-being. So, on first principle, I would say that everyone in this House supports a conservation mentality and that is reflected in the legislation before us. Every farmer I know has a conservation mentality because it is that person's livelihood.

In making my second point, I do not want to detract from any contributions that have been made from my side of the House. The rural community is facing real problems and there has been a need to trade off pieces of land because of productivity or economic circumstances. In this House, one cannot put value sets on some of the circumstances that have been outlined by my rural colleagues in this debate tonight. They have expressed some real concerns about the legislation and the way it works, the way it impedes rural people and the way it affects their economic future. It is important that the House understands that those contributions are made with the full knowledge that it is important to conserve and to continue to green Australia, but it is also important to understand the problems facing the rural communities and the way they use their land.

On first reading, I happened to dislike intensely two aspects of the Bill. The first relates to a person's capacity to remove limbs of native trees if a threatening situation is created. The second aspect concerns the nature of the fines outlined in the legislation. I am not satisfied that people have enough discretion. When I lived at Bellevue Heights, there were two gum trees in the yard. One of the trees would have come under the definition of native vegetation. It was a beautiful old gum but it was also a very dangerous old gum and I had to predict when that bough would break. We had a swing under one of the boughs and I changed that, but we also had our barbecue area near that gum tree, so it was important to know whether the boughs were loose.

I would have been horrified in my efforts to conserve that gum tree if I were required for safety purposes to make an application to the council to see whether I could cut off a limb that presented a life-threatening situation. The extent to which people can operate on their own property for their own benefit is an important issue. They should not be impeded by legislation that is overly restrictive. I am sure that is not what the legislation intends, but my reading of it leads me to the conclusion that those circumstances have not been properly covered. People do not have enough discretion. They have to wait until an application has been approved by the council and, under those circumstances, the person making the application could be dead, or a difficulty could arise because they did not have the discretion that I believe is imperative. With respect to larger areas, it is appropriate to have some level of scrutiny on the extent to which applications apply.

The second issue concerns two indeterminate fines, one between zero and $60 000, which is a Division 1 fine, and the price to be paid per hectare, whichever is the greater. That is the greatest load of codswallop that I have ever read in legislation. It leads to four different conclusions as to what level of fine should be applied, whether it should be the rate per hectare, $60 000 or zero dollars. I bring those matters to the attention of the Minister. I am unhappy with the legislation in those two respects. However, I believe that, in other areas, the Minister has made a brave attempt to put things down in principle, and I support those.

Mr S.G. EVANS (Davenport): I support the second reading of the Bill. I am concerned because it takes in the country areas, although we are aware of the need to conserve as much as we can. I am also concerned how it will be interpreted with respect to the metropolitan area. For that reason, it will be of benefit to me in later communications with others to read into *Hansard* what the word 'clearance' means. According to the Bill:

'clearance', in relation to native vegetation, means—
- *(a)* the killing or destruction of native vegetation;
- *(b)* the removal of native vegetation;
- *(c)* the severing of branches, limbs, stems or trunks of native vegetation;
- *(d)* the burning of native vegetation;
- *(e)* any other substantial damage to native vegetation,

and includes the draining or flooding of land, or any other act or activity, that causes the killing or destruction of native vegetation, the severing of branches, limbs, stems or trunks of native vegetation or any other substantial damage to native vegetation:

Native vegetation includes all plants, whether it be grass, trees or shrubs. It is not intended to take the extreme, but that is how the Bill is written. In a case of bushfire, when the judge asked what is an adequate bushfire break around scrubland, none of the experts could give the judge a definition of an adequate firebreak or say whether it should be four, 20 or 100 metres. The E&WS Department has a firebreak around the Mount Bold reservoir reserve of about 100 metres. The Belair Recreation Park has a firebreak on

its southern side of about 50 metres. If you apply to the council involved in order to create a firebreak and say that you want 30 metres but the council will allow only 20 metres, in a situation where a fire escapes from within that property, who carries the legal liability? I know of a case involving a family business within a district council where they were told that the firebreaks were not sufficient and they were found to be negligent. Who will carry the legal liability—the Crown, through limiting the size of the break, or the land-holder?

The other point we need to consider is the triviality in which inspectors could become involved in the metropolitan areas of Mitcham, Happy Valley and Stirling in saying to people that before they trim their native vegetation they have to seek permission: a fee must be paid before it is considered, and it is between $20 and $50. Under the regulations we are told that it will be $50. I have a concern about the extremes. I have been brought up on the land and have probably cut by hand more timber than has any other person in this place. Most of it was done for the benefit of people or industry, or it was done to heat homes. It was a way of life. Many people come along and say that the vegetation is in its original state, but it is regrowth. Vegetation was cleared four times in my lifetime and maybe eight times in my grandfather's lifetime. That is how quickly stringy bark and some gums can grow in high rainfall areas. My concern is that we need control, and we need to save more of the bushland, but some of the small pockets of bushland in the hills are such that one has difficulty building a house amongst it.

The CFS can tell you to clear all the undergrowth, which is natural bush. This is a more recent Act and will have some jurisdiction over the CFS Act. With bracken, you have to spray and it is often full of tea-tree, so you are in a fix because you cannot destroy one without the other. If you do not destroy the bracken, young cattle under 12 months will take poison from it and die. One family I know last year lost about eight cows, worth around $250 each, from eating bracken.

You cannot take out the bracken without taking out the tea-tree, but under this Bill you cannot take out the tea-tree unless you pay somebody a fee to do it. You already have the cost burden of shifting it in the first place. I agree with the principle of the Bill, but there are some things the Minister will have to answer to convince me that it will be interpreted in a fair and responsible way. I support the second reading of the Bill.

The Hon. S.M. LENEHAN (Minister for Environment and Planning): I sincerely thank all members who have taken part in the debate tonight. I particularly want to thank the two members of the Government team who have taken part, and the Opposition members who have shown so much support for what I think is a very vital and important piece of legislation. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ADJOURNMENT

The Hon. S.M. LENEHAN (Minister for Environment and Planning): I move:

That the House do now adjourn.

The Hon. TED CHAPMAN (Alexandra): The Adelaide Casino is the next door neighbour of the South Australian Parliament. Both premises are located on North Terrace, Adelaide, but they have been established for very different reasons. In the Parliament the State laws are made, and in the casino, under the protection of enabling legislation, certain gambling practices by properly attired adults are legal. In other words, in the Parliament we make the laws under which they, at the casino, may allow public punting on specified gaming equipment to occur.

This week, the Adelaide Casino board has taken a punt themselves on the outcome of a particular parliamentary procedure as related to the use of certain gambling devices already installed but not yet in use in the casino premises. Its action, which I will explain in some detail in a moment, constitutes a rude disregard for the members of our institution generally and contempt for the House of Assembly procedures in particular—therefore in my view, contempt of the Parliament. On Monday this week the casino Executive Manager, Mr McDonald, by direction of the board, extended invitations to attend a cocktail party to celebrate the opening of the video gaming area in the Adelaide Casino. The invitation read, in part:

> The management of the Adelaide Casino are delighted to announce that video machines are about to be introduced. These machines are to be installed in the newly renovated southern section of the building not previously open to the public. As a valued patron of the Adelaide Casino we would like to take this opportunity to extend to yourself and your partner an invitation to attend the opening cocktail party.
>
> Date: Tuesday, 19 March 1991.
>
> Time: 7.30 p.m.-9.30 p.m.
>
> Venue: Adelaide Casino, Video Gaming Area, 1st Floor.
>
> Video gaming machines will be fully operational on the evening providing you with the opportunity to be one of the first South Australians to play them.

I received one of those invitations and, for the record, my reply on Monday afternoon was as follows:

> Mr Neil McDonald, Chief Executive, Adelaide Casino.
>
> Dear Neil, I acknowledge receipt of the invitation to attend a cocktail party on Tuesday, 19 March 1991. The thought is appreciated. However, I am not at all impressed with the reason given for the celebration. The regulations permitting video machines in the Adelaide Casino have not concluded their passage through the South Australian Parliament. A formal motion of disallowance is still on the Notice Paper in the House of Assembly and accordingly still subject to debate and vote by the members of that House.
>
> I consider that your assuming their successful legislative passage in the House of Assembly on 21 March 1991 (the date listed for debate on the private member's motion of disallowance of the said regulations) by either the Government, a Minister or any other South Australian authority (by holding a party to celebrate the event two days beforehand on 19 March 1991) constitutes contempt of the Parliament and I propose to go public on the issue.
>
> In the circumstances, I am sure you understand it would be inappropriate for either Coralie or I to accept the abovementioned invitation.

The Adelaide Casino is South Australia's only legal gaming house and its activities, privileges and requirements to apply are set out in the Casino Act 1983.

Section 5 of the Act provides for the establishment of a Casino Supervisory Authority, and section 6 identifies the criteria for its composition. Section 13 provides for the granting of one casino licensee, that is the South Australian Lotteries Commission. Section 16 (2) and subsequent sections provide for the appointment of an operator of the casino on behalf of the Lotteries Commission and identify certain strict security rules of operations, etc. It is at that latter level where evidence of arrogance and certainly contempt for the procedures of the House of Assembly has allegedly occurred.

Early last year, when it was proposed to expand the gaming facilities of the casino beyond those permitted in the Act to include electronic video machines, the Government had effectively three options at its disposal: first, to

refuse its cooperation with the casino request. However, the Government at that time—and still is—desperate for the extra revenue. Secondly, it could amend the Casino Act thereby inviting full public debate on the issue. Thirdly, it could introduce regulations, thereby avoiding a full-scale public debate on the matter. In other words, the Government took the soft option and obtained Governor-in-Council approval for regulations enabling the installation and gambling use of video machines, as defined, in the Adelaide Casino.

The record of that approval appeared on page 910 of the South Australian *Government Gazette* on 29 March 1990. However, there are other provisions in the legislative procedures which prevent even that approval from being a *fait accompli*. Section 10 (3) of the Subordinate Legislation Act 1978 provides:

> Except as is expressly provided in any other Act, every regulation shall be laid before both Houses of Parliament within 14 days after the making thereof if Parliament is in session, or, if Parliament is not then in session, within 14 days after the commencement of the next session of Parliament.

Section 10 (4) of that Act provides:

> If either House of Parliament passes a resolution disallowing any such regulation, of which resolution notice has been given at any time within 14 sitting days of such House after such regulation has been laid before it notwithstanding that those 14 sitting days, or some of them, do not occur in the same session of Parliament as that in which the regulation is laid before that House, then that regulation shall thereupon cease to have effect.

Within the prescribed 14 sitting day period, the longest serving member of this House, Mr S.G. Evans, moved his motion of disallowance of the said regulations. His motion is listed for debate and voting on by the House of Assembly on 21 March, that is, two days after the cocktail party planned by the casino. The reference to these details appears on page nine of the House of Assembly Notice Paper this week (indeed, it is notice No. 43), and the notice of motion, in particular, is No. 5. I am advised that not one member of the casino personally, at any level, has bothered in the meantime to extend the slightest public relations to Mr Evans.

Earlier in my remarks I referred to the term 'arrogance' as applying to certain levels within the operation of the casino. I do not know whether arrogance, aloofness or looseness of attention to important matters are the appropriate terms, but in my view, since the opening of the casino in Adelaide, there has certainly been a deterioration in the standard of security and sensitivity towards patrons as compared to that level which prevailed in the early period after its opening.

As my time is limited to 10 minutes in this adjournment debate, I cite but one example of that deterioration. It is understood that monitoring of punters' investments occurs in the casino and that progressive notations about those punters' investments are made by the duty staff at all gambling tables. I have in my possession one of the monitoring sheets which was recently found on the floor of the casino. That sheet reveals details from left to right respectively: the names of a number of patrons; the figure amounts for which each cashed in; their average bets; the period for which each played at the particular table in question and the amount each player cashed out for.

Whilst the details cited may be of importance to the administration and/or the security of the casino, and, although neither my name nor any one of my family's names were mentioned in this instance, I do regard the information as being confidential. It shows a distinct lack of professionalism on the part of the Adelaide Casino to allow that sort of material to float around the casino floor at the disposal of others. It concerns me that such a delightful centre and a real asset to South Australia should in any way deteriorate in the ways that I have drawn to the attention of Parliament tonight.

Since the opening of the Adelaide Casino, I have been a member of its International Club by courtesy of the management. It has been an involvement which I have enjoyed, albeit unfortunately with no overall monetary gain. Accordingly, it disappoints me to say the least that, after attempting to raise real matters of concern with management from time to time without success, I have found it necessary to resort to this address in the Parliament in this way. It would be remiss of the casino management at any level to run away with the idea that I am in isolation amongst the Legislature with this view. I am aware of the wide concern of members of all political persuasions within this institution, of which we are all a part when it is in any way compromised, jeopardised or ignored in its important traditional procedures.

Mr HOLLOWAY (Mitchell): Two weeks ago I questioned the Minister for Environment and Planning concerning the lengthy delay in hearing an application by the Centennial Park Cemetery Trust to build a mausoleum in its cemetery at Pasadena. The mausoleum proposal was formally submitted to Mitcham council on 10 November 1989 after the trust had floated the idea through the local media for some months. Mitcham council subsequently referred the application to the State Planning Commission because of a potential conflict of interest. I am sure that the council was delighted not to have to make a decision on the matter.

The public was formally notified of the application on 24 January 1990, almost one year after the trust had first announced its plans in the local paper. To say that the proposal was not well received by local residents would be an understatement. Early in 1990 I presented a petition against the proposal from more than 1 500 residents. Nor was the proposal well received by responsible Government departments. The South Australian Health Commission advised the Planning Commission that the mausoleum was not wholly below ground level and, accordingly, was in breach of the general cemetery regulations. The cemetery trust requested on 26 February last year that the application be deferred pending resolution of legal obstacles. Six months later, the Planning Commission requested advice from the trust on its intentions.

I understand that the trust advised on 28 September last that preparation of a hearing in the Supreme Court in the application of the cemetery regulations had commenced, and that it wished to proceed with the application. When nothing happened, the Planning Commission again requested the trust on 26 October to inform it of its intentions. On 29 November the cemetery trust advised that it was making an application to the Supreme Court, and requested the Planning Commission to withhold further action. I understand that the trust subsequently sought Planning Commission advice on the question of compliance with the general cemetery regulations.

On 19 December last the Planning Commission advised the cemetery trust that it intended to refuse the application by the end of January 1991, as it appeared to be hypothetical or, in other words, contrary to regulations. The cemetery trust then served the Planning Commission with proceedings seeking a declaration that the proposal did comply with the regulations and also sought an interlocutory injunction against the Planning Commission to prevent it from determining its application until the proceedings are completed. Thus, the residents of Pasadena are still waiting to know

whether this development will take place, almost two years after it was first publicly mooted.

Let me say that the Planning Commission has acted in a fair and appropriate manner throughout the saga. The commission quite properly sought to determine the application on the basis of legal advice available to it, whilst giving the cemetery trust ample opportunity to challenge this legal advice. However, the behaviour of the cemetery trust in repeatedly delaying consideration of its application and then seeking to use the legal process to further prolong the hearing is deplorable. The trust was justifiably criticised last year for its lack of accountability and its propensity to spend money on travel for its board members. In its last annual report, the trust reported that it had spent over $172 000 on the mausoleum project so far. How many more thousands will be spent on this legal hearing, and to what effect?

I remind the House that the ratepayers of Mitcham and Unley councils are ultimately responsible for the trust's liabilities. When changes to burial practices are proposed, it is this Parliament which should determine the direction of such changes. Given its experience as the largest cemetery operator in South Australia, the Centennial Park Cemetery Trust has a valuable contribution to make to debate on such issues but, ultimately, it is the Parliament which must decide. Even if the Supreme Court decides in favour of the trust and determines that its garden mausoleum proposal is not contrary to cemetery regulations, it is still subject to planning procedures in the State Planning Commission and, on appeal, the Planning Appeals Tribunal.

There must be considerable doubts that the mausoleum proposal would be approved by the planning process, given the mausoleum's proximity to residents, the incompatability of such a structure with the adjacent Garden of Rememberance, the overwhelming opposition from residents, legitimate questions about health and environment, and past agreements on the use of the land entered into by the trust. In relation to this latter point, the land to be used for the mausoleum was transferred from the South Australian Housing Trust in the 1960s to the Mitcham council, subject to a written agreement that it would be used for garden and not burial purposes. Why then is the Centennial Park Cemetery Trust obsessed with its mausoleum project when the outcome is so uncertain? It has been stated that the mausoleum is a response to community needs and the rapid filling of available space at the cemetery. These reasons are not supported by evidence.

There is little demand for the type of mausoleum proposed. The structure would accommodate 790 corpses in an area where 1 200 bodies could be buried—an inefficient use of space. I believe the real reason why the cemetery trust is determined to proceed with the project is that it wishes to pressure the Government into making fundamental changes to burial practices which would make the operation of cemeteries more profitable. It believes that it can make millions of dollars from the introduction of up-market burial chambers and the more rapid reuse of graves. It wants all its graves to become cement lined decomposition chambers which facilitate the rapid turnover of bodies.

The actions of the cemetery trust do not help resolve the many issues which need to be addressed in managing our cemeteries. Indeed, their actions are positively harmful. If there are to be changes to burial practices, such as a more limited tenure for cemetery plots and the introduction of new forms of burial such as mausoleums, I believe such fundamental changes relating to religious and cultural practices should be subject to widespread public discussion. It is certainly not the prerogative nor the appropriate function of the Centennial Park Cemetery Trust to attempt to force such decisions on the community.

I believe that the cemetery trust should desist from its current appeal to the Supreme Court. It should cease pouring money into the pursuit of a mausoleum that is not wanted by local residents nor, it would seem, by many customers. The trust should accept that the question of new forms of burials for this State ought to be determined by Parliament, acting in accordance with the wishes of the people. It should delay consideration of any new forms of burial rather than trying to find loopholes in the current regulations.

The uncompromising pursuit of the mausoleum proposal by the cemetery trust has simply served to harden the resolve of those opposing it. The trust has already damaged its credibility, with the public exposure of the extravagant overseas trips in pursuit of the mausoleum. But the most damaging aspect of the trust's actions arises from the unnecessary misery and uncertainty it has created for the residents of Pasadena living near the proposed mausoleum. After 20 months these residents still have no idea if and when the proposal will become a reality.

I wish to make clear that I have no objection in principle to mausoleums. In the current recession we can perhaps ask how it will help our economy to encourage investment in monuments for the dead. I find it hard to think of a less productive form of investment, and the environmental costs of such an ineffecient form of human disposal must be taken into account. The wisdom of their use in cemeteries where land is at a premium must be open to question. However, if people wish to be interred in this way, I would not deny them the opportunity to do so, provided it does not impact adversely on others. The appropriate location for such a structure is not within metres of houses and a garden of rememberance in a cemetery which is widely acclaimed for its attractive park-like setting and which for over 50 years has had a widely accepted policy of uniform size gravestones. There are clearly more sensible sites for such a facility.

While the cemetery trust should be condemned for the bloody-minded and insensitive way it has handled the mausoleum proposal, I acknowledge the considerable expertise of the cemetery management. The recent report of the cemetery trust on its overseas trip raises many important questions which ultimately need to be addressed by the community. The point is that the trust must accept that decisions on sensitive burial practices will be made by the people's representatives after full public consultation. A war of attrition by the trust against local residents will not succeed where logic and argument fails.

Dr ARMITAGE (Adelaide): I rise tonight to address the unfortunate chaotic state of public hospitals and, as an added bonus, I see that the Minister of Health is sitting opposite (about which I am delighted) because he can hear first hand what I have to say. Of late, I have highlighted that, in our major public hospitals, the supplies of food, bandages and therapeutic drugs are to be limited; bed numbers are being cut; and waiting lists are increasing from their already unacceptable levels, which of necessity means, unfortunately, a longer delay in getting into out-patient clinics in the first instance. As members in this Parliament would know, that is the first step before people even get onto the increasingly long waiting lists.

At present there is a lack of financial resources in hospitals because of the increased activity, and it is the responsibility of this Government to address that. Services to the community are being cut in these major public hospitals because

of this situation. We all know that. What I will talk about tonight is an example of what these facts and figures mean to an individual. To do so, I should like to quote from a letter written by a general practitioner to the Medical Director of the Royal Adelaide Hospital, dated 5 July 1990, in relation to a patient of his named Beverley Hunter. I have spoken with Beverley Hunter, and she is quite relaxed about my identifying her. The letter states:

[Beverley] is a 37-year-old patient who is a long-standing spina bifida patient. She has had much surgery in her early years including a spinal fusion [and other operations] and through the years has obviously had major challenges to overcome. She has been remarkably independent in her wheelchair and currently works at the Disability Information and Resource Centre in the city.

I emphasise that this letter was written on 5 July 1990. Beverley had been referred to the pain clinic and, as a result of this referral, spent from 25 May to 8 June as an inpatient being investigated very intensively. However, she needed further investigation to elucidate precisely the cause of her back pain. The letter continues:

It was felt that the pain was from her facet joints and arrangements were made for a diagnostic facet joint injection. Beverley was admitted to the Royal Adelaide Hospital on Tuesday 26 June. She tells me [her general practitioner] that at about 6 p.m. on Wednesday 27 June, after she had had her premedication, she was told that she could not have her procedure, as it was too late in the day.

That happens because there is no overtime to be paid as a result of a budgetary constraint. People are actually given drugs and, because there is not enough time before the shift ends for that operation to be completed, they do not even reach the theatre. I can tell the House—and this is a fact—that in private hospitals where there are no such constraints: operating lists often start before 8 o'clock in the morning and go through until at least 1.30 or 2 p.m. and restart at 2 o'clock. It is not at all unusual for them to go until 8 or 9 p.m.

Surgeons will deal with four or five major cases or six or seven minor cases on the one list. That is the major reason why there is no waiting in private health systems: the job gets done. It is a fact of life that must be addressed by the Government. Beverley Hunter was rescheduled for the next day, Thursday the 28th, for her procedure but, after her premedication, she was again told that the procedure was not to be performed.

On Friday 29 June she was so upset that nothing had been done that she asked whether she could stay an extra night, and so it was that she was finally discharged on Saturday 30 June, having had an eventful stay involving two premedications and precious little else. The doctor says in the letter:

I, like many others in the medical profession, am sick and tired of being told in the press that there is no problem with our hospitals, when we know from our patients' stories that there are unacceptable waiting lists . . . This is a girl who has lived with more challenges in her life than the rest of us will ever have to contend with, and she copes wonderfully well . . . And she is treated as if she doesn't matter. No apology is given to her and no follow-up is arranged. She has used up precious sick leave to have nothing done . . . She has cost the taxpayers four nights in hospital.

This letter of 5 July 1990 to the Medical Administrator concludes:

All I know is that if what has happened to Beverley Hunter is a reflection of the sort of care our sick are getting in Adelaide's major teaching hospital, then I feel very sad for the state of health in this country.

He quite legitimately feels that way. The doctor then heard nothing from the Royal Adelaide Hospital in response to his letter detailing this disastrous situation. On 22 September 1990 he wrote to me, expressing his anger and displeasure, and pointed out:

My concern is that to this date neither Beverley or myself have had any response from anyone.

So, on 25 September I wrote to the Medical Administrator of the Royal Adelaide Hospital asking her to address the letter and indicating that I would seek her urgent confirmation of the details, distressing as they were. I have yet to receive a response to that letter.

I cannot believe, first, that this situation is condoned in the system that we have today and, secondly, that there is no explanation to me, to the local medical officer or, much more importantly, to the patient. Is it not reasonable that a person who is in a wheelchair and who gives up sick days to go to hospital to have an investigation done to alleviate her pain might expect that in South Australia's major public hospital she will have something done? Is it not reasonable that she is angry when twice she receives drugs but has nothing done because operating times are curtailed?

It is an appalling state of affairs. The waiting lists are disastrous, and South Australians are walking around every day in pain and in danger because they cannot get their proper medication.

The Hon. Frank Blevins interjecting:

Dr ARMITAGE: I am shouting because I am angry about it. No-one else seems to be. You are all very calm. The Minister does not even listen to me.

The Hon. Frank Blevins interjecting:

Dr ARMITAGE: There are people listening. This is symptomatic of a sinister disease, and the Minister of Health's response to my highlighting such issues as this previously has been to say, 'He's being alarmist.' That is not so. I am not being alarmist at all. I am highlighting these issues in an attempt to have some action taken on these appalling facts which point out the disastrous state of public health care in South Australia.

I know that some of the decisions which the Government may have to take and for which the Government bears the ultimate responsibility are hard, but that is why members opposite are in government. As a Government, they have a responsibility to provide better health care than is being provided at present. If the Government—and that is every member opposite, not only the Minister—believes that a story such as I have related is an example of the adequate provision of health care to South Australians who have every right to expect better, when there are quite plainly solutions to these problems, they are wrong. I am equally confident that most South Australians agree with me and not with the Government.

Motion carried.

At 10.23 p.m. the House adjourned until Thursday 7 March at 11 a.m.