HOUSE OF ASSEMBLY

Wednesday 26 February 1992

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

PETITION: GAMING MACHINES

A petition signed by 958 residents of South Australia requesting that the House urge the Government to provide for the control of the security monitoring systems of coin operated gaming machines by the Lotteries Commission was presented by the Hon. J.C. Bannon.

Petition received.

PETITION: DRY ALCOHOL ZONES

A petition signed by 121 residents of South Australia requesting that the House urge the Government to declare all schools dry areas for the consumption of alcohol was presented by Mr Hamilton.

Petition received.

PETITION: PUBLICATION STANDARDS

A petition signed by 24 residents of South Australia requesting that the House urge the Government to stop reduced standards being created by publishers of certain magazines and posters debasing women was presented by Mr Lewis.

Petition received.

QUESTIONS

The SPEAKER: I direct that written answers to the following questions on the Notice Paper, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 176, 254, 339, 346 and 350; and I direct that the following written answers to questions without notice be distributed and printed in *Hansard*.

MYPONGA WATER FILTRATION PLANT

In reply to **Hon. D.C. WOTTON (Heysen)** 21 November.

The Hon. S.M. LENEHAN: The contract in question was specified as an hourly hire rate form of contract which was suited to the job. In order to establish the estimated total cost of hire a nominal 820 hours of time was specified. This estimate was based upon a Department of Mines and Energy recommendation as to the class of earthmoving machine to use and the subsequent calculation of how long such a machine would take to rip and assist in dozing the estimated quantity of rock.

Nearly all the tenders received conformed to the class of machine recommended in the contract specification. However, one much larger machine was tendered at a significantly higher hourly rate than for the accepted smaller machine. If the two machines had worked the same number of hours, the larger machine would have cost double but would have produced 30 per cent more output because of its extra capacity.

The work covered ripping and dozing of approximately 60 000 m^2 of hard rock. The larger machine would have completed the work in a little over three-quarters of the time required by the smaller machine. However, taking into account the hourly rate of the larger machine, being double that of the smaller, the larger machine would have cost 50 per cent more for the same task.

COMPANY OWNERSHIP

In reply to **Mr INGERSON (Bragg)** 27 November.

The Hon. J.C. BANNON: The companies referred to in SAFA's 1988-90 annual report as no longer being required were Ebb, Flair, Furl, Gaff, Gybe, Hatch, Kedge, Cutter, Douse and Dinghy. These ten companies were acquired by SAFTL on 21 August 1987 and subsequently transferred to Babcock and Brown Pty Ltd and Babcock and Brown Lease Management Services Pty Ltd on 30 June 1989. During the period of almost two years in which SAFTL owned these companies, they were not involved in any State financing transactions designed to reduce the tax liability of a private company.

Cutter, Douse and Dinghy were involved in the financing arrangement involving forestry assets disclosed in SAFA's 1989-90 annual report. At the present time, the directors of these three companies are:

Mr P.H. Green (Babcock and Brown)
Mr W.J. Davis (Babcock and Brown)
Mr J.R. Harding (SAFA).

All shares in Douse have been held by Babcock and Brown Pty Ltd and Babcock and Brown Lease Management Services Pty Ltd from 30 June 1989 to the present time.

STATE BANK

The SPEAKER: I lay on the table a letter I have received from the Auditor-General relating to his inquiry into the State Bank of South Australia. Copies of this letter are being circulated to all members.

PAPERS TABLED

The following papers were laid on the table:

By the Minister of Transport (Hon. Frank Blevins)—
Metropolitan Taxi-Cab Act 1956—Applications to Lease, 12 February 1992.

By the Minister for Environment and Planning (Hon. S.M. Lenehan)—
City of Adelaide Development Control Act 1976—Regulations—Commencement and Completion Times.

By the Minister of Marine (Hon. R.J. Gregory)—
Boating Act 1974—Regulations—Stansbury Zoning.

By the Minister of Employment and Further Education (Hon. M.D. Rann)—
South Australian Institute of Technology—Report, 1990.

MINISTERIAL STATEMENT: DUCK SHOOTING

The Hon. S.M. LENEHAN (Minister for Environment and Planning): I seek leave to make a statement.

Leave granted.

The Hon. S.M. LENEHAN: On 20 February 1992 I undertook to provide information to the member for Mount Gambier, who had questioned actions by officers of the National Parks and Wildlife Service investigating the illegal shooting of ducks in the South-East. The member for Mount Gambier was also reported in the *Border Watch* saying that he wanted to know the cost of sending up to 10 Adelaide based officers to Mount Gambier and expressing disbelief that about 10 heavily armed officers could be found to carry out nonsense operations. In fact, only three additional officers travelled to the South-East in one vehicle on Friday 14 February 1992 to assist the District Ranger with routine patrols during the opening of the duck season.

On 15 February, reports were received of illegal hunting in the Lake George area. Suspects were interviewed and a portable cooler containing 36 ducks was found hidden in nearby bush land. Officers decided to search the Mount

Gambier premises of one of the suspects at the address recorded on a current hunting permit. No change of address has been notified for that permit and officers rang the suspect's home prior to executing the warrants. However, on arrival at the house there was no response. Police presence was requested and officers moved to enter the premises. None of the three National Parks and Wildlife Service officers present at the house was armed. A neighbour then advised that the suspect no longer lived at the address. It also transpired that the suspect had transferred his telephone. A card was left at the house asking the new owner to contact the service, and an offer was made to restitute minor damage to a flywire screen.

While the error is regrettable, the unreported change of address on the hunting permit and the incorrect assumption stemming from the confirming telephone call led officers to believe they were at the correct residence. However, I would like to apologise sincerely to Mr and Mrs Barrett for any embarrassment caused by those events. These investigations required the three officers to stay one additional day and incurred extra costs of $190 for accommodation and $523 for additional wages. Investigations are continuing and charges may follow.

This year there was a high level of illegal shooting in the South-East before the official opening of the duck season. A large number of complaints was received and part of the Coorong National Park was shot out three weeks before the season opened. While the Government has developed I believe a balanced duck hunting policy, it does not augur well for continued community acceptance of hunting when illegal shooting continues, national parks are shot out, hunting season opening times are flaunted and bag limits are disregarded. In conclusion, it is most important that the National Parks and Wildlife Service maintains its good working relationship with shooters and their associations. However, at the same time, endangered species and national parks must be protected from irresponsible and illegal acts.

QUESTION TIME

STATE BANK

Mr D.S. BAKER (Leader of the Opposition): Will the Treasurer now reveal the State Bank Group's total current exposure to the Remm Group and the Myer/Remm project, including capitalisation of interest payments; the bank's total exposure in the event that it moves to complete ownership of the project after 31 March this year and is required to repay those other banks which have lent in syndicate to the project; whether the bank is breaching or will breach Reserve Bank guidelines on its exposure to Remm; and what provision was included for the Remm project in the bank's $2.2 billion non-recurring losses and write offs? I seek this information in view of Remm's reported $446 million loss, which may mean that the State Bank will be obliged to take over ownership and pay out the other banks in the lending syndicate. The Government's own Department of Lands currently values the project at $240 million, which would mean the potential losses on the project for the State Bank and taxpayers are several hundred million dollars.

The Hon. J.C. BANNON: The State Bank will publish its half yearly results shortly. Obviously, the results for the first half of the 1991-92 trading year will be part of that. The problem in terms of Remm in relation to those results is that the centre itself has not really been open long enough for a true value to be fixed on the overall operation, and the revenue screen—

Members interjecting:

The SPEAKER: Order!

The Hon. J.C. BANNON: The Deputy Leader invites me to guess. Well, I am not prepared to do that, because I think that would be misleading. Clearly, the Leader's question is prompted by his listening to a radio interview yesterday morning on the ABC in which these matters were canvassed and certain figures given about valuations and putative financing arrangements and so on. It is certainly true that the financing of the centre has a first ranking security, held by a syndicate of eight banks of which the State Bank is one, and obviously there are terms of that syndication and a period of review, which is approaching.

Secondly, the valuation is obviously the key to the extent of loss and appropriate provisioning for the Remm centre. The State Bank has already made provision in its accounts for Remm. That was identified as being necessary at the time that the indemnity was provided following the publication of the results of the bank for 1990-91. At this stage I am not in a position to provide that figure, because it is still confidential to the bank, both in terms of the level of exposure and the level of provisioning, and I think it would be quite mischievous to put in further figures.

The honourable member refers to a Department of Lands valuation which, as he would know, is primarily for immediate rating purposes in terms of quitting such a property at present; it certainly does not represent a market value of the centre, nor one which can be looked at in terms of the long-term holding of the centre itself. So, the question of the provisioning and its extent is something, appropriately, for the bank's board and its auditors. Additional provisioning might be required, but at this stage it is too early to judge the extent to which that will be necessary. By the end of the financial year—by the time the bank's full year accounts and reports are drawn up—we will be in a position to have a definitive statement on the treatment of and the position in relation to Remm. Until that time, it would be quite misleading for me to guess at figures. I suggest that the honourable member have some patience and not just listen to speculation or commentary in the media and then use it for a question in Parliament.

ALGAL BLOOMS

Mr FERGUSON (Henley Beach): I direct my question to the Minister for Environment and Planning. What role has South Australia played in meeting the challenge posed by algal blooms through the Murray-Darling system? During recent publicity concerning algal blooms in the Murray-Darling river system, mention was made of efforts which had been taken to reduce the occurrence of such phenomena.

The Hon. S.M. LENEHAN: I thank the honourable member for his question, because South Australia has in fact played a most significant role not only in defining the problem of toxic algal blooms but also in putting it on the national agenda. In March 1990, the South Australian commissioners wrote to the Murray-Darling Basin Commission requesting the establishment of a nutrient removal program and providing a detailed submission of the nexus between high nutrient levels and algal blooms.

In August 1990 I presented to the ministerial council a detailed paper delineating the nutrient management problem, and I stressed the need to integrate land and water management policies in order to achieve both ecological sustainability and economic efficiency throughout the basin. An investigation into nutrient sources was agreed to and

released on 30 January this year, and $200 000 has already been allocated for the 1992-93 financial year to further refine the nutrient strategy and to enlist public participation in the assessment process. The final nutrient strategy will set water quality objectives for the whole of the Murray Darling basin, and I am hopeful that this strategy will be released by the end of June 1993.

REMM-MYER PROJECT

Mr S.J. BAKER (Deputy Leader of the Opposition): Just prior to the completion of the Remm-Myer project, did the Premier receive advice that anticipated project costs would exceed original feasibility estimates by up to $100 million due, in the main, to union related delays and poor productivity?

The Hon. J.C. BANNON: There were delays, and they were apparent. In fact, I think it was members of the Opposition who demanded that the Government take some action to try to do something about it. In fact, we did not need such demands: we were indeed doing so.

Mr S.J. Baker interjecting:

The Hon. J.C. BANNON: Well, the Deputy Leader interjects that we did not do anything, yet, on the other hand, in the course of publicising the matter of the royal commission, they have been trying to suggest that we were doing a lot. You cannot have it both ways. We were either trying to do something to assist the industrial situation, or we were not. The fact is, we were.

The Minister of Labour, in particular, and I were involved, because we were aware of the severe industrial problems with that project and the importance that that project was completed. Surely that is the important issue on which we should focus. The fact is that, if that project had not been taken to completion, if we had not attempted to assist with the industrial problems that were being experienced, we would have had either a half finished building or an empty hole in one of the prime retail, commercial centres of this State, if not Australia. It would have been an absolute disgrace and scandal, and it would have made trading absolutely impossible for the rest of the Mall.

It would have been a fundamental undermining of the retail performance in this State, and the Opposition is apparently arguing that we should have washed our hands of it, simply walked away and said, 'Oh no, bad luck; it is going to cost more than was planned, but we will just have to let it swing.' That would have been disgracefully irresponsible, and what I can say is that, if any member wants to go and look at that centre, if any member wants to talk to the hundreds of thousands of people who go there each day, they will understand that we have a long-term asset of great value in this city in consequence of that project, and they should not forget it. The alternative, which would have been to leave either an empty hole or a half-finished project, would have been totally disastrous, not just for the Rundle Mall and its traders but for retailing and the image of this State.

Mr D.S. Baker interjecting:

The Hon. J.C. BANNON: The Leader of the Opposition has the cheek to interject, when he was at the opening, he was at the dinner celebrating it, and he was there walking around with everybody saying, 'Yes, this is a marvellous centre.' I heard him say it.

Members interjecting:

The Hon. J.C. BANNON: That is disgraceful. He is interjecting about this project when he was there, on the spot, praising it, saying it was a great asset, and saying it was adding to our tourist capacity, as were a number of his colleagues. So they had better decide what is their attitude. Do they agree with what they were saying at the time, or now, in hindsight, because there have been some financial problems, do they wash their hands of it and say they will have nothing to do with it? That is a fact. It is hypocrisy on their side and, by raising and publicising the matter in this way, all they are doing is undermining retail trading in this State.

OPERATION NOAH

The Hon. J.P. TRAINER (Walsh): Can the Minister of Emergency Services provide the House with a progress report on the Operation Noah phone-in that is being conducted by the South Australian Police and nationally?

The Hon. J.H.C. KLUNDER: I thank the honourable member for his question and his interest in this matter. I can advise the House that the police have provided me with a progress report on the Operation Noah phone-in. As members are aware, the program began at 9 a.m. this morning and will run for 12 hours. The police reported at 1 o'clock that they had received 255 phone calls, and the national figure at that time was 1 330 calls. Of course, the phone-in has still more than six hours to run, and I would urge all South Australians who know anything about drug matters and drug-related crime to make contact with the Operation Noah team at Police Headquarters.

An honourable member interjecting:

The Hon. J.H.C. KLUNDER: Speaking out of turn has never been the honourable member's problem. The phone number to dial is (008) 011233. The calls are free, and callers are, of course, assured of anonymity. Operation Noah has now been a regular event for a number of years. Like all such events, it is easy for the community and, indeed, for the Opposition to start feeling a bit blasé about it, but that is not an attitude that we can afford in South Australia.

Since July 1990, there have been 45 drug-related deaths (that has been in South Australia only) and 16 of those deaths can be directly attributed to heroin. The majority of those deaths involved people under the age of 30. Police also estimate that more than 60 per cent of economic crime is drug related. They are convinced that there is a direct relationship between the drug trade and a whole range of criminal offences from property offences such as housebreaking to crimes of violence such as armed robbery. Given these factors, it is in the community's interest to do all that it can to assist the police. I urge the community and Opposition members to do whatever they can to promote the telephoning in to Operation Noah by members of the community.

STATE BANK CENTRE

Mr MATTHEW (Bright): My question is directed to the Treasurer. What action has the new State Bank Board taken to limit losses to the bank from the funding arrangements approved by the Treasurer for the construction of the State Bank Centre? Funding of the State Bank Centre was undertaken through a complex off balance sheet structure which, I am advised, was encouraged and approved by the Treasurer to minimise Commonwealth taxation obligations. However, I am further advised that the completion cost of the building exceeded original estimates by $50 million, due in part to union action along similar lines to that which forced up the cost of the ASER and Myer-Remm projects.

Income from tenants in the State Bank Centre has failed to meet original projections and with increased debt servicing obligations, because of the higher construction costs, I understand that loans made by the State Bank Group to companies involved in the off balance sheet structure have become non-performing.

The Hon. J.C. BANNON: I will refer that question to the bank and see whether I can obtain a reply.

TAFE CHANNEL

Mrs HUTCHISON (Stuart): Will the Minister of Employment and Further Education inform the House what progress is being made to expand South Australia's TAFE Channel to other country colleges? Constituents have informed me of the very positive benefits that have been gained by Port Augusta College from its links into the interactive video conferencing network and have suggested that other country colleges would also benefit from this.

The Hon. M.D. RANN: I thank the honourable member and former President of the Port Augusta TAFE for her continued interest in this very exciting national project, which is being piloted in South Australia and is also of international significance. I am delighted to inform members, including the member for Flinders, who has a great interest in this project as well, that the ninth site for TAFE Channel will be the Port Lincoln campus of the Eyre College of TAFE which, it is hoped, will be up and running by the end of this week. The final links should be completed by Telecom on Friday, with an official launching of the system being planned for mid March.

TAFE Channel will be a major boost for Port Lincoln, enabling the Eyre College to access a very wide range of TAFE courses from any of the other eight sites. We started with Clare and the Barossa linked with Gawler and Adelaide and then went on to the Spencer Gulf cities. We also intend to extend the TAFE Channel system to industry as well. Indeed, we hope to have a link with Qantas in Sydney, because, as everyone knows, the South Australian TAFE, through Regency College, won the contract for supervision of Qantas training.

The Port Lincoln general office traineeship students will immediately join a class comprising students from Whyalla, Port Augusta and Port Pirie. The trainees, who are linked for two two-hour sessions each week, are able to stay in their home towns and undertake this course, because TAFE Channel links small numbers of students from four towns to make up a viable class size. What we are talking about is not, as I have said before, passively beaming in lecturers: it is actually a two-way tutorial system—three, four, or five-way if necessary.

Other courses scheduled to start soon include rural law and land planning, and a proposal is under way for the delivery of a range of other programs including maritime, hospitality and tourism, commercial, business and rural studies. The transmission costs of this brilliant new technology are low, around $10 per hour, compared with $2 000 an hour for similar systems using satellites. The $10 an hour applies once usage reaches 40 hours a week, as it did in Clare in the first year, and that is the level at which the three Light colleges have now operated over the past 18 months. The cost of extending the new technology to Port Lincoln is $150 000—paid for by the Commonwealth.

TREES FOR LIFE

Dr ARMITAGE (Adelaide): Is the Minister for Environment and Planning growing seedlings this year for Trees for Life as she advised she was in her media release of 22 October 1990 and what is she doing in her ministerial capacity to support the goals of the Trees for Life organisation?

The Hon. S.M. LENEHAN: In my capacity as Minister for Environment and Planning I cannot tell the honourable member how many seedlings were successful in the last period in which we grew them. I understand through my ministerial office that we do grow seedlings and I will certainly continue that practice in the future. I am not sure what the intent of the question is. It is probably to try to undermine my commitment to the environment and, if that is the case, it is fairly sad that a member of this Parliament should seek to do that.

Off the top of my head I cannot give the number of boxes of seedlings that we had in the Lands courtyard garden where we actually grew them. I can get a report from the secretary of my ministerial office about what arrangements are being made for this year. I do not have that information off the top of my head, but I can say that I have been very supportive not only of Trees for Life but of a whole range of environmental organisations, groups and individuals in South Australia. Not only do I meet regularly with the Conservation Council and with any group that wishes to see me about environmental matters but also I am open to any environmental suggestions made by various groups and individuals within the community.

I would have thought that, rather than try to undermine and criticise me, the Opposition might for once have had the good grace to acknowledge some of what I have to say are fairly brave, courageous and visionary, decisions I have taken, supported by my ministerial and Caucus colleagues.

It is rather sad that members should come in here during an economic recession involving issues of monumental importance and try to undermine the Minister for Environment and Planning by asking whether, in her capacity as Minister, she has grown X number of trees. I would also be pleased to provide for the honourable member information indicating that I have two compost bins and that I am now involved with my local council in the kerbside collection scheme.

I am not sure what information the honourable member is expecting me to provide to the public of this State, but there is an old saying about people in glass houses and I hope that Opposition members are doing the right thing in terms of their own involvement with the environment, growing trees, being involved in composting or in other issues. It is interesting that the honourable member has raised this one aspect. If he wants to raise all aspects of one's environmental consciousness and individual behaviour, I will be delighted to respond, and I am sure that the honourable member can provide the House with information indicating his commitment and personal involvement in all aspects of environmental behaviour.

Members interjecting:

The SPEAKER: Order! The member for Adelaide and the Minister are out of order.

HAMPSTEAD CENTRE

Mr QUIRKE (Playford): My question is directed to the Minister of Health. Will all attempts be made by the Government to recover or, if necessary, replace equipment stolen from the Hampstead Centre at Northfield? Members are no doubt aware of various media reports concerning the disappearance of research material from the Hampstead Centre at Northfield. This equipment is essential to research

projects and, amongst other things, it is important as a resource to help paraplegics walk once again.

The Hon. D.J. HOPGOOD: The answer is, 'Yes', and I will obtain more detailed information for the House shortly.

MINISTER'S FURNITURE

Mr SUCH (Fisher): How does the Minister for Environment and Planning justify the cost of her office furniture and the fact that her desk is manufactured from South American rain forest timber?

Members interjecting:

The SPEAKER: Order! The member for Fisher.

Mr SUCH: I have in my possession documents itemising furniture for the Minister's office in King William Street which has cost almost $13 500. The items include: $700 for an antique style coffee table; $926 for her office chair; $4 000 for four visitors chairs; $2 400 for two additional chairs—

The Hon. T.H. HEMMINGS: I rise on a point of order, Mr Speaker.

The SPEAKER: The member for Fisher will resume his seat. The member for Napier.

The Hon. T.H. HEMMINGS: The member for Fisher said that he had in his possession documents relating to office furniture.

Members interjecting:

The SPEAKER: Order!

The Hon. T.H. HEMMINGS: My point of order is based on the fact that when I asked a similar question I had to table the relevant document. I ask the member for Fisher to table his documents.

Mr Lewis interjecting:

The SPEAKER: Order! Private members are not entitled to table documents in this House. The member for Fisher.

Mr SUCH: I will continue. The last item is $5 015 for an antique style executive desk. I have been advised that this desk is made from the *Genus Swetenia Macrophylia* species, a true mahogany grown only in Brazil and Honduras. The public servant who brought this matter to the attention of the Opposition did so because of the cost and what is described as the hypocrisy of the Minister for Environment and Planning in making public statements such as 'trees are vitally important for our environment' and also that of the Minister of Employment and Further Education in repeatedly urging the public to buy locally produced products.

The Hon. S.M. LENEHAN: All I can say is that I must be doing too well in my portfolio if the Opposition has to get into this. This information has been freely available for almost 3½ years. I wonder where the member for Fisher has been during that time. I would be very pleased to give the House the exact facts about this matter. When I became the Minister of Lands, Water Resources and Marine and Harbors, my predecessor (Hon. Roy Abbott) had been given approval to order furniture for the ministerial office for the simple reason that the existing furniture was breaking. Chairs had actually broken and the furniture was well overdue for replacement.

Members interjecting:

The Hon. S.M. LENEHAN: They don't like the answer; they hate the facts. Never let the facts get in the way of a good story—and I am sure that the Opposition thinks it is on to a good story. The fact that this information has been freely available for 3½ years is quite relevant. The secretary in my ministerial office at that time suggested—and, because we are in a heritage building, it seemed appropriate to me—that we should have furniture that reflected such a building. So, we got that furniture. However, it was not imported: the furniture was made by an Adelaide company situated, I think, in the suburb of Unley. In fact, it is a small South Australian company that employs South Australians. Not only is the furniture beautifully made—and I invite the honourable member to come to my office to look at it—but it is an asset for the people of South Australia because it is reproduction furniture.

The Hon. Frank Blevins interjecting:

The Hon. S.M. LENEHAN: I thank my colleague. Because it is reproduction furniture, it will appreciate in value—unlike modern furniture which depreciates in value. In fact, I believe that what was done in my office is an investment for the people of South Australia, made and constructed here in Adelaide by a small South Australian company, in line with the Minister of Employment and Further Education's calls—in fact, it preceded his appointment to the ministry—and ongoing policy supported by me and the Government.

I have to confess that I did not grill the South Australian company about the origins of the timber, if that is something for which I can be criticised. I must say that when one is in the ministry one has one's mind on a lot of other issues—and, indeed, I did. If the honourable member wants to try these cheap gutter tactics, let him—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN:—because I believe that the people of South Australia will judge the Opposition accordingly: it has no substance; it has no facts at its fingertips; and it is trying to manufacture issues to undermine this ministry, which is getting on with the job—as the polls in today's *Bulletin* would indicate.

URBAN WASTEWATER

Mr HOLLOWAY (Mitchell): Will the Minister for Environment and Planning say what action may be required to upgrade sewage treatment works in the Mount Lofty Ranges to meet the requirement for appropriate sewerage collection and treatment, and the disposal of effluent in water catchments as an integral component of the supplementary development plan now being considered?

The Hon. S.M. LENEHAN: I thank the honourable member for his question and for his ongoing interest in this whole matter, because the question of the issuing of licences and the conditions that will apply are critical to the State's water resources. In May 1991 applications for seven sewage treatment works and seven septic tank effluent drainage schemes (STEDS) to continue discharges to water course and water protection areas were advertised and public comments were invited in accordance with the provisions of the Water Resources Act. Draft licences were endorsed by the South Australian Water Resources Council in November 1991, and I think it is important that we acknowledge that aspect.

In addition to the course that has been taken, I want to make it very clear that, following the Mount Lofty Ranges review, urban wastewater disposal facilities serving towns in the Mount Lofty Ranges are being reassessed. Plans are currently being prepared to upgrade the Hahndorf sewage treatment works to accept additional loads and to reduce nutrients. This work is expected to cost $2.5 million. So, rather than some of the ill-informed and, in fact, totally incorrect criticisms that we are continuing to discharge treated effluent in Hahndorf and will continue to do so, we

are moving to allocate something like $2.5 million to reduce the nutrients.

Investigations are also under way to compare the feasibility and cost of land-based disposal of reclaimed water and upgraded treatment to reduce nutrient levels at the Angaston, Myponga and, probably most importantly, the Gumeracha sewage treatment works. Licences for the operation of septic tank effluent drainage schemes (STEDS) at Birdwood, Lyndoch and Meadows, Mount Pleasant and Williamstown are also being developed with the ultimate aim of avoiding any discharge that will have a detrimental effect on water resources. In addition, some $825 000 will be spent this financial year on sewering properties in townships in the water supply protection zone. That money has come from the environmental levy fund, and we will be looking at an ongoing program for sewering townships within the water supply protection zone.

This Government will be moving to implement the recommendations of the draft management plan, which has been released for public consultation. Indeed, the consultation period has been extended as a result of a request from the President of the Local Government Association, Mr Plumridge. We will also ensure that as a Government we meet our requirements to make sure that, from a public point of view, all those requirements under the management plan are met. We are moving to do so on a much quicker timetable than had been proposed previously.

HILLS WATER SUPPLY

Mr INGERSON (Bragg): My question is directed to the Minister for Environment and Planning. How does the penalising of many Hills farmers and property owners under the Minister's transferable title rights scheme involve suburban Adelaide beneficiaries of better water quality in paying for the benefit? The Mount Lofty Ranges Management Plan states (page 59) that Government policy is to 'ensure that the costs and benefits associated with the management, protection and use of water resources are shared equitably' and that 'the costs associated with managing, protecting and controlling the use of water resources should be primarily borne by those who benefit'.

The Hon. S.M. LENEHAN: I think the honourable member asked me a question about this matter last week. I am sorry if I have to take a little time in answering this, but I think it is important to acknowledge some of the things that have happened since this Parliament met last week. I would like to pay tribute to the member for Heysen; I am aware that he convened and chaired a meeting of Hills residents last night. I am informed that, rather than 400 people, there were 250 people—

Members interjecting:

The Hon. S.M. LENEHAN: One of my officers who attended actually counted the people, and he informed me—

Members interjecting:

The Hon. S.M. LENEHAN: May I finish?

The SPEAKER: Order! The Minister will address her remarks through the Chair.

The Hon. S.M. LENEHAN: I was intending to pay tribute to the honourable member, because I believe that some people were deliberately trying to disrupt the meeting and cause problems and that, in fact, the honourable member chaired the meeting very effectively. I have made available three very senior public servants who have been involved in a range of issues, and they were the Valuer-General, a senior officer from the Department of Environment and Planning and an officer from the Department of Agriculture, and I thank my colleague for supporting me in ensuring that these officers were present. I believe the officers were treated with courtesy; that is the report I have had.

It is quite a nonsense for the Opposition to start talking about transferable titles as though this were something that had just descended out of the air and was an idea that I have had, irrespective of what has gone on for the 4½ years of consultation. Indeed, it was one of the proposals put to me as the Minister by the steering committee and the advisory committee, and I have acknowledged and I will continue to acknowledge until I have no breath left, that, yes, I took the scheme and I extended it to ensure that it has the opportunity to work. I am delighted to tell the honourable member that I am extremely fit and I have a lot of breath.

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: So, I am very happy to provide a very full and frank answer to the honourable member's question. I also made very clear when I released the management plan and the supplementary development plan that this was a period of public consultation and that, as I acknowledged in answer to a previous question, I would extend that period in response to a request from local government and, specifically, from David Plumridge. I have done that and I believe that local government is pleased with that. In the management plan we are looking at establishing a system by which those land-holders particularly within the water supply protection zone will be able to derive some financial benefit from their not being allowed to subdivide their land-holdings.

In fact, we are looking at those areas that have contiguous titles. Somebody who has one title that stands alone within the water supply protection zone can, at this stage—and has always been able to—construct a dwelling on that particular title. That remains, as it has done: there is no change in that. We are looking at the actual numbers of contiguous titles that could create—

Mr Ingerson interjecting:

The Hon. S.M. LENEHAN: Well, there are about 2 200 titles. We are looking at the titles that could create TTRs.

Mr Ingerson: What are the names of the owners?

The Hon. S.M. LENEHAN: I cannot give the honourable member the names of the owners, but I guess I am working on that, and I will try to do so. The fact is that we are looking at a system by which we will not, as I have said in the past in this House, create these titles, which are nothing more than worthless pieces of paper. They will, in fact, be worth something to the landowners. We must ensure that we create a market for those titles and, as I have said—and I will repeat it for the honourable member's information—we would be looking at fine-tuning the transferable title rights scheme. It was never set in concrete but was put on the table for discussion and consultation. I will repeat: I have met with numerous groups, organisations, associations, representative bodies and, indeed, a number of local councils, not to mention the UF&S, the Local Government Association and the local government representatives within the Mount Lofty Ranges. We have had contact with the dairy association and a whole range of individuals and groups who have put to me ideas and suggestions.

Within the next few weeks I will be looking at working through those suggestions and fine-tuning—and I will say it again slowly: fine-tuning—the TTR scheme so that it can operate. It is a nonsense to say that we are asking the people in the Mount Lofty Ranges to accept all the responsibility. We have not said that: we have said that we must stop the wholesale development of blocks, and we have said that we

must ensure that we slow down the growth of townships within the water supply protection zone, because the objective evidence is that we create as much pollution per hectare within a township (that is, through urban developments) as we create through the worst level of agricultural practices per hectare. It is important that we attack this problem from both an urban and a rural perspective and, indeed, I believe that that is what has been acknowledged by all reasonable residents not just within the Mount Lofty Ranges but right throughout the South Australian community.

I have taken the management plan that was given to me after 4½ years of work, and I have put it out as the Government's position. Indeed, I acknowledge that I extended the TTR scheme, but I have said consistently that we would look at reasonable ideas and suggestions to make that system work. I would ask the shadow Minister for Environment and Planning to get behind this system and give it a go. Let us try to make it work. It is exciting, and it is creative: I do not deny that. South Australia has shown the way with our native vegetation clearance. No other State in this country has legislation like that, even now. We have shown the way with deposit container legislation. Why can we not pick up our confidence and say to the rest of the country, 'This scheme can work; we are going to make it work. We will not preside over the total destruction of the Mount Lofty Ranges and, while we are doing that, preside over the destruction of our water supply system and destroy all our arable land within the ranges.' I will not preside over that. This Government will not preside over that. I ask the Opposition to support the decisions we have taken and to work with us. I hope that the honourable member will do that.

MULTICULTURAL GROUPS

Mr HAMILTON (Albert Park): I direct my question to the Minister of Ethnic Affairs. What plans has the Multicultural and Ethnic Affairs Commission to make its services available to multicultural groups and individuals living in country areas in South Australia?

The Hon. LYNN ARNOLD: All the services of the South Australian Multicultural and Ethnic Affairs Commission and of the Office of Multicultural and Ethnic Affairs are available to all South Australians wherever they may live in South Australia. However, that is not quite the same as that being recognised as the case. One of the first jobs that the commission believes it has to do is to visit country areas and make the point known that its services are available for all South Australians and at the same time to listen to what different community groups in rural South Australia and provincial cities have to say about the ways that the commission and the office can best serve their needs.

The first phase of that, in terms of the whole commission, took place last weekend when, at the request of a newly appointed member of the commission, Dino Gadaleta from Port Pirie, the commission visited Port Pirie. Prior to that there had been meetings in country areas with the Chair of the commission and Mr Trevor Byer, the Chief Executive Officer, who had visited a number of rural areas, including Port Pirie. However, this was the first time that a significant number of the commissioners visited. They did so on the occasion of the launching of the first exhibition in Australia—and possibly the world—to celebrate the 500th anniversary of Cristofero Colombo, Cristobal Colon and Christopher Columbus's discovery of America. That was a significant event that was being put on by the Madonna de Martiri Association and Our Lady of Martyrs Italian Association of Port Pirie. I commend them for the work that they did in launching that exhibition, along with the event that went with it. That coincided with the commission's visit to that area.

While the commissioners were there they met a number of people at the evening reception for the exhibition and also at the civic reception hosted by the Mayor, Dennis Crisp, in the afternoon. I give credit to the work of my colleague in another place, the Hon. Ron Roberts, in promoting these issues in that area, along with the member for Stuart. I also acknowledge that the member for Custance was present at the evening function.

A number of groups met the commissioners. For example, there were representatives of the Nunga/Koori community and representatives of the Italian community whom I have already mentioned. There were also representatives of the Filipino, Romanian and Greek communities. It was a very useful exercise. I have spoken to a number of the commissioners since the weekend and they have confirmed how much they learnt about the special issues involved in a multicultural society in rural and provincial city settings. I look forward to hearing more from them as they proceed on their visits to other parts of South Australia.

SCRIMBER

Mr BRINDAL (Hayward): Will the Minister of Forests advise whether any overseas companies recently visited by SATCO Chairman, Mr Higginson, committed themselves to taking a financial interest in the Scrimber project; will they, or any other new investors, be in place before July 1992; and will the Minister advise on the current state of public sector investment in the project, given that the factory has been mothballed and stocks, spares and office equipment have recently been sold?

The Hon. J.H.C. KLUNDER: The Chairman of SATCO went overseas to the United States to talk to the company with which we have had some dealings in the past and which indicated a very firm belief that it was still interested in Scrimber and a willingness to help with any problems that might be encountered by the new process of research and development. Mr Higginson talked to one or two other firms, including a firm that was interested in the hot pressing, which also indicated that it was perfectly prepared to work with both SATCO and the other American firm to help iron out problems. He also visited Thailand to talk to the organisation there which had been interested in the process and which also indicated that it would be willing to keep a watching brief on Scrimber, although it was not as prepared as the American company to assist in other ways. I expect within a month or so to have a report from the Scrimber partners regarding the five remaining offers of assistance, at which stage I presume I will be in a position to make an announcement on what kind of process will then take place.

ELIZABETH FIELDS PRIMARY SCHOOL

Mr GROOM (Hartley): Will the Minister of Education say what steps he has or will specifically take to redress the problems being experienced by Elizabeth Fields Primary School? This school is located in what is described in socio-economic terms as a disadvantaged area and suffers from the Education Department's current staffing formula and allocation of resources.

The media and local community have drawn attention to the plight of this school and the need in future, particularly

in the immediate future, for a better allocation of resources to overcome the student behavioural problems being presently experienced. On Monday last I visited the school and had the opportunity to talk to teachers and parents. The adverse situation at the school is readily apparent and needs urgent consideration to ensure equal opportunity in education.

The Hon. G.J. CRAFTER: I thank the honourable member for his question and for his interest in schools where there are a large number of disadvantaged students. I welcome the interest of any members in this most difficult and complex area of policy development and allocation of resources within the education portfolio. I have had senior officers of the department go to that school to assess the difficulties experienced there and whether further assistance is required for that school beyond the additional assistance to which I referred in the House last week in reply to a question by the Leader of the Opposition.

The department provides nearly 800 extra teachers beyond the normal staffing formula to our schools. Those extra teachers—783.5 full-time equivalents—come at a cost to the South Australian taxpayer of more than $37 million and those salaries are provided for what is known broadly as social justice purposes, to provide additional staff resources to our 700 schools across this State precisely to meet the needs to which the member refers.

About 55 additional salaries are provided to the group of schools surrounding the school to which the honourable member refers, a group of schools about which we are all concerned in the Elizabeth-Munno Para area. The Government has developed a structure to ascertain the needs of that community in a more precise way and to develop strategies to address poverty across agencies, thus ensuring that the resources of one agency are not dissipated or used in an ineffective or inefficient way, and that we have a strategy—particularly in the provision of human services, in health, welfare, housing, mental health services and so on—for a more efficient targeting of those resources to meet the needs of that part of Adelaide.

The honourable member refers to a meeting coming up in a few days to discuss these matters. While I welcome that, I was concerned to see that it is not really a meeting about the particular school to which the honourable member refers, although that has been used as a vehicle to advance a campaign being conducted by the Institute of Teachers for the appointment of additional teachers to the teaching service.

I was concerned to read that the difficult situations being experienced in that part of our city will be used to launch this campaign. I was concerned to see that the union was asking for a broad cross-section of people involved in our education communities in South Australia to advance that particular cause, particularly when details of the campaign were to be released only at the meeting that has been called by the union rather than their being developed in consultation with a broad cross-section of people.

I am always pleased to talk to parents, teachers and their representatives, as well as others, about the allocation of our social justice salaries in this State. If people believe that they can be allocated in a more equitable and effective way, we should most certainly consider that. We are looking at the specific needs of the school to which the honourable member refers. There is a marked contrast between the policies of the Government and those of the Opposition in this area of social justice and the allocation of resources for it. If there were to be a change of Government—and I hope there is not—this would be the very first area in which there would be a reduction in Government expenditure.

STORMWATER DRAINAGE

Mr OSWALD (Morphett): My question is directed to the Minister for Environment and Planning. Now that the State Government has abandoned its plans to pond the Keswick and Sturt Creeks in what would have been new reed beds created in the West Beach Trust Reserve because of objections from the Federal Airports Corporation and the board of the trust, will the Minister advise the House as to what plans the Government now has to prevent the flow of contaminated stormwater into the Patawalonga Lake from the up-stream council areas and from the lake into the sea?

Last week, millions of litres of putrid, black and foul smelling water was discharged into the seagrass off Glenelg in front of a group of Japanese tourists in what local residents have described as environmental vandalism. Whilst a trash rack is being discussed, this will only skim off the visual floating solids but will not stop the heavy metals, asbestos, animal coliforms and other chemical toxins from entering the lake in suspension and ultimately ending up in the seagrasses and on the beaches between Glenelg and Semaphore.

The Hon. S.M. LENEHAN: I thank the honourable member for his question and for his obvious interest in and support of the cleaning up of not only the Patawalonga but all streams, creeks and waterways within metropolitan Adelaide. I remind the House that the Government does not have any legislative responsibility for stormwater and that, historically in this State, stormwater has always been the prerogative of local councils. Indeed, I have put this matter on the agenda in this State, because it seems to me to be quite inappropriate to have local councils responsible for something as vitally important and polluting as stormwater. I was the person who put this matter on the State Government's agenda.

Members interjecting:

The Hon. S.M. LENEHAN: I am talking about the State Government's agenda. It is interesting to note that Adelaide is the only capital city in this country that does not have a metropolitan stormwater and drainage authority.

Members interjecting:

The Hon. S.M. LENEHAN: For those members who are making noises, particularly members outside the metropolitan area, I inform them that they can check this.

Members interjecting:

The Hon. S.M. LENEHAN: I am very happy to explain, but the question must be set in the context that the State Government does not have legislative responsibility for stormwater, and I think it is important to get that on the public record. Indeed, that is absolutely correct. I believe that the State Government should be involved in working with local councils to do something about stormwater. Notwithstanding the fact that we do not have the power, we do not own the assets and we do not have the legislative responsibility or requirement to do something about it, this Government has said that it will work with local government to ensure two things, first, that an overall plan is put into place to ensure that we can treat stormwater and not just send it quickly and 'efficiently' into the marine environment.

I will send the honourable member a copy of the stormwater management strategy, which David Plumridge and I released about last November. I met with the Local Government Association as recently as yesterday on this whole strategy. The strategy clearly outlines that we want to be able to use this water, to put it back into underground aquifers and to reuse the water rather than having to do things such as the duplication of the pipeline from the

Murray, etc. That is quite an exciting challenge not just to this generation of members of Parliament but also to the next generation.

With respect to the specific aspects of the honourable member's question, it is my understanding that we are still pursuing the options—in particular, by working with the Marion council—of providing reed beds, ponding basins, swales and other ways to filter and treat water in order to put it back under the ground. It is also my understanding that my department is continuing discussions with respect to some of the proposed ponding areas in the West Beach area. I would be very pleased to get an updated report—

Members interjecting:

The Hon. S.M. LENEHAN: I can answer the question only to the best of my knowledge. I will provide the honourable member with an updated report on the proposals, which I certainly believe have merit and need to be pursued in concert with the Federal Airports Corporation. Indeed, discussions have taken place. I will get a report on that particular option. However, I am a little saddened by the negativity in the approach by the honourable member, because I believe—

Members interjecting:

The Hon. S.M. LENEHAN: I am delighted that we are, and we are certainly getting on with the job. I would look at today's *Bulletin* before saying that.

Members interjecting:

The SPEAKER: Order! The Minister will address her remarks through the Chair.

Members interjecting:

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

The Hon. S.M. LENEHAN: It is interesting that the Opposition is now resorting to these kinds of idle threats. Never mind, we will get on with the job. Marion council has discussed a number of exciting proposals with officers of my department. If we are to be serious about this, we must undo some of the solutions of the past. It would be interesting to know the honourable member's views in relation to the concrete lining of the Sturt Creek. Will we remove those concrete drains and open it out into a much more natural and beautiful environment, with ponds and wetlands, to ensure that the quality of water coming from upstream is improved? We must go to the community—and I will be delighted with support from the Opposition—to look at who will fund some of these exciting, innovative and creative solutions. I am sure that we will have the undying support of the member for Morphett. In addition, there is a number of other things we must do. We must look at the way we control littering, at the way councils—

Members interjecting:

The SPEAKER: Order!

The Hon. S.M. LENEHAN: Well, Mr Speaker, the honourable member can threaten all he likes. It is obvious that when the Opposition was in Government it never accepted one shred of responsibility for stormwater. We have said that we are prepared to work with local government, and the Opposition does not like it because we are showing it up. I will be very pleased to obtain a report for the honourable member.

RURAL CRISIS

Mr FERGUSON (Henley Beach): Will the Minister of Agriculture inform the House about the importance of a book entitled *We Are Hanging On: Voices of Hope in the Rural Crisis*? I have been informed by constituents that the Minister today launched the book at the United Farmers and Stockowners headquarters. At that launch he urged members of the South Australian rural community to use the book as an important resource to assist them in their difficulties.

The Hon. LYNN ARNOLD: I thank the honourable member for his question. This book, which was launched today, is a very useful addition to the tools available—

The Hon. Ted Chapman: How many members of the Opposition were invited?

The Hon. LYNN ARNOLD: I did not organise the function, so I cannot explain why the member for Alexandra may or may not have been invited. In any event, I was very pleased to have been invited to participate in this event organised by the Lutheran Publishing House and the UF&S. It is a very poignant, expressive and useful detailing of the problems not only in the present crisis faced by many farming families in South Australia but those facing people generally when they have crises in their life.

The book contains a message about the way crises can be handled. There are messages from ministers of religion, from a doctor, from a rural counsellor and from those who have been directly involved in farming and who have seen the hardship of rural crises over the years and those who are involved in small rural businesses that are affected by rural crises generally. The message is that there is something that people can do—and that is why it is an active thing—to hang on. The message is also about how others can help them—and not just others in their immediate community but also in the broader community. It is also a particularly useful book for anyone who wants to be involved in counselling, I would argue, and I would commend it to people who seek to fulfil that role of counselling other people.

Mr Venning interjecting:

The Hon. LYNN ARNOLD: In answer to the interjection of the member for Custance, the book we are talking about is: *We are hanging on: Voices of hope in the rural crisis*, edited by John Pfitzner. The Lutheran Publishing House is to be commended, because it is making this book available at the very reasonable price of $5.95. Australia Post will be arranging to sell it through some of its post offices in rural areas, and I will be asking that country offices of the Department of Agriculture have copies for sale on their front counters. I would suggest that members in their electorate offices may want to contact the Lutheran Publishing House to do the same, because it is a very worthwhile publication, which deserves to be widely disseminated, and I commend it to all members in this place.

GRIEVANCE DEBATE

The SPEAKER: The proposal before the Chair is that the House note grievances.

Mr D.S. BAKER (Leader of the Opposition): I want to raise a matter that was not covered by the Premier when he answered questions today. It now becomes obvious why he is trying to short circuit the State Bank inquiry, why he is trying to cover up term of reference No. 3—because of what will come out in that matter—and why he will not answer any questions that we are asking about the Remm project and the reasons for the financial disaster that that is. It now becomes obvious that he will do anything to cover up those financial disasters in which he has had a hand. The State Bank half-yearly report should have been

released already, but now we are told that it will be released tomorrow. Tomorrow happens to be the last day of sitting before a two-week break, so we will not have an opportunity to question that in this House, and it also happens to be the day after the day on which the world's greatest Treasurer and now questionable Prime Minister of Australia will announce his package that will somehow address the problems of the one million people who are unemployed in this country. So, it will be lost—effectively buried.

The taxpayers have an absolute right to know what is going on in the Remm-Myer project. They have an absolute right not to have those matters covered up by the Government because, in the end, they are the ones who will be paying. The Premier is trying to cover up for two reasons. First, he did encourage the State Bank to get involved in the project; not only that, he promised the developers that he would make sure that there were no industrial problems when the project was being built. He told this Parliament on 11 August 1988:

> The Government is not offering any concessions to Remm in the Myer redevelopment. The project, mammoth as it is, must obviously have a commercial drive and basis; all the evidence is that it has just that.

Both those statements are incorrect. In fact, if I said what I really thought about them, the Speaker would ask me to withdraw, because it would be unparliamentary language. Whilst the Premier was telling the House about those matters, he was already negotiating with SGIC, Ayers Finniss, SAFA and the State Bank; they were all up to their necks in negotiations to find out how they could make that project viable. There was no way that that project would have been viable unless it had the guarantees of the taxpayers of South Australia to get it off the ground. It was well known in financial circles in South Australia that the project had been offered to the major financial institutions and that they had laughed. They had said it could never be viable. It was then that the Premier got involved and got the taxpayers of this State involved, and now we want to know the amount of that liability.

It is rather interesting to look at the unions' involvement in this project. The Premier had guaranteed the developers that he would make sure there would be no industrial disruption, or that it would not cost the developers any money. I am reliably informed that the project has blown out by $100 million because of union disruption and the blackmail deals that went on with the union movement in that total project. It has blown out by $100 million—which we have managed to get from the taxpayers of South Australia through to the bovver boys in the union, and we cannot even get the member for Hartley and the member for Gilles re-elected to their seats in this House. It is a pretty big payoff and, obviously, they do not think much of the Treasurer of this State in accepting that money and then tossing out those two members.

It is about time the Treasurer came clean. We have been questioning this matter at length, and it appears that he does not want to tell us what is going on. His own department values the project at $240 million, and we are told that the total cost of the project so far is in excess of $600 million. The taxpayers of South Australia will pick that up, because it was never viable. All the Government instrumentalities that got involved were forced into it by the Treasurer of South Australia and, once again, we have seen his involvement in a project in this State that is not in the best interests of the taxpayers of South Australia. The Premier tells us what a wonderful building it could be. It is no good having a building unless it is viable: it is no good having a building that will cost the taxpayers of South Australia millions of dollars.

Mr QUIRKE (Playford): This afternoon I wish to address the issue of school funding in general in South Australia, and in particular I will cite examples in my electorate. In the past two years since my election to this place, my concern has been to redress the question of school resources, particularly in my electorate and, in fact, in many of the electorates in the northern and western suburbs of Adelaide. Although I am no expert, I understand that rural areas and some southern districts face the same problems. Put precisely, the problem is that, through an education budget, we can put as many teachers as we want into a particular building. In essence, we can also put in various other physical resources. As in one instance in my electorate, we can provide a facility, such as a swimming pool, which is not available in most other schools, indeed in many other schools, in South Australia.

However, it is expected that much that goes into the school building is to be paid for by the parents and friends. Much that goes into the school curriculum in terms of resource materials is provided at the local level. Teachers work extremely hard and, in most instances, well above and beyond the call of duty to put those resources in place. There is no doubt that the role of parents and friends in many school communities is absolutely essential. I know that the hard work of many members in this place to obtain the highest level of funding for schools and the highest level of resources sometimes goes unnoticed.

However, I want to return to the central issue of my address: under the current funding arrangements—which I suggest we must look at very seriously—there is a great disparity between what resources are available in some schools in comparison with others. I visited six schools in my district last week and I found that, at the end of the day, in the most populous school the average yearly income is about $10 000. That amount is raised through various functions in a 12 month period. At that school—which my son attends—that is the average over a three year period. In some years the figure is considerably lower, but in other years the recession is not biting as hard and parents have more disposable income and are more inclined to attend some of the charity functions run by the school.

In most of the other schools, the average income is about $6 000 over a three year period. I need not mention that over the past 12 months sales tax exemptions have increasingly come under question in our schools as a result of the Federal Taxation Commissioner's changes to what we understood to be the law. The reality is that $6 000 does not buy an awful lot of resources. In many classrooms the resources which are taken for granted in some areas in the eastern suburbs are just not provided.

It is essential that Government address the question of adequate school funding. It cannot be left just to the parents and the teachers, because that will perpetuate the imbalance that is so obvious in our schools. I could talk about the provision in some of the schools in many areas in terms of physical buildings. I guess that in some ways I am lucky in my electorate that three of the schools are experiencing a great degree of rebuilding and refurbishment as a result of a rationalisation program. I must say that if it were not for that, I would have many other schools—

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

The Hon. B.C. EASTICK (Light): On earlier occasions this year I have drawn attention to the quality of life which we, as members of Parliament, claim to provide for the people we represent. That goes for both State and Federal members. I have no doubt that, with the best intent in the

world, in a number of cases the Government which makes the first announcement fully intends that that project will be taken through to finality and that it will provide the type of assistance which was envisaged. There are several types to which I could speak. One has only to talk to people who are on the treadmill in relation to benefit from a spouse who has left the family and is on a maintenance order and who, for a variety of reasons, gets lost or goes under a false name and the maintenance does not flow back. Those families are on a treadmill because they talk to the people in the various departments and are told, 'Yes, perhaps next week or the week after.' Six or 12 months later they are still waiting. There are real problems. There was a very clear promise by the Federal Government when the scheme was introduced that it was going to turn around completely the unsatisfactory nature of maintenance payments, but it has not worked in the majority of cases.

I want to highlight another Commonwealth project which has implications for the State through the district nurse and various other community services. I refer to the equipment provided for disabled people. I am advised that at present people in the northern domiciliary care area who require scooters or motorised wheelchairs, which in many cases are necessary for their well-being, must wait about 18 months. Even a recent double amputee is on the end of the line, having to wait 18 months before she can get access to a motorised unit. I do not need to tell other members, either on the Government side or on my own, what an impediment that person has and how important it is that she have access to one of the benefits of life to give her an element of independence and allow her to have some dignity and maintain personal integrity. The real nub of the problem is that if such people, including the double amputee, were in the southern domiciliary care area they could expect to get the motorised unit in six months.

We have a situation where the funds are sectorised and not being used in the best interests of the people who are in the system and who need help. I am not suggesting that people in the south need any less assistance than those in the north, but I say that it is an absolute farce when we have a fund available to assist people in real need and they have to wait an extra 12 months because they live in the northern sector whilst money is available within six months in the southern sector.

The sooner we get back to a little reality and recognise the worth of the individuals and prioritise some of these activities, the better it will be. Unfortunately, this lady is going to have to rely heavily not only on family, who are not in the same district, but also on neighbours, the community nurse, domiciliary care people and the various church organisations, and she detests charity. She is not looking for charity *per se*: she is looking for a bit of dignity, and I suggest that as a Government, as a Parliament—whether we are State or Federal—we need to review some of the programs which go off the rails and which get caught up by bureaucrats who think only of numbers or a computer model, rather than considering the reality of what is needed in the community.

I would hope that all members in this House would support me in making representations to the appropriate authorities that sectorisation goes out the window when a true priority is necessary.

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

The Hon. J.P. TRAINER (Walsh): I wish to draw attention to the lack of consideration given by some employers to young job applicants. A letter to the Editor in this morning's *Advertiser* starts out as follows:

> If the formula for recovery which Prime Minister Mr Keating is to pull out of his economic bag of tricks does not give pride of place to catering for the desperate needs of the nation's youth, there will be no doubt that he is not the man for the moment . . .

I sincerely hope that our new Prime Minister does rise to the occasion, because I am deeply concerned about the future currently faced by the youth of Australia, particularly in relation to the frustration faced by enthusiastic, keen and talented young people who in previous years would have gone straight into the work force from their school or tertiary institution, without any difficulty.

In many cases the frustration is aggravated by the heartless and unthinking way in which their job applications are treated. As an example, I would like to cite some of the frustrating experiences of a young 23-year-old graduate to whom I will simply refer as Sarah. Sarah was always a real trier who, while she studied, motivated herself with a slogan pinned to her desk, 'Some people are destined to succeed: others are determined to succeed.'

After graduating with a BA and successfully completing a post-graduate year of business studies, Sarah married her childhood sweetheart and moved with him to Melbourne where they purchased a house just around the corner from the oval of the AFL team that had drafted him across to Victoria. I will not go into the details of the setbacks they suffered as a result of his faith in his team, except that I vehemently warn any young footballer against accepting AFL blandishments that will put at risk their working careers and personal lives. Despite the promises that might be made, taking up the offer can really mess up their lives.

Getting full-time employment in Melbourne—as distinct from part-time employment—proved very frustrating for Sarah. An appointment as associate producer for a talkback compere evaporated a week before it was due to commence, when the owner of the radio station withdrew funding.

On another occasion Sarah was one of 523 applicants to an FM station for a minor background role. It was not unusual for Sarah or other young people to be one of 400 or 500 applicants for one job. In this case, as on previous occasions, she got an appointment for an interview as one of the final 20; indeed, she was in the final four who got a second interview. The spokesman of the selection panel confided in her afterwards, 'Sarah, you were our unanimous choice but the board overruled us because the runner-up was only 19. You are 22, and she had to be our recommendation as she was $50 a week cheaper than you.'

Since having to return to Adelaide, Sarah has encountered further lack of consideration from employers. An application for a position as a presenter of a children's show at Channel 9 produced a rejection letter that had obviously been posted on 7 February, the day on which applications, according to the advertisement, were supposed to close. It read:

> I was unable to place you on our short list for an audition, while we were extremely interested to read about your achievements to date.

Yet the CV had obviously not had a single page turned and the demonstration videotape she had also supplied had obviously never been looked at. She had a similar experience with a call for applicants in respect of a position of the same nature there a couple of years ago, a position that had obviously been given, long before the application period had closed, to someone known to the employer. To add insult to injury, the rejection letter said:

. . . if you have not heard from us in the next two weeks, you can safely assume that you are not on our short list. Please refrain from calling us, as such calls give our secretaries severe headaches.

I call on employers to give a little more consideration to the blighted hopes of these young people who keep lifting themselves up off the ground after yet another setback, who try to maintain their self-confidence and who apply in good faith for the positions that these firms have advertised.

Along with hundreds of thousands of other young people, Sarah and her husband will be looking for action in tonight's financial statement from the Prime Minister to alleviate the problem of youth unemployment and inspire the provision of positive job creation schemes. Pending the success of that, I call on employers at least to give a bit more consideration to young people who make job applications to them.

The SPEAKER: Order! The honourable member for Morphett.

Mr OSWALD (Morphett): I refer to the Minister for Environment and Planning's reply to a question I asked in the House this afternoon. Her reply was nothing short of a cop-out. The Government has no knowledge of what it is doing in relation to the discharge of toxic waters in 11 council areas and out through the Glenelg area. I want briefly to put to the House the scenario of what we have to put up with in the Glenelg area. Eleven council areas drain their stormwater through the Sturt Creek, the Keswick Creek and, to a lesser degree, the airport drain, depositing it in the Patawalonga Lake which, in years gone by, has been a ponding basin in itself. From there, it is discharged into the marine environment.

Over the years, the contamination in that water has risen to such a level that it is no longer safe, and that is generally agreed. However, at the Old Gum Tree ceremony this year the Deputy Premier in his speech to the assembled people said that he felt that the Glenelg council should get together with councils upstream and do something about the problem. That sentiment was echoed this afternoon by the Minister of Water Resources who once again tried to tell the House that it was not the responsibility of Government, that it was up to the councils to get together to do something about the problem, because disposal of stormwater within council areas is the problem of local government.

It may very well be the problem of individual councils to dispose of stormwater within their own areas, but we are talking about a system that has been developed in the metropolitan area where stormwater from 11 council areas gravitates into a general system that was set up under the South-West Drainage Act, and the discharge of that stormwater into the marine environment is now the responsibility of the Glenelg council. It is nothing short of environmental vandalism each time the lock gates are opened and that stormwater is let into the sea.

Negotiations are going on at the moment for the provision of a trash rack that will take out surface pollution, but it will do nothing for the rest of the impurities in the water. However, this Government is trying to negotiate with developers to get them and/or the Glenelg council to pick up a fair amount of the cost of that project. The trash rack will not even be built in the Glenelg council area but in that of another council yet, once again, the Glenelg council is being asked to bear the cost. It is patently obvious that, now that the Government has abandoned the scheme of putting ponding basins into the West Beach Trust area, it will have to look at something upstream. It cannot expect the individual councils to do this. I am sure it is agreed that, if any toxic discharge takes place in the 11 council areas and flows down through those areas, the Department of Environment and Planning will have an active interest in what is going on—of course it will.

The Department of Environment and Planning, and therefore the Government, has an active interest in the disposal of polluted water as it flows from one council area to another. At the end of the day the Government has to legislate. In fact, it must decide whether a levy will be struck on the ratepayers of the 11 councils upstream. It will have to take the hard political decision and say that that is the way to go: that it will strike a levy to pay for this scheme. The Government will have to do something in the form of legislation to bring the matter to a head, because we cannot expect individual councils to negotiate something of such magnitude.

The Minister mentioned today—and the member for Hayward mentioned it two years ago—that eventually we will have to look at doing something about ponding along the concrete lining Sturt Creek, because if we are to hold water upstream this option must be considered, and it must be considered now. The Government is changing the ground plan in the Glenelg area almost weekly as a result of this development. It does not know what to do about getting rid of stormwater into the sea. A time limit has been placed on this matter in the legislation. If the Government does not want to be accused consistently of environmental vandalism every time we open up that lock gate, it will get on with the project and bring in some legislation.

The Local Government Association agrees that a levy is required and that we must get all councils together. As we have agreement with the LGA, I thought that the Government would have the intestinal fortitude to get on with the project and to get some things done.

Mr HAMILTON (Albert Park): A petition was presented to Parliament today on behalf of a number of residents in the Semaphore Park area, seeking a ban on the consumption of alcohol within school grounds. It was presented to me last December but, because of the sittings of the House, I was not able to present it until today. The reason I raise this is the prompt action by not only the office of the Minister of Emergency Services but also by the police. I raised this matter with the local police inspector, Bruce James-Martin, of the Henley Beach Police Station and I was delighted with his response in the local weekly *Messenger* shortly after, in which he advised the community at large that the police would launch a special clean-up operation for the summer period to 'rid the beaches of hoons and encourage a family atmosphere'—and those are the words used in the article. The inspector said:

We're targeting people who are driving irresponsibly, behaving offensively, breaching the dry zones and that sort of thing.

While speaking to my constituents in that area I have been advised that they are more than happy with what has taken place and about the way in which the police have contacted the organiser of this petition.

On too many occasions we hear people complain about the police, but very rarely do we hear about the positive ways in which they take action to address these problems. That is why I have raised this issue. The local police serving my electorate of Albert Park and, in particular, the Henley Beach police, have been very cooperative, particularly Inspector Bruce James-Martin. Any time I have a problem and approach him I find that he has an open-line policy, and if I cannot speak to him it is not very long before he returns my telephone call.

That is what he did in the case to which I refer. He asked me where the problems were—the areas about which I had concerns—and they were acted upon. I do not believe that

I could ask for anything more from the police than what I have been able to achieve from Inspector Bruce James-Martin and his staff at the Henley Beach Police Station. It is a problem that we have with this unruly element who, from time to time, go onto school grounds and not only disrupt the local community but also consume alcohol. I received a response from the Minister on 14 January, and it states:

> The public is not permitted on school grounds during the curfew hours, 11 p.m. to 6 a.m., for any purpose unless specifically authorised in writing by the Director-General of Education or the principal of the school.

It is not uncommon for one to wander around schools and to find beer bottles, which contain alcohol, left lying around. If these people were just consuming alcohol perhaps one could excuse it, but they do not. They disrupt the local community with their rowdy parties and carrying on and, I suspect, commit a fair degree of the vandalism that occurs in that area. I applaud the Henley Beach police and the STAR force members involved in this area—they do a very good job under very difficult circumstances—for the manner in which they are prepared to talk promptly to people like me. It is important to place that on the public record, particularly while the Minister responsible is on the front bench.

SITTINGS AND BUSINESS

The Hon. J.H.C. KLUNDER (Minister of Emergency Services): I move:

That the time allotted for completion of the following Bills:
Statutes Repeal (Egg Industry).
Housing Loans Redemption Fund (Use of Fund Surpluses) Amendment and
State Government Insurance Commission
be until 6 p.m. on Thursday.

Motion carried.

STATE GOVERNMENT INSURANCE COMMISSION BILL

Adjourned debate on second reading.
(Continued from 13 February. Page 2774.)

Mr S.J. BAKER (Deputy Leader of the Opposition): In response to pressure applied as a result of the performance of SGIC, the Premier promised to revamp the State Government Insurance Commission Act to prevent excesses of the type witnessed during the past two years. The Bill before us represents his best shot at making SGIC accountable. If that is his best effort, it is no wonder that the State is in great difficulty, because what we have here today is quite unacceptable. The Premier, in putting forward this Bill, must have been blind to the contents of the Government Management Board review of SGIC, which was completed in August 1991.

Evidence contained in the review was totally damning of the conduct of SGIC, the role of the directors and the employees and, particularly, those at the management end, in the way that they have run SGIC in recent times. The Premier must have been deaf to the roar of disapproval from the people of this State about the performance of SGIC and his own lack of scrutiny. We all remember that when SGIC finally reported it recorded a pre-tax loss of $81 million. He must have been dumb to think it would all fade away with the presentation of a few minor changes to the SGIC Act, which is what we have here today. Importantly, for the Premier to come before this House with such a weak and wimpish Bill indicates that he has learnt nothing. He has not understood the enormity of the problems being created, and he has not even taken account of the disdain with which he and this Parliament have been treated by SGIC.

I will cite the case of the radio station fiasco, as I will call it, which occurred after the August 1991 report. One would imagine that the Premier would have become just a little excited when SGIC did not reduce its radio station investments, which were contravening the Australian Broadcasting Act. His face should have reddened when SGIC eventually dumped its holding in 102FM, reputedly for a song, with losses which are still kept secret and which were probably of about $11 million. He should have been outraged when SGIC increased its equity holding in Austereo to 36 per cent after what had been reported in the GMB report. However, not our cool and colourless Premier; it did not phase him at all that SGIC had thumbed its nose at him, the Government Management Board and Parliament. He has had ample opportunities to clean up the board and the general manager but, for reasons that can only be speculated upon, no action has been taken.

Having disappointed everyone with his lack of guts and leadership, he was at least expected to amend the Act to prevent further abuses, but this did not happen. It hardly takes us further than the 1970 Act. The Liberal Opposition is not satisfied that SGIC will be fully and publicly accountable; we are not satisfied that the directors are subject to the same obligations, responsibilities and liabilities as are directors of publicly listed companies; we are not satisfied that SGIC will maintain reserves consistent with those required of its private sector counterparts; and we are not satisfied that the investment decisions of SGIC will be commercially based and consistent with its core insurance business. The Liberal Party is definitely not satisfied that validating past illegal transactions will be of benefit to the people of South Australia. In other words—and just in case the Premier has completely missed the point—we are dissatisfied with the legislation presented to this Parliament.

There is no excuse for the Premier's sloppiness, as he has had plenty of time to get the legislation right. He has had plenty of documentation from the reports received and from submissions to the insurance industry to leave him in no doubt as to the type of change that was necessary. Why did he fail again? That question must remain. Why has such inadequate legislation been brought before the House?

Before analysing the evidence of SGIC's numerous blunders and sheer arrogance, it is important to explode a myth. The SGIC portrays itself as a benevolent institution that grew out of its own endeavour, with no support from Government. Certainly, SGIC has been benevolent on occasions, but it has not survived under its own steam. The Government guarantee did allow SGIC to operate without an asset backing. Effectively, it had the weight of Treasury behind it, and I can assure this House that any reasonably competent corporation would have turned a profit under such conditions. Importantly, being a State Government authority under the control of the Treasurer allowed SGIC to escape the requirements of the Federal insurance legislation. A private company would never have been capable of entering the industry under similar circumstances, and that should never be forgotten.

This point is further illustrated by the example of compulsory third party insurance. During the 1970s, the setting of CTP premiums was subject to political interference. Because a lid was kept on premiums at the same time as

compensation claims were escalating, all insurers suffered heavy losses. By 1976 the private insurers were forced out of the industry, but not SGIC, which was Government sponsored. The losses were allowed to accumulate until such time as SGIC became a monopoly in compulsory third party insurance. The premiums then escalated at rates far greater than inflation. By 1988 the accumulated deficits had been paid off, leaving SGIC with a golden goose which, I suggest, turned into platinum Parliament capped the benefits. I point out that at one stage SGIC had accumulated liabilities on the CTP fund of over $100 million. No private insurance company could have operated in such a fashion. It was only the backing of the Government that allowed SGIC to borrow to maintain itself in that environment.

Another argument presented is that SGIC has been good for South Australia, and so it has been, but that in no way excuses its poor recent performance. It is ironic that both SGIC and the State Bank have previously made such positive contributions to the economy of South Australia but have now played such a destructive role in the current economic demise facing this State. It can rightly be claimed that these two institutions have wiped out any advantage that they delivered to this State over the past 20 years. The galling thing for all members of this Parliament, I would presume, is that the people who run SGIC maintain that their performance has been of a positive nature.

Before addressing the deficiencies in the Bill, I will refresh members' memory about the events of the past year. I will discuss only the past year, because it is probably pertinent to address what has happened over 12 months. I will start on 1 March 1991, to give a clear indication of the performance of SGIC. It is all too easy to forget some of the problems that have been created, the disgraceful behaviour of the people running SGIC and the lack of application of the Premier of this State to ensure that SGIC performs. On 1 March 1991 an article in the *Advertiser* stated:

State Government Insurance Commission (SGIC) dumped almost $100 million worth of shares in SA Brewing Holdings Ltd yesterday, in the wake of criticism that it had too much money invested in South Australia.

That criticism has never been made, and we know that that was the start of SGIC attempting to improve its liquidity. Also on 1 March 1991, an article in the *News* stated:

The State Government Insurance Commission today admitted its general insurance division did not meet industry guidelines for the level of capital reserves.

On 4 April 1991 an article stated:

The Premier, Mr Bannon, was warned by a senior Treasury official about high risk State Government Insurance Commission (SGIC) activities a year ago, leaked confidential documents have revealed.

Therefore, it was quite clear that the Premier was informed of the high risk investments of SGIC a year in advance. The article further stated:

In an official memorandum to Mr Bannon dated 20 April 1990, the then Under Treasurer, Mr Bert Prowse, advised Mr Bannon that SGIC's activities in financial risk insurance and the 'associated increase in the State's contingent liabilities needs careful review'.

On 13 April 1991 an article stated:

Another financial scandal is set to erupt in South Australia over the State Government Insurance Commission's involvement in a $520 million Melbourne office development. It was revealed in State Parliament this week that the Premier and Treasurer, Mr Bannon, personally approved a $200 million open loan facility last year to the SGIC.

What the article did not say is that Mr Bannon had forgotten that he had signed authorisation for the option that was taken. On 15 April 1991, another article stated:

The State Government Insurance Commission has underwritten $1.4 billion of 'high risk' insurance which, according to industry experts, most other insurers refused to touch.

That made the headlines. Another article was entitled 'SGIC buys into nappy business'. That was a situation where one of the senior officials of SGIC had bought into Briline Manufacturing Industries Pty Ltd and was backed by SGIC to the detriment of competitors in the market. On 20 April 1991, a further article revealed:

The State Government Insurance Commission (SGIC) bought the Centrepoint building in Rundle Street for $13 million more than the valuation of it by the Government valuer.

One must ask why it did that, and what it did to enhance the possibilities of Remm coming to the State. On 24 April 1991 an article stated:

The State Government Insurance Commission (SGIC) has invested $98 000 in a company which is managing a proposed casino development on an island off the coast of Japan.

That company of course, was involved in the Canberra casino project. They are interesting investments for an insurance company. On 28 May 1991 an article stated:

The health insurance industry has called for a parliamentary inquiry into the SGIC's health fund activities, including its 'selective discounting' to 'healthy' public servants. The move, by the Canberra-based Voluntary Health Insurance Association of Australia, follows complaints by other health funds about SGIC's discount offers to selected low-risk groups.

It was revealed in the *News* of 18 July 1991:

The State Government Insurance Commission may require an injection of up to $100 million, a finance expert says.

On 24 July 1991 the health writer for the *Advertiser* stated:

Since its inception in August 1987, SGIC Health has pursued a market share at-any-cost strategy. Its annual report gives glowing references to rapidly increasing memberships, contributor attraction packages and saturation television and media campaigns—but there is little mention of profits.

On 30 July an article stated:

The State Government Insurance Commission sold more than $40 million worth of shares in SA Brewing Holdings Ltd yesterday in its latest move to raise cash. The sale of 13.2 million shares at $3.14 a share, a discount of 5c on the latest trading price of the shares, reduces the SGIC's stake in the diversified manufacturer from 7.7 per cent to 5.1 per cent.

There are many articles in between these. I am taking only separate incidents and items. On 1 August 1991 an article stated:

The State Government and State Government Insurance Commission will write off almost $60 million following yesterday's dramatic announcement by Forests Minister, Mr Klunder, that no further funds will be invested in Scrimber International.

On 2 August 1991 an article in the *Advertiser* stated:

The sale of State Bank's subsidiary Executor Trustee Australia to the SGIC has been delayed. The SGIC failed to finalise its purchase of the profit-making Executor Trustee by the 31 July settlement date, prompting another call from the State Opposition for the Premier, Mr Bannon, to freeze the deal.

We still do not know the details of that particular deal. On 3 August 1991, an article in the *Advertiser* stated:

The use of interstate broking houses by South Australian Government instrumentalities is depriving the State of millions of dollars a year in stamp duty. It is also causing South Australian brokers to ask why they were not approached to handle the business.

The article goes on to say that SGIC had sold a large number of SA Brewing Holding Ltd shares, and that the broking business went interstate. On 5 August 1991, an article appeared in the *Advertiser* which stated:

The SGIC's senior management and board must bear the responsibility for the commission's uncontrolled growth program, the Government Management report says.

We have here the start of the information on the very damning Government Management Board report. Follow-

ing that, on 5 August, an article stated the Premier was refusing to make any changes. It stated:

Sackings from the State Government Insurance Commission board were ruled out today by Premier John Bannon. Mr Bannon said the release of the Government Management Board report yesterday into the SGIC's operations did not indicate dismissals were necessary.

I do not know what does indicate that dismissals were necessary. On 5 August 1991, we found that a $20 million loan to a firm was 'unusual'. The article stated:

A $20 million loan from SGIC to a company associated with its chairman, Mr Vin Kean, was 'outside' the commission's normal lending practices and was 'somewhat unusual', the report says.

I can only think that most of the people of South Australia think the same thing. On 5 August 1991, a failure to report on time was criticised in an article, which stated:

Greater accountability, new investment procedures and conforming to Australian accounting standards are the main recommendations of the Government Management Board's report into SGIC.

The article also referred to the lack of an available report. There was a very heavy press day for SGIC on 5 August, and an article on that day stated:

The State Government Insurance Commission of South Australia is financially sound despite management practices which may have produced a negative net worth, according to a report into the commission's operations.

An article on 6 August 1991 stated:

The State Government Insurance Commission used a $2 subsidiary company to write $1.4 billion in risky put option insurance which the SGIC was prohibited by law from entering into. The SGIC also dumped 5.3 million Adelaide Steamships shares into its Compulsory Third Party Fund in a transaction which resulted in a $21 million shortfall for the fund, according to the Government Management Board report released on Sunday.

An editorial of 6 August stated:

Yet on a plain reading this frank report damns the SGIC and some bad investments and, hence, Mr Bannon as State Treasurer responsible to the people for the operations of this Government business enterprise.

On 7 August 1991, there was some light relief from the heavy matter of finance. An article stated:

South Australia's adult bookshop industry has been refused insurance cover by the troubled State Government Insurance Commission on 'moral grounds'.

I mention that, because I fail to see what morality was exercised by the directors of SGIC when they were doing business illegally; that they then said that they were having problems with sex shops is quite fascinating. We had an article on 8 August 1991 where the people involved in the report expressed surprise about reaction to the report. On 9 August 1991 we had a report:

The State Government Insurance Commission will be forced to be more accountable and may have to axe loss making subsidiaries under changes announced yesterday. The Premier, Mr Bannon, also told State Parliament yesterday that all statutory authorities would be made more accountable and responsible under proposed changes.

We are not seeing them in the legislation before us. On 11 August 1991 an article stated:

The State Government Insurance Commission has rejected the finding of an official report that internal loans had resulted in the compulsory third party vehicle insurance fund subsidising other funds.

Of course, that has been denied from very early in the piece, but the Government Management Board report nailed them squarely to the mast on that issue. In the features column of that month in the *Advertiser* we had the following item:

An extraordinary five-year property buying binge by the State Government Insurance Commission has set alarm bells ringing but there are fears it may be too late.

How true that comment was. On 10 August 1991 there was a report:

Senior employees of the State Government Insurance Commission will be forced to abide by new comprehensive 'code of conduct' guidelines covering conflicts of interest. The move follows the discovery that investment division employees have not been required to disclose conflicts of interest or potential conflicts.

That item is particularly interesting in light of later events. On 15 August 1991 we had this item:

The State Government Insurance Commission had not raised any concerns about the financially troubled Scrimber project despite being a partner in the operation, the Premier, Mr Bannon, said yesterday.

On 17 August an article stated:

SGIC now owns 333 Collins Street. The State Government Insurance Commission has bought the 333 Collins Street property in inner Melbourne for $465 million, with a weekly interest bill of more than $1 million.

An item of 18 August 1991 stated:

South Australian motorists would have to pay higher third party vehicle insurance to 'pick up the tab' for the State Government Insurance Commission's $465 million purchase of the office-hotel complex at 333 Collins Street, Melbourne, it has been claimed.

On 19 August we had this item:

The Premier, Mr Bannon, was warned about serious shortcomings in the State Government Insurance Commission's investment decision and conflict of interest procedures months ago. An investigation by the Crown Solicitor, Mr Brad Selway, into conflicts of interest at SGIC found serious flaws but these findings were not made public.

It also goes on to reflect on that $20 million transaction by the Chairman. An item of 23 August 1991 stated:

Austrust Limited has finalised its purchase of State Bank subsidiary Executor Trustee Australia, and immediately begun a staff reduction program.

It certainly reduced the staff. On 28 August we had the Premier refusing to say whether the State Government Insurance Commission had written off its $10.8 million investment in First Radio Limited, which operates as 102 FM. It stated:

This follows recent speculation that a possible buyer had been found for the financially troubled North Adelaide radio station.

We still do not know the details of that. On 29 August 1991 we saw the following report:

The State Government has rejected applications from private insurers to provide cheaper third party insurance citing the SGIC's accumulated deficit. This is despite claims by the Opposition that a major insurer is prepared to offer a standard annual premium of $159 for compulsory third party insurance—$27 less than the current SGIC charge.

Again, a bit of light relief, and perhaps the most constructive item for SGIC over this period was:

Angry workers storm SGIC in hunt for MP . . . Federated Miscellaneous Workers Union President and spokesman for the workers, Mr George Young, said the workers had lost complete confidence in Mr Gregory.

They had decided to storm the building. On 30 August 1991 we had revealed to us:

SGIC has posted an $81 million pre-tax loss and will be subject to further Government investigations into unauthorised interfund loans and deals.

On 31 August we have an item:

SGIC's Chief General Manager, Mr Denis Gerschwitz, told the *Advertiser* he thought the SGIC's result was 'pretty good' given the commission's 'drastic' investment revaluations.

He has got to be kidding. On 3 September 1991 we saw that the SGIC board was set for a big pay rise despite astronomic losses. On 7 September 1991 we had a denial from the wife of Mr Gerschwitz that he had suffered a stroke, and the whole episode remains a mystery. In September we also had an item:

The Premier, Mr Bannon, has been asked to explain the 'extraordinary discrepancy' between the SGIC's profit forecast and its $57 million audited loss.

No explanation was forthcoming. On 11 September 1991 there was a report:

Serious problems within the State Government Insurance Commission, including numerous unauthorised multi-million transactions, were uncovered months ago by Auditor-General, Mr Ken MacPherson. He reported his findings to the Under Treasurer, Mr Peter Emery, and the SGIC General Manager, Mr Denis Gerschwitz, in May, but the concerns were not made public by the Treasurer and Premier, Mr Bannon.

On 13 September there was an article which stated:

The Premier, Mr Bannon, has ordered an investigation into SGIC's failure to disclose more than 80 directorships held by senior SGIC executives and board members.

Members will recall that previously the Premier said that he was going to make the board more accountable and was going to insist on disclosure. The board thumbed its nose and failed to produce that detail in the report. On 14 September 1991 there was a report:

The SGIC has defended its non-disclosure of more than 80 directorships held by executives and board members. It admits, however, that there may have been some omitted by mistake.

There is an item on 19 September which stated that the Labor Government in Victoria had received a $13 million windfall from South Australia in the controversial 333 Collins Street deal. An article on 24 September stated:

A handful of top Adelaide executives and State Bank directors were part of a 'cuddly club' involved in financial deals, a former Federal Labor Minister said last night. Mr Clyde Cameron, who held several ministries from 1972 to 1975, attacked the 'pay grab' of State Bank executives and losses by the State Government Insurance Commission.

On 2 October 1991 there was an article:

SGIC's senior management property manager, Mr Stanley Lien, has substantial private business and property interests with a solicitor involved in the Marion 'triangle' property deal. Solicitor Mr Stephen Hay was one of five individuals used by SGIC to secretly purchase properties in the 'triangle' area in 1986 and 1987.

That was a report on backdoor means of acquiring property by SGIC. An item on 3 October talked about Samic resignations. On 10 October 1991 the following appeared:

The State Government Insurance Commission agreed to an 'ill-conceived' proposal to finance the Myer Centre development against the advice of its own property managers, the State Bank Royal Commission was told yesterday.

On 11 October 1991 there was a report:

The State Government Insurance Commission has taken on a further $1 billion of credit risk insurance despite Treasury concerns about such activity, State Parliament has been told. The $1 billion was in addition to $1.4 billion of credit and financial risk insurance written as at April 1990, when Treasury warned the Premier, Mr Bannon, of its concerns.

On 12 October 1991, an article stated:

The State Opposition has demanded the dismissal of the Chairman and Chief General Manager of State Government Insurance Commission in the wake of its continued risk activity in other States.

There was a report on 13 October 1991:

Week 13 of the State Bank Royal Commission proved unlucky for SGIC Chairman, Mr Vin Kean, who found himself sitting uncomfortably in the witness stand.

It goes on to talk about some of the ill-conceived projects in which he was involved. On 29 October 1991 there was the following report:

A 'reassessment' and $134 000-plus refurbishment of the State Government Insurance Commission's head office has cost the commission an estimated $880 000 in consultants' and architects' fees.

They must have thought that the taxpayers' money was not very important. We had a follow-up, to show that they did not think much of the taxpayers' money, on 31 October 1991 as follows:

The financially troubled SGIC has paid more than $100 000 for a top-line corporate box at the Grand Prix.

On 2 November 1991, according to the report:

The SGIC would need a capital injection of between $200 million and $300 million if it is to be put on an equal footing with private insurance companies, the SGIC's General Manager, Mr Denis Gerschwitz, said yesterday.

On 5 November mention was made of tougher controls being applied to SGIC, and we saw this:

A second report containing recommendations on the injection of up to $300 million into the State Government Insurance Commission should be released, the Opposition said today.

We called for that release, but we still have not received that report. On 8 November 1991, it was stated:

The Insurance Council of Australia accused the State Government of attempting to force South Australian motorists to pay for the financial problems of the SGIC. The council's South Australian Regional Manager, Mr Noel Thompson, said yesterday the Government had introduced legislation without warning to ensure SGIC a monopoly in compulsory third party insurance.

On 10 November 1991, we saw this report:

The State Government Insurance Commission has lost $7 million after dumping a 10 per cent stake in an embattled hospital group for a fraction of its cost. SGIC paid an average price of $1.17 for 6 685 million shares in private hospital operator Health and Life Care Limited in 1987.

What about Austereo? On 12 November 1991 we saw this report:

Three State Government agencies will provide a $21 million-plus bail-out of the troubled FM broadcaster Austereo under the proposed debt restructuring agreement.

On 29 November it was revealed that SGIC had used the State Government sales tax loophole to look after its own employees and ensure that they did not pay sales tax on vehicles that they were using for company and personal purposes. On 2 December 1991 there was the following report:

The SGIC bought almost $1 million worth of shares in Bennett and Fisher without the necessary Treasurer's approval in a deal which helped foil a takeover bid.

We have heard a great deal about Bennett and Fisher. On 26 December 1991 we saw this report:

The State Government Insurance Commission has signalled further increases in premiums and has admitted that its compulsory third party fund is under constant review to keep it solvent.

No wonder it is not solvent, because all the rotten investments have been put into the compulsory third party fund. A report on 26 December stated:

The South Australian Health Commission has decided to abandon plans to buy the former Oaklands Park Primary School site from SGIC because it is too expensive.

On 27 December 1991 there was this criticism of the Bannon Government:

The Bannon Government tried to 'bury' the annual report of the SGIC by releasing it on Christmas Eve, the Opposition claimed today.

On 11 January 1992 it was stated:

The SGIC sold half its remaining share in SA Brewing Holdings Limited yesterday, raising about $36 million on the options and share market.

On 13 January 1992 we made the following criticism about forced share sales:

Claims by the Bannon Government it was forced to sell its SGIC owned shares in South Australian companies because it was over reliant on them has been criticised by the Opposition. The State Government has sold large numbers of shares in blue-chip South Australian companies including SA Brewing, Argo, Fauldings and the Scott Corporation.

The report never criticised the local investment—it criticised the interstate investment. On 16 January 1992 we had a warning that SGIC health fees would increase and, of

course, that has happened and it is now one of the more expensive companies delivering health insurance in this State. On 25 January 1992 this report appeared:

The State Government Insurance Commission has sold its stake in the troubled radio station 102 FM at a loss estimated by the State Opposition to be $11 million.

We still do not know what the deal was on that organisation and this Parliament deserves to know. On 15 February 1992 some of the sludgy details were revealed, deals that have torn this corporation apart and continue. It was revealed:

The State Government Insurance Commission has provided a former executive of one of its subsidiaries with a guarantee worth up to $30 000 to set up his own health club.

The activities of Mr Kevin Haag were mentioned in despatches. On 22 February 1992 it was revealed that the $520 million office tower in Melbourne was having to offer rent free accommodation in order to attract clients to that building because it was empty. We have not seen too many statements of a positive nature from SGIC, but looking back through the records I noticed the following item on 1 November 1990, under the byline of Matthew Warren:

South Australia's larger insurer has launched a scathing attack on business attitudes in Australia, claiming that they have been dominated by entrepreneurial greed and questionable deals. SGIC's General Manager, Mr Denis Gerschwitz, said this attitude had resulted in widespread corporate collapse and spiralling debt.

This was the General Manager of SGIC. I have just read to the House an unpalatable record of non-performance.

Mr Atkinson: What kind of record?

Mr S.J. BAKER: An unpalatable record by the SGIC and a lack of application by this Government to ensure that it performed as required under the legislation. These are the events of the past 12 months—extraordinary events describing a scandal of monumental proportion. In all areas of activity SGIC has been damned. Why we have not had a clean out of SGIC, its management and its structure has not been explained to me and the population of South Australia.

I now want to put on record what was contained in the Government Management Board report, because it does have a bearing on what is contained in the Act, and then I will read some submissions on where the deficiencies in the Act still remain. Not many South Australians have had the opportunity to read the report and it is important to put it on the record, because on a number of occasions the Premier has said, 'The report was fine, it was okay. SGIC, despite one or two minor faults, is quite a sound corporation.' Let me put on record exactly what the report does say, and I am sure the House will bear with me while I do so. At page 4 the committee states:

The committee found repeated examples of decisions made without adequate documentation, of inconsistencies in the decision making process, of inadequate reporting to management of the results of earlier decisions and a general lack of control of operations. As a result of these managerial deficiencies, the committee believes with hindsight that there were some errors in investment and underwriting activities. It is the committee's opinion, however, that whilst these errors may lead to profit reductions in the short term they do not impair SGIC's long-term viability or its present financial stability.

That was very kind, because once we get into the report we see that many of SGIC's activities have irreparably harmed that organisation to the extent that it will need a large cash injection to be able to allow itself to function under the legislation that we presume will be complied with at the Federal level. At page 6 of the report it notes:

Claims against the CTP fund have fallen significantly since 1988 as a result of amendments to legislation limiting the amounts of some types of claims and better control of fraud. Direct expenses and indirect expenses have increased significantly and this situation is being addressed by SGIC.

At page 7 it states:

The performance of investments in the CTP fund is unsatisfactory and is considerably lower than that of investments in the life fund. It appears as if the CTP fund is allocated riskier and poorer performing investments.

Later, on that same page:

Corporate account has experienced a substantial deterioration in its results. Reported profits were $5.1 million in 1988-89 and losses were $10.6 million in the nine months to 31 March 1991.

This turnaround was primarily due to a large increase in indirect expenses allocated to corporate account and negative investment income. 'Negative' investment income arose because corporate account had 'borrowed' from other funds at a fixed rate of 15 per cent and lent to subsidiary companies and invested in various investments which have not generated any investment return.

We know where all those crook investments are: they happen to be in the CTP fund. An item on page 8 relating to SGIC Health Pty Ltd is as follows:

The health insurance business commenced on 1 August 1987 and has grown rapidly to now having approximately 17 per cent market share. Operating losses have been made each year which would have been even larger had its direct and indirect expenses not been paid by the general insurance fund. SGIC is subsidising SGIC Health Pty Ltd by providing $14.5 million of capital at no cost to SGIC Health Pty Ltd and paying some direct and all indirect expenses via the general insurance fund.

Under 'Investment strategy' on page 8, the report states:

Since 1987 SGIC has moved from its traditional investment base of fixed interest securities and listed equities and has diversified to such an extent that $412 million of the most recent $451 million of investments has been in new and unproven areas. Many of these investments have been made at a time when SGIC's growth has been substantial and in an economic climate that pushed values as well as interest rates to abnormally high levels.

On page 9, the report states:

During this period of rapid growth and diversification SGIC's investment division suffered from deficiencies. There was a lack of discipline in procedures and controls within the division, there were inadequate controls on investment transactions, accounting procedures were inappropriate, and there was a lack of segregation of duties. These deficiencies were coupled with inadequate performance monitoring and information systems . . .

SGIC has invested in three areas apart from its business acquisitions, namely, equities for both long-term and trading purposes, properties, and fixed interest and other securities. The book values of various equities and properties require review in light of the extensive holdings of unlisted equities and the significant deterioration of the property market in recent times. Fixed interest securities include $180 million in interest-free loans. These also require review by management.

On page 10, the report states:

The performance of Austrust Ltd has not met the expectations that SGIC used in determining to acquire the business. It is now evident that SGIC paid a substantial premium, and the decision to make such an investment needs reassessment particularly as the Government effectively owns Executor Trustee Australia Ltd and the Public Trustee.

SGIC Hospitals Pty Ltd operates seven hospitals, a laundry, and a retirement village and anticipates a small profit for 1990-91 after allowing for rent, interest and management fees to be paid to SGIC.

Monash Consulting and Health Development Australia have been the subject of extensive review by SGIC, and the operations of these businesses has been curtailed and reorganised to reduce continuing losses.

The scandals associated with Monash and HDA still have not been truly revealed. The report continues on page 10:

SGIC has written a significant amount of credit risk insurance . . . Property puts are a form of credit risk insurance which SGIC regarded as low risk. SGIC appeared to believe that the property boom would continue and that the probability of the puts being exercised was very low. Even if the puts were exercised, SGIC did not simply meet a claim but purchased a property. How the purchase would be financed did not seem to have been adequately considered. SGIC's venture into property puts has had disastrous consequences.

On page 11 of the report it is stated:

It is our opinion that the accounts are not 'in accordance with Australian accounting standards'. Indeed, SGIC's statement of significant accounting practices states: the accounts have been prepared having regard to current accounting standards and industry practices.

Of course, that was a lot of rot. On page 12 it is stated:

SGIC has in June 1991 eliminated interfund loans which had peaked at $240 million in January 1991. Whilst life fund has received returns on these loans, the other funds have not generated sufficient income using those funds to meet the interest obligations.

I ask all members to note that. On page 13 it is stated:

Interfund transactions have distorted the accounts of various funds. In the past 12 months investments have been transferred between funds at cost which was over $30 million above market value. The effect was that potential capital loss was transferred to the CTP. This has resulted in CTP effectively subsidising other funds. This is an area of concern which is being given attention by the SGIC Board and the Auditor-General.

Everyone should be concerned about this. Further, on page 13 it is stated:

Under the SGIC Act the board consists of five members. However, there has been a vacancy for a significant period.

Again, on page 13 it is stated:

The committee accepts the Crown Solicitor's advice that there have not been any breaches of duty, impropriety or illegality involving the Chairman in his relationship to SGIC.

All I can say is that the report is extremely kind. On page 14, regarding the Treasurer's role, it is stated:

SGIC's investment portfolio structure is determined by investment guidelines developed by SGIC and approved by the Treasurer. These guidelines allow SGIC to invest in equities, properties, and fixed interest and other securities. No Treasurer approved guidelines are in force for the separate insurance funds. Guidelines were last approved by the Treasurer in April 1987.

Another item on the same page is as follows:

Treasury has not intervened in SGIC's commercial decisions and judgments, and SGIC has had a very high level of autonomy.

A further item on the same page is as follows:

The Auditor-General has raised operational and accounting issues with management from time to time, some of which do not appear to have been resolved.

On page 15, it is stated:

Certain executives hold directorships of companies which are not wholly owned by SGIC and those employees are allowed to retain those fees. The remuneration package of the employee does not reflect those directors' fees but the fact is noted by management. SGIC has used consultants extensively over the past four years in many parts of its operations. Whilst the committee supports SGIC's use of consultants where necessary, it believes that in some circumstances SGIC should have been able to have used its own resources. This suggests that SGIC has not developed the necessary expertise amongst its staff.

On page 16, it is stated:

The disastrous results of the world-wide insurance industry, the collapse of the equity and property markets in Australia and SGIC's non-performing assets means that SGIC must be adequately capitalised.

We will address this matter in the very near future. On page 17 it is stated:

The committee believes that more detailed levels of disclosure on a fund by fund basis in SGIC's annual report and the tabling of that report in Parliament by the Minister would result in better levels of accountability and performance by SGIC.

On page 20, it is recommended:

A strategic plan or mission statement covering SGIC's investment policies and diversification should be developed. It should reflect a greater need for prudential control and performance measurement.

That is one of the issues we will discuss on this measure. Page 23 refers to section 15 (1) of the SGIC Act, as follows:

Every policy or contract of insurance or indemnity issued or entered into within the authority of this Act is hereby guaranteed by the Government of the State and any liability arising under such guarantee shall, without further or other appropriation than this section, be paid out of Consolidated Revenue.

That section has a special emphasis. There is a responsibility to get it right, yet SGIC's management and the Treasurer thumbed their noses at the needs and requirements of the people of South Australia. On page 24, following review of the Act, it is stated:

It would appear that this means:

(a) SGIC is not required to comply with the legislation governing the operation of private insurance companies but SGIC is effectively restricted to conducting its insurance operations solely within South Australia—

we know that that has been broken—

(b) SGIC is not required to comply with the provisions of the corporations regulations;—

and it is about time that it did—

(c) SGIC is not required to pay tax to the Federal Government on its net profit, but may be required to pay an equivalent amount to the State Government. It does, however, pay superannuation tax on the relevant investment income;—

it would be nice if SGIC were in a position to pay income tax to the State Government—

(d) SGIC's insurance policy liabilities are guaranteed by the South Australian Government—

and I made the point previously and I say again that without that guarantee SGIC would never have become mobile in this State—

(e) Its accounts must represent a 'true and accurate' picture of its affairs.

Obviously, it has not done that and never will until we get a Premier and Treasurer in this State who applies himself with the diligence that we believe is appropriate and necessary. The report mentions, again, that the commission has been waiting since 23 December 1989 for the appointment of a fifth member. Page 30, under 'Investment results', mentions the rates of return available, investment income and average investment.

It states that rates of return are very modest and cannot be regarded as entirely satisfactory. That is a very mild statement compared with what comes later. Page 33 of the report refers to the contingent liabilities. I ask all members to note the exposure under that section, particularly the property puts of 333 Collins Street. I seek leave to have table 4 on page 33 inserted in *Hansard*.

Leave granted.

TABLE 4
Contingent Liabilities
(Including further cash investments on which SGIC may be called)

		$m
1. Macquarie Bank Investment Trust		
10 million $1 units paid to 45c leaving a potential call of		5.5
DBSM MBO Capital Investors Trust		
10 million $1 units paid to 62c leaving a potential call of		3.8
$40 million in debt funds of which $11 milion has been advanced interest free		
Further loans which may be required		28.2
		$37.5
2. SGIC Pty Ltd		
Residual Value Insurance	Gross exposure	100.0
Credit Risk Insurance	Gross exposure	222.8
Property Puts—33 Collins Street		520.0
Securitisations	Gross exposure	682.8
		$1 525.6

As described later in this report, this amount of contingent liabilities does not take into account the value of any underlying assets (estimated by SGIC to total $1 753 million) supporting the individual transactions.

Mr S.J. BAKER: The table is important because it shows that the property put at 333 Collins Street is responsible for

$520 million of SGIC's total contingent liability of $1 525 million. In other words, by that put option SGIC increased its exposure by 50 per cent in one transaction. Such action is absolutely intolerable; it smacks of atrocious business practice, and it was approved by the Premier of this State—which makes it infinitely worse.

I refer now to earnings on the compulsory third party fund (page 35). Of course, we note that the operating profit on the CTP fund is well below the levels we would have expected. In correspondence to SGIC dated 17 July 1990, the Auditor-General said:

> It would seem inappropriate that other funds of the commission received a benefit at the expense of the CTP fund given the compulsory nature of premiums received into the CTP fund.

So say all of us. Page 39 of the report states:

> On 31 March 1991 equities had a book value of $341.7 million (which includes the share revaluation reserve of $6.3 million) and a market value of $410.6 million. The fixed interest securities included $125.7 million interest free loans to Bouvet Pty Ltd (The Terrace Hotel) and Scrimber International, a joint venture in which SGIC has a 50 per cent interest . . .

That means that SGIC played fast and loose with the CTP fund, knowing it would be the poor motorist who would pick up the bill. The report is riddled with examples of how the CTP fund has been abused, where there have been interfund loans and transfers in order to increase the exposure of the CTP fund to the failures of SGIC and to reduce the exposure of the other funds. Of course, the ultimate benefit is that the rates of return on the other funds have been much greater than they would be normally.

We know that SGIC has used as a selling point that its insurance business provides a better return than that of most other insurance companies, and we know that that is because all the dirty linen and investments have been taken out—it has been cleansed. SGIC has artificially boosted its returns in the field of assurance. Page 43 of the report states:

> The investment income of the general insurance division has also been disappointing. A rate of return of about 9 per cent cannot be regarded as satisfactory when compared to the return earned for the life fund on its investments. The investment return on investments made on behalf of the general fund is, however, superior to that earned for the CTP fund.

They have been playing ducks and drakes not only with the CTP fund but also with the general insurance fund. Again, I note that the report is full of important information that should be read by anyone who has an interest in financial matters and certainly by anyone who has an interest in the future of this State, particularly as it relates to the impact of SGIC's corporate performance. Page 51 of the report states:

> The committee understands the commercial reasons for subsidising the health operations but believes that the trading results disclosed in the published accounts do not reflect the subsidies provided to SGIC Health Pty Ltd by SGIC.

Not only is it cheating, but it is hiding it. The report goes on to talk about the usefulness of the 1990 plan (Page 53), presumably designed to put SGIC further up the ladder in relation to its performance in the insurance market. Page 55 states:

> First, there was a lack of discipline in procedures and controls within the investment division. This meant that there were inadequate controls on investment acquisition and trading, accounting treatments of various transactions were incorrect or inappropriate, and there was an overall lack of segregation of duties within the division. Second, there was no formal investment strategy. According to the consultants there was an overall lack of cohesiveness between investment strategies and the obligations and liabilities of the SGIC.

In fact, it was just a totally amateurish operation governed by a group of people in the State who were more intent on exercising power than due diligence. That has been evident in everything that SGIC has done in the past few years. Page 57 states:

> In the opinion of the committee this lack of a consistent approach to investment and an objective and formalised investment strategy indicate weak control over the investment function. This situation existed at a time of rapid growth.

It is disastrous. The report goes on to refer to many of the disastrous investments, and I ask members to read the report. I remind the House of examples such as Titan, which incurred substantial losses in the year ended 30 June 1990. Page 73 states:

> Titan incurred substantial losses in the year ended 30 June 1990 including costs relating to its court case and SGIC disposed of its investment in the company in January 1991 at a loss of $1.3 million.

SGIC invested in Titan while a substantial court case was pending. How inept!

Mr Lewis: It's called political patronage.

Mr S.J. BAKER: Of course, it is called political patronage. If we look at Health Development Australia, we find that many small operators in South Australia were financially embarrassed by SGIC's operations. We know that it subsidised the health centres that it set up; we know that it bought out other health centres; and we know that it set out to put itself at the forefront of health and lifestyle improvements in South Australia. But at what cost? We have directors who had a direct interest in these health clubs and who were receiving subsidies, loans and guarantees from SGIC. The whole system smells of corruption. I will not go through the rest of the report. It is excellent and details the length and breadth of the errors made by SGIC. It does not present a conclusion about the role of the Premier and Treasurer of this State, but I believe that the people of South Australia have drawn their own conclusions.

I will very briefly refer to the action that has been taken to address the problems that were so adequately revealed in the Government Management Board report. We have before us a Bill which is supposed to overcome the difficulties and deficiencies which have occurred during the past 12 months and, of course, which had their genesis five years ago. I have received legal advice about this Bill, and it states:

> In summary of the various deficiencies in the proposed Bill, the question might be asked of the Government why, when the Commonwealth Life Insurance Act 1945 is in the process of review to increase the protection to policyholders by strengthening prudential and solvency standards, is the Government prepared to accept a level of protection for South Australian policyholders of SGIC which is well below the existing standards for life companies?

That is after the Government has had the opportunity to apply standards that are consistent with companies operating across Australia. In particular, the report states:

> In summary of the various deficiencies in the proposed Bill, the question might be asked of the Government why, when the Commonwealth Life Insurance Act 1945 is in the process of review to increase the protection to policyholders by strengthening prudential and solvency standards, is the Government prepared to accept a level of protection for South Australian policyholders of SGIC which is well below the existing standards for life companies?

This is after the Government has had the opportunity to apply standards that are consistent with those applying to companies operating across Australia. In particular, the report states:

> The Bill (clause 21 *(a)* (ii)) adopts the accounts and balance sheet reporting requirements of Division 4 of the Life Insurance Act; the actuarial reporting requirements of Division 5; and requirements of Division 6 of the Life Insurance Act regarding the furnishing of returns, accounts and balance sheets. In each case the requirement is that the accounts, balance sheets, reports and documents be furnished to the Minister.

There is no adoption of Division 4A of the Life Insurance Act (the appointment of an actuary) but clause 26 requires an actuarial investigation and report annually.

Now, this is the key to the whole exercise, in terms of responsibility and accountability. The report continues:

Clause 26, requiring the board to cause an actuarial investigation to be made of the state and sufficiency of the fund, should require that report to be made having regard to levels of reserves not only required pursuant to the Life Insurance Act but also in accordance with guidelines and directives issued from time to time by the Insurance and Superannuation Commissioner.

The concern expressed by LIFA in early 1991 that the SGIC's solvency reserves may not comply with ISC requirements, may not have been addressed. Whatever is currently provided for in the commission's accounting records as being the assets and liabilities relevant to each fund, will as a result of the legislation, be accepted. Whether or not the level of reserves complies with ISC requirements is not dealt with.

It is not required. The reporting is required, but not the level of reserves. It goes on:

Disclosure Documents

Notwithstanding that clause 21 *(b)* will require the State Government Insurance Commission to 'comply with all requirements imposed on insurers carrying on business in the State by or under any Act of the Commonwealth for the disclosure of information to existing, prospective or former policyholders', an amendment is required because the disclosure document guidelines are not imposed by or under an Act. Accordingly, the requirements for compliance should, in addition, include requirements imposed: 'by guidelines or directives published by any regulator appointed under an Act of the Commonwealth.'

The document continues:

Clause 24 provides for a separate fund to be established for life insurance business; however, there is no equivalent provision to the Life Insurance Act requirement that investment linked business be held in a separate fund from the fund holding assets for other life insurance business.

That is absent, as are a number of aspects of the insurance business where separate funds must be kept. The document goes on:

Notwithstanding that the reporting requirements to the Treasurer require compliance with Division 5 of the Life Insurance Act, there does not appear in fact to be any limitation on the Treasurer equivalent to section 50 namely that the amount of distributable surplus is limited to one quarter of the amount paid or allocated to for the benefit of policyowners.

This means that the Treasurer can rip what he likes out of the fund with immunity. The document continues:

Subsection (7) of clause 24 also allows the commission to combine the money and investments of separate funds. It allows the commission to keep the money of separate funds in a single bank account, and in the course of operating that account, allows a fund to be in temporary deficit or allows the fund to be temporarily debited to meet payments required for the business of the commission which may be business other than the business in respect of which the fund has been established. These provisions are much more flexible and are out of step with the prudential requirements for statutory funds under the Life Insurance Act.

That is the opinion that has been given. It has been reinforced by a more official response by LIFA (the Life Insurance Federation of Australia), which talked about the same matters. If we look at the Insurance Council of Australia, which does have a particular interest in this matter, we see that it too queries a number of aspects. One of the questions raised is whether the objectives of providing adequate service and keeping premiums at reasonable levels are being served by underwriting risks out of the State. The council believes that overseas reinsurance brings the potential for large losses, the effect of which will be borne by South Australian policyholders. In respect of clause 9 it states:

Any liability that would attach to a director is to attach instead to the Crown.

It is saying exactly what I was saying earlier: the directors of these statutory authorities are not subject to the same liabilities, obligations and responsibilities as are directors of private companies. They should be. It is intolerable that directors of these companies, who are quite often appointed by political patronage—

The Hon. Jenifer Cashmore: Their responsibility should be greater.

Mr S.J. BAKER: As the member for Coles says, their responsibility must be greater than that of directors of publicly listed companies, not less. I understand, from discussions with the management of Mutual Community General Insurance, that the Federal health legislation requires the establishment of a separate fund. No separate fund in respect of health insurance is contained or demanded in this legislation. The legislation is also deficient to that extent. Clause 21 addresses compliance with insurance laws within the Commonwealth, but does not take up solvency tests or the application of general insurance accounting standards. It does not include that at all, yet the Premier has had ample opportunity to apply himself to that. The ICA document continues:

Clause 24 allows the fund to be in temporary deficit . . .

The ICA wants to know what 'temporary' means. A question has been raised about clause 25, as follows:

When audited accounts show a surplus, part of such surplus can be transferred to the Treasury or as directed. One would expect that, as with an equalisation account, allowance for a deficit in certain years would be taken up thereby cushioning the move to rate increases.

That is saying that we should have a special fund so that any surpluses can be creamed off. I know that comment has been made by other professionals looking at this legislation: that there should be a reserve account for all insurance business if we are to go on to the latest accounting standards so that we do not have peaks and troughs in asset valuations which can then be reflected in the premium returns simply as a result of the vagaries of the market. That is not catered for in this legislation.

I now refer to the Royal Automobile Association which thanks me for providing it with the opportunity to comment. It has provided quite a substantial contribution to the issue of whether SGIC should be a sole insurer. It is adamantly opposed to that proposal and the treatment of the CTP fund in recent times. It is not satisfied that motorists are getting a fair deal, and it is not satisfied that the continuance of the current arrangements will be in the best interests of the motoring public of South Australia. It also makes comment about the matter that I just raised, namely, the accounting standards that would be applied under this legislation, as follows:

General insurance companies will be required to comply with Australian Accounting Standard ASRB1023 and presumably, the SGIC will be required to submit accounts to the Minister in accordance with the Australian Accounting Standard to meet the requirements of this clause. SGIC will not necessarily be required to publish accounts in this form . . . One of the requirements of the Australian Standard is that general insurance companies revalue assets each year with unrealised profits or losses being taken through the profit and loss account. This is of particular concern to a number of general insurers investing in assets which, over a long period of time, can show significant market fluctuations. Adoption of this part of the standard by SGIC could have serious implications on the CTP fund performance. Many investments are acquired or disposed of over a longer period of time as market circumstances dictate. The CTP fund holds a substantial portion of its investments in property which, in the current climate, could well require devaluation and show the provisions for future claims to be inadequate. The end result is pressure for increased premiums. In the longer term, however, the value of many of these assets are likely to increase such that claims provisions are quite adequate.

There the association is saying—and it has made a number of other suggestions as far as the CTP fund is concerned—that we need a better level of accountability in this legisla-

tion and that it should not be left to chance as is the case today.

I have received other legal opinions on the legislation, and they too confirm that it is inadequate. It does not address the fundamental flaws that were identified in the Government Management Board report. It is totally inadequate for this Government to introduce a Bill which simply does not address the problems perpetrated by SGIC; it is not good enough for the Government to allow the commissioners to operate in the fashion they have over the past 12 months since some of the major deficiencies have been revealed; and it is simply not good enough for the Premier to walk away from SGIC and say it is not his fault—because it is. Clearly, the Premier and Treasurer of this State has a special responsibility to ensure that SGIC operates in a fashion that brings benefit to the taxpayers of this State, not detriment, as we have seen in the circumstances of the past 12 months.

In conclusion, it is quite obvious from the material that has been presented to the Parliament today and previously that SGIC has not operated in the best interests of anyone. It has not been helped by a Premier and Treasurer who has lacked diligence, fortitude and the capacity to make decisions which would have brought SGIC to heel and prevented it from making the decisions which we have talked about, and it would have posted the August 1991 report. If the Premier had shown a minimum amount of leadership—just the minimum amount—he would have sacked the board and the General Manager, and he would have ensured that the people who were managing SGIC did so in a manner that was suitable in the circumstances facing this State, remembering the difficulties that SGIC had brought upon itself in the interim. But he did not do any of those things and, as we have seen, the problems have been compounded by the many instances that have been reported to this House.

As I said, I do not believe that this legislation is adequate. It is my intention to ensure that the select committee addresses all the problems of SGIC. Of course, it would be rather nice were the select committee to address all the problems that the Premier and Treasurer has created over the past 12 months, and that may indeed be possible, should the select committee do its job. That would ensure that the select committee operates in an unfettered fashion and takes apart the SGIC and the legislation so that, ultimately, when legislation is finally agreed to by the Parliament, it will be in keeping with the needs of today, not of yesterday.

Mr LEWIS (Murray-Mallee): I do not wish to put many things before the House this afternoon, but I heartily endorse the remarks made by the member for Mitcham, in that he has provided us with a lucid dissertation, indeed a chronology, of the things about the State Government Insurance Commission which urgently need—indeed, it is overdue—to be investigated thoroughly in the public domain. For Governments to provide themselves with monopolies in a commercial operation is bad enough, God knows: it is even worse when additional commercial operations are undertaken by such agencies without the people responsible for the decision also being accountable for the sting should the decision be wrong. Nothing is deducted from their personal prosperity and welfare. That becomes the burden of South Australia's taxpayers and third party bodily injury motor vehicle insurance policy holders. Their premiums must rise in order to cover the outrageous indiscretions—and that is the only way to describe them—of the investments made by the commission overall, wherein those investments, when they have gone bad, are transferred into the portfolio of investments held by the compulsory third party fund.

I wish to draw attention to the way in which, acting with guarantees of funds taken against the will of and from the South Australian people through the taxation mechanism, the commission has nonetheless engaged in health insurance at a loss and has not sensibly or prudently underwritten, in an actuarial sense, the liabilities which it has accepted in health insurance and which it has chosen to ride. It deliberately used entry into the health insurance arena to generate a cash flow and to give it an income, altogether uncaring about the long-term consequences for the commission's viability, indeed for the ability of that particular division of the commission's commercial activities to survive. In my judgment, the Premier ought to sell it as quickly as possible to the highest bidder. Government enterprises of any kind, at any time, are bad, particularly when they are motivated as was the SGIC enterprise. It is more about the power of the chief executive and other officers in positions of responsibility at top management level than about either the welfare and need of the people of South Australia or the responsibility of the Government of South Australia to do anything in that domain.

There was never a clear case made by any member of this place—the Premier included—for the monopoly establishment of a compulsory third party fund. I do not believe there was ever a necessity to establish a State Government Insurance Commission office or even the commission itself. Everything could have been obtained from the private sector of insurers, and all that was needed, if anything, was legislation defining the framework within which they could take premiums and invest the proceeds in the marketplace, and meet their obligations to the insured.

I have an interest in this matter. I do not propose to disclose that interest in any great detail, but I want to relate to the House some of my own experiences as they relate to compulsory third party bodily injury insurance. SGIC is simply not interested in the welfare of the insured. If we happen to be injured in the course of going about our daily business, whether as a passenger in a motor car, a pedestrian or a cyclist, in some way or other we are in for a hard time. The commission will do everything in its power to discredit us as individuals, and all members ought to bear that in mind: it will do everything in its power to discredit and belittle us and to otherwise make us feel that we are being given a privilege. I am not sure of the solution to this, but I believe that the select committee will be derelict in its duty if it does not examine the whole process of determining how payments are made to people who suffer injury.

Quite clearly, when it happened to me in the first instance in 1986, when I was knocked down just outside this place at 4.20 on a June afternoon whilst it was raining, I thought I would be responsible and that, after seeing my GP, I would then take advice and treatment from the doctors nominated by the commission in order to reduce the costs involved. But it was not for a very long time after that that I discovered that the doctors to whom I was being referred by the commission were not in the least bit interested in my welfare, treatment or recovery. They were simply interested in minimising the size of any claim that I could make or prove against the commission. That was their professional duty as they saw it.

I think that stinks, to say the least. It is a waste of money. It deceives the general public into thinking that doctors can have their opinions bought. In fact, the general public should be able to trust doctors to make honest professional assessments in the best possible way in the interests of the persons consulting them for the benefit of their health and the

improvement of it, or at least the minimising of its deterioration.

People who are involved in these claims need to be aware that, in the first instance, they should take legal advice, after having been injured, to ensure that the doctors to whom they go give them treatment appropriate to the expedition of their recovery. It is outrageous that any doctor should accept a brief to examine a patient on the ground that he or she will act as an expert witness for one or other side in such an argument. I think it is fair that the court should appoint a panel of doctors to examine a person and that the collective wisdom of that panel of doctors should be the determination of the extent of the injuries and the appropriate treatment needed for that person to get the most rapid and complete recovery.

I have another problem. Only last November, whilst stationary at traffic lights in the western suburbs, going about my business quite lawfully, seatbelt clipped and everything else, I was hit from behind by another motorist. I did not see him coming and I do not know what he was doing, but he clearly could not have been paying attention. The injuries sustained in June 1986 were exacerbated. After having consulted my GP and a specialist, the SGIC asked, 'What injury? What condition are you having treated? We deny all liability. We are not going to pay you a red cent until you can prove you are injured.'

Again, it seems to me that the SGIC's interest is not in the welfare of the injured: it is in minimising the payout that it makes. Those people driving this machine—this mad, crazy commission that has been given this monopoly—have no interest other than the power they exercise over the money that they have got their grotty, grubby little fingers on. There is no moral, ethical or professional aspect of their conduct to which I can give commendation. In no way can I find anything decent to say about them, given the way in which they have conducted the affairs of the commission and expected that they can simply blight the taxpayer to collect the difference whenever it is convenient. They cop out of any responsibility. As has been pointed out, they have extensive holdings of assets which are imprudently taken and unlisted in the documents provided for public scrutiny. Their accounts do not reflect the true position and they deliberately set out to deceive us, as members of this place, and the general public in the preparation of those accounts. They are rotten to the core.

There is another matter which galls me, which was drawn to my attention in recent months and in which the commission is involved. I am not quite sure who is to blame in this conspiracy, but it is a stinking conspiracy to say the least. One of my constituents has agreed that I should name him so that the case can be clearly identified. Mr Kevin Costello has been to the Legal Services Commission for assistance, because he is unemployed. He had burglary insurance with the commission. I referred to this by analogy in the grievance debate last week. Now I want to place on record the opinion of an honest worker, Ms Marilyn Buckerfield, who works for the Legal Services Commission and who has taken up Mr Costello's case way beyond the call of duty in her professional capacity and more or less in her private time so that she can see some justice done. I take up his case, too. I use her letter to the commission and its solicitors to illustrate the points that I am trying to make. This letter is for the attention of T. Colmer, Claims Superintendent. She says:

> We refer to earlier communications in this matter, and in particular to your facsimile transmission of 9 January 1992 forwarding your solicitor's letter of advice dated 20 December 1991. In response to that letter, we note the following:
>
> 1. Mr Costello's property was taken from his home without his permission [or knowledge] on 5 May 1991. This was reported as a theft to the police, the crime report number is CR91/L14007.
>
> 2. No charges were laid by the investigating police officers, who chose to accept assertions by the alleged offenders that they honestly believed that they could seize Mr Costello's property in lieu of payment of money owed. Mr Costello has repeatedly denied owing money to these people.

Indeed, I put on record that he has provided a statutory declaration to me that he does not owe them any money. The letter continues:

> The goods were unlawfully taken and have been unlawfully retained by these other parties.

They broke into his premises, or at least they gained admission by coercion. They threatened to bash Mr Costello's boarder unless he opened the door and let them in. The letter goes on:

> Because of police reluctance to become involved in this matter, the validity and strength of any possible defence of 'claim of right' by the alleged offenders has not been tested by the court.

These people, if they are indeed the same people who allege that Mr Costello owes them money—and which he swears he does not—have never issued a bill, account, invoice or statement to Mr Costello and they have never been to court to get a judgment against him for that debt. They have never summoned Mr Costello. They have never done other than simply break into his house and steal his property. The letter continues:

> A decision by the police not to prosecute this matter is not tantamount to a court finding upon a full hearing of the evidence.

Mr Costello has effectively been denied his rights to pursue recovery of his property. The letter goes on:

> The effect of the decision not to prosecute in this matter is that Mr Costello is unable to obtain from the Police Department the names and addresses of the people who took his property.

He is unable to obtain the names and addresses of the people who were in the vehicle, the number of which Mr Costello's boarder took and gave to him and which he, Mr Costello, then reported to the police. The letter states:

> As Mr Costello had only a casual acquaintance with these people—

he had signed a contract with them, but they did not deliver anything—

> he has been unable to locate them for the purpose of issuing civil proceedings. Clearly there was a trespass in the taking of these goods from Mr Costello's home. Equally clearly the offending-parties took these goods with the intention of permanently depriving Mr Costello of this property, as has been borne out by subsequent events. There has been no effort by these people to contact Mr Costello to settle any debt allegedly owed to them.
>
> Mr Costello has lodged a complaint with Police Complaints Authority concerning these matters.

I have grounds for believing that there is some dodginess involved there, too. The letter goes on:

> These events raise serious concerns. The alleged offenders have not been prosecuted and so evade not only accountability in a criminal jurisdiction but also evade civil remedies that might otherwise have been available to him to achieve the return of his property.
>
> We note the argument based on section 54 (2) Insurance Contracts Act 1984 and refute that Mr Costello's conduct in this matter puts him within this exclusionary clause.
>
> These other parties would seem to have acted in a predatory fashion, relying on police reluctance to become involved, given some unusual aspects of this case. However, to justify exclusion under section 54 (2) on these grounds would seem to have its parallels with a now generally discredited view that a woman walking alone at night invites a sexual attack.

That is outrageous. I continue to quote, as follows:

> More to the point, Mr Costello has repeatedly denied owing any money to these individuals. He admitted only to signing a letter agreeing to pay a certain price for certain services, which were never performed by these people. Therefore, his situation is clearly distinguishable from the scenario proposed, that a person

seeking and obtaining services of a prostitute and then refusing to pay should reasonably expect unconventional recovery procedures to be undertaken.

What sort of State do we live in where we can have a conspiracy between the police and the State Government's own insurance commission to deprive a citizen of his rights to recover his property, particularly from the insurance company with which he had insured his property and which claimed that it had not been stolen? It has been stolen, it has gone and the insurance company knows it has gone, and it knows that there were no appropriate legal grounds for its removal.

This whole saga of the State Government Insurance Commission is a terrible one, and I commend to a select committee the work of examining what has gone on there and trust that the House will provide that mechanism for a very thorough examination.

The Hon. JENNIFER CASHMORE (Coles): The Opposition supports the referral of this Bill to a select committee. The normal procedure and custom of the House at this stage would be for the debate to be brief and for the referral to take place without much canvassing of the issues involved in the Bill and its nature. On this occasion that is not possible.

The actions of the State Government Insurance Commission and the failure of the Government to ensure the accountability and proper conduct of business by that commission are so serious that there is no choice but for the Opposition to canvass the issues that will be looked at by the committee. In doing so, one is forced to look at a litany of bad decisions, of profligacy, of lack of ethics, of lack of accountability and betrayal of public trust and, above all, of failure by the responsible Minister to exercise responsibility in his accountability to Parliament and to the people.

The Bill involves major changes to the SGIC Act, including replacement of the governing commission by a board of seven directors, each with three-year terms, a provision to give directors immunity and to require disclosure of their interests—but not a disclosure of all their interests—and a provision that all transactions and fund allocations previously made are validated.

I feel there can be no greater indictment of the commission, its board and its staff than that such a provision is required. A charter is to be prepared in consultation with the Minister each year to guide SGIC: again, an indication that its directors have failed to exercise proper responsibility. Separation of the two major funds is made explicit and interfund lending is banned. In other words, we are writing into law what should have been regarded as basic insurance practice. An annual report and charter is to be presented to Parliament by 30 September each year.

Let us look at just some (because time does not permit examination of all) of the bad business decisions, the profligacy, the lack of ethics, the lack of accountability, and the betrayal of public trust. The bad business decisions are listed in the report of the Government Management Board, but I wish to enumerate only a few. The Victor Harbor shopping complex, which was valued at $7 million, had to be paid for by SGIC at a price of $9.5 million on the basis of a put option. The valuation was $7 million; the commission paid $9.45 million, and we learnt of that in February 1991.

In September 1991 we learnt that SGIC had lost about $7 million through its involvement in a troubled hospital company, namely, Health and Life Care Company Limited, which had a major exposure to the State Bank. Month after month I questioned the Premier about that exposure. All the House received was bland reassurances that everything was in order and above board. Clearly, it was not and it has now become public that SGIC bought six million shares in HLC in 1987 at $1.20 each, but in September last year it sold its entire holding of 6.6 million shares for 2c each. So much for the Premier's reassurances.

In October last year we learnt in evidence to the royal commission that no formal documentation or legal advice was sought over a $200 million loan guarantee to the Myer centre project by SGIC. The commission was exposing itself to a $200 million risk on a project for 13 months that was never defined in writing.

The Hon. J.C. Bannon interjecting:

The Hon. JENNIFER CASHMORE: It was not exercised, no. It was never defined in writing. These are the decisions made by the board, the Chairman of which is still in office and apparently, according to the Premier, will remain in office. To go further: as to the Remm deal, SGIC agreed to an ill-conceived proposal to finance the Myer centre development against the advice of its own property managers. That information was given to the royal commission in October last year. A press report states:

> The Chairman, Mr Vin Kean, and the Chief General Manager, Mr Denis Gerschwitz, agreed to a $485 million put option on the development before consulting their board. The commission heard that SGIC involvement was later ratified by the Premier after he had been told that it was not a normal transaction for the SGIC—

The Hon. J.C. BANNON: Mr Speaker, I rise on a point of order. The honourable member is quoting evidence given to the royal commission and, in so doing, is suggesting that these are findings or facts of the royal commission. The royal commission has not completed its examination of this matter. The honourable member knows that that is pretty unreasonable and I would have thought that it was not appropriate.

The SPEAKER: The House has a right to debate general issues of concern to the public. There is the royal commission and some matters are *sub judice* under the rules of the hearing. My attention was distracted and I did not hear the particular references. I ask the member for Coles to be careful in making references to any matter before the royal commission.

The Hon. JENNIFER CASHMORE: Thank you, Mr Speaker. I acknowledge your ruling. I quoted evidence in order to give verisimilitude to the facts that I am providing to the House in respect of the failure by SGIC to attend to its affairs in a proper and businesslike fashion.

The Hon. J.C. Bannon interjecting:

The SPEAKER: Order!

Mr S.J. Baker interjecting:

The SPEAKER: Order!

The Hon. JENNIFER CASHMORE: The commission took out a further $1 billion of credit risk insurance despite Treasury concerns about such activity. We were told this in October last year. The Premier has told Parliament that credit risk insurance is a legitimate area of insurance business. At the time he said he was awaiting advice on whether or not SGIC should be allowed to write credit risk insurance. He later told the House that he had prohibited SGIC from writing any more property put options.

We have to understand that we are dealing not with any ordinary insurance company but with a Government guaranteed insurance company and, as such, the responsibilities and obligations lying on the directors, the board and the Minister responsible are much heavier than those that lie on ordinary directors of private companies. The ultimate folly, of course, of this board, its directors and its management was to write insurance of $520 million on a put option for an office building in Collins Street.

That is a short but by no means comprehensive list of some of the appalling business decisions made by SGIC, by the board and by its management. Further serious matters are canvassed in the Government Management Board's report that identifies the loans and transfers that were made without any legal basis between the compulsory third party fund and the other funds, leaving the compulsory third party fund exposed to losses and poorly performing investments which returned little or no income. In terms of bad practice, that is probably the most serious criticism that can be made of the SGIC board.

What have been the consequences of these decisions? Of course, the first and most obvious consequence is the $81 million loss in the last financial year. That is just the beginning of what will be further extensive losses. We learned only this month that the SGIC has been forced to offer offices rent free to boost occupancy of the half empty building at 333 Collins Street, which cost the commission $520 million. We learned late last year that the commission had been forced to raise $26.5 million by selling $5 million worth of quality FH Faulding shares, and further asset sales have proceeded since then and will, no doubt, proceed in the future.

Another asset sale—how could one call it 'an asset'?—the SGIC was reported on 29 January this year as writing off its entire $11 million investment in First Radio, including $8 million on 30 June 1991. At the time that transaction was reported, SGIC's Assistant General Manager of Investments, Mr Bob Bruce, refused to say what SGIC's loss on the investment was, citing the confidentiality clause in the sale agreement. Every member of this House is more than fed up with the use of confidentiality clauses as an excuse for not informing the Parliament about the state of Government liabilities which are the subject of Government guarantee. That matter has been raised time and time again, yet, as recently as December, SGIC and the Premier were using commercial confidentiality as the reason for covering up facts which should be known to the Parliament.

Among all these enormous losses, the directors and the staff have been enjoying a standard of remuneration known to very few people in the public or private sector. The *News* of 9 March 1991 identified the fact that the State Government Insurance Commission had 25 executives earning more than $80 000 a year in salary packages. This included the Chief Executive, Denis Gerschwitz, who was believed to be earning between $220 001 and $230 000 a year. The public has gone beyond toleration of this kind of profligacy. It is not just the salaries, it is the conditions. SGIC spent $880 000 on consultants' and architects' fees to refurbish its head office. This is the kind of thing that the public just cannot tolerate any more.

An honourable member: Rewiring.

The Hon. JENNIFER CASHMORE: It was much more than rewiring. The underlying seriousness of all these matters is highlighted by the lack of ethics on the part of directors, and on the part of the Premier in backing and continuing to back those directors, when it came to disclosure of their interest. Finally, as a result of intensive questioning in this place the Premier was forced to order an investigation into the SGIC's failure to disclose more than 80 directorships held by senior executives and board members. That, I believe, was a totally shameful act on the part of those directors and board members. I hope that the Premier will agree that it was shameful. I hope that he will agree also that his continued shielding of the board and of the staff in the face of repeated parliamentary questioning did him no credit at all and, in fact, was a manifestation of his complete failure to oversee this organisation properly. Even when those directorships were tabled they were not complete and we had to have a second disclosure of what should have been a full disclosure in the first place.

Time and time again, we read that the Chairman, Mr Vin Kean, not only refused to disclose his interest but believed that excluding himself from the table was a sufficient ethical approach to the matters which were being considered by the board. Matters of public trust, public accountability and normal ethical conduct should have indicated to Mr Kean, the other directors and the Premier that what he did was wrong—very wrong. Yet, the Premier tells us that Mr Kean will continue as Chairman. I can think of few other continuing appointments which would raise so much public disquiet and arouse so many questions as to why a man who had conducted himself in this fashion, who had headed an organisation which had failed in so many areas, should be permitted to remain in office.

Where I come from and where every member of this Opposition comes from: when you fail, you are responsible—you are held responsible and your services are terminated. The failure by SGIC and the exposure of the lack of ethics by its directors are of such a serious nature that the fact that Mr Kean and the General Manager are still in their positions raises, in my mind at least, very serious doubts about the Premier's determination to do anything at all about the matters which have been raised in Parliament, in public and before the royal commission. How can we take seriously a Premier who leaves in office people who have been shown to be deficient in fulfilling their public duty? I think the continuation of Mr Gerschwitz and Mr Kean in their positions is the gravest of all charges that can be laid against the Premier in terms of his neglect and his quite untenable decision to allow these things to continue. I believe that until Mr Kean goes—and not in his own time but in ours—we cannot have confidence in the affairs of the commission.

Time has not permitted me even to identify the way in which the staff of the commission have been advantaged through loans from the commission; the way in which the wives of the directors have been used for the purpose of concealing commercial transactions; and the way in which guarantees by SGIC have been given to former executives in the establishment of their own businesses. None of this is right. It might be all right in the private sector, but it is not all right in the public sector where the activities of organisations are guaranteed under general revenue. No-one can tell me that any of these things are right or were right. It is equally clear that they are not to be set right, because the chief perpetrators of all these evils are still sitting there, still earning directors' fees and still being paid their handsome salaries.

I certainly agree that the deliberations of a select committee and the evidence given to it should be public, because there has been too much cover-up already. I also believe that the House should support the Deputy Leader's amendment. This matter is more than serious; it reflects the Government's lack of determination to do something. None of us can take the Premier seriously while he leaves Mr Kean and Mr Gerschwitz in office. The public is demanding that the Premier act. There can be no compensation; we are paying the bill. There can be no restitution, but there can be retribution, and there should be retribution. The public should know that there are standards, moral values and ethical conduct that cannot be tolerated, and that there are standards that must be maintained. The Premier must act to ensure that the services of these people are dispensed with—and soon.

Mr S.G. EVANS: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

The Hon. J.C. BANNON (Premier and Treasurer): There have been only a few contributions to this second reading debate, and that is understandable because, as I foreshadowed both last year in the statement I made about SGIC and in the presentation of this Bill to the House, we intend to establish a select committee to deal with the matters that are contained in the Bill. Therefore, an extended debate really is fairly unnecessary and a waste of the House's time.

In view of the fact that the select committee will examine most of the matters raised in the course of the debate, I do not think there is much call on me to respond at this point. The Deputy Leader's contribution consisted of his standing up with a pile of press clippings and summarising them one by one at some length. He made no attempt to analyse the veracity of the media reports, the accuracy of the headlines or whether or not the story was followed up, or whatever. It was very simply a recitation on his part and I do not think it helped the debate very much.

In the case of other members, they raised both specific matters and some general points. In terms of the specifics, they can be taken up. If members wish to refer them to me rather than to SGIC, I am happy to have them looked at. In the case of the generalities, all of those in the context of the Bill we are to consider in the select committee if the motion is passed will be examined. Therefore, I do not intend to prolong the second reading debate.

Bill read a second time.

The Hon. J.C. BANNON (Premier and Treasurer): I move:

That this Bill be referred to a select committee.

I do not believe that this calls for any debate. When I made the statement on SGIC in relation to the reports in August I indicated that I felt this was an appropriate procedure. There has been some suggestion that the establishment of a parliamentary committee dealing with finance would obviate the need for this sort of inquiry. However, the Bill as it stands—comprehensive as it is and as a new Bill—is best dealt with by this process. I hope that it is a very rapid process for two reasons: first, most of the issues that have been canvassed in the Bill have already been in the public domain for some considerable time and, indeed, where they reflect recommendations of the committee of inquiry that I established, in some instances they have already been implemented by SGIC. In other words, I believe that SGIC will be able to tell the committee that, in advance of the passing of this legislation, certain things have already been set in place. Secondly, it is important that these matters be resolved before the end of the financial year. In other words, when SGIC presents its 1991-92 accounts I would like it to be done in the context of this new legislation and its requirements. Of course, we can ensure that that is the case by expediting the passage of the Bill. I commend the motion to the House.

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

That the motion be amended by adding the words 'and in particular examine the operations of SGIC as they will be affected by this Bill and deficiencies in the present Act and consider the desirability of:

(a) SGIC being fully and publicly accountable to the Government and the Parliament;

(b) SGIC directors being subject to the same obligations, responsibilities and liabilities as directors of publicly listed companies;

(c) SGIC meeting Federal prudential requirements and maintaining reserves consistent with those required of its private sector competitors;

(d) SGIC's investment decisions being commercially based, and consistent with its core insurance business,

and the consequences of validating past illegal transactions.'

In moving this amendment I will be very brief.

The SPEAKER: Order! The Deputy Leader had the courtesy to advise me of his intentions earlier, so I am in a position to make a ruling on this amendment now. I rule the proposed amendment out of order as it proposes to give the select committee instructions that it will already have. The terms of reference of the select committee will be the clauses of the Bill itself. Without canvassing the whole amendment, paragraph *(a)* refers to the commission's being fully accountable to the Government and the Parliament. That is covered by clause 17, which requires that the commission draw up a charter setting out its objectives and taking into consideration any requirements of the Minister. The Minister must approve the charter and cause it to be laid before both Houses. While I do not comment on whether that is an appropriate accountability, the point I am making is that the committee, by virtue of clause 17, will be able to look at the issue raised in paragraph *(a)* of the amendment and it is therefore redundant. I have formed the same view about each of the other paragraphs of the amendment.

Mr S.J. BAKER: I note your ruling, Mr Speaker, and I do appreciate it, but I simply make the point that these matters are not adequately canvassed under the legislation.

The SPEAKER: Order! The honourable member will resume his seat. The member for Hayward.

Mr BRINDAL: On a point of order, Mr Speaker, I seek your clarification. Does your ruling now constitute an instruction to the select committee?

The SPEAKER: No. The member for Hayward is taking the bull by the horns, I think. If the honourable member refers to the terms as laid down under the original proposal, he will see that the instructions are in that Bill. This is not the Chair instructing the select committee: the instructions are already there.

Motion carried.

The House appointed a select committee consisting of Messrs S.J. Baker, Bannon, M.J. Evans, Such and Trainer: the committee to have power to send for persons, papers and records, and to adjourn from place to place; the committee to report on 31 March.

The Hon. J.C. BANNON (Premier and Treasurer): I move:

That Standing Orders 332 and 339 be so far suspended as to enable the committee *(a)* to sit during the sittings of the House and *(b)* to authorise the disclosure or publication as it thinks fit of any evidence presented to the committee prior to such evidence being reported to the House.

Motion carried.

STATUTES REPEAL (EGG INDUSTRY) BILL

Adjourned debate on second reading.

(Continued from 12 February. Page 2682.)

The Hon. P.B. ARNOLD (Chaffey): For all intents and purposes, this appears to be a very small Bill, but it has very large implications for those people involved in the egg industry. I have always supported the concept of orderly marketing but, naturally, orderly marketing can be effectively achieved only on a national basis. Of course, we have the situation now where a number of the States have deregulated their egg industry so we are confronted with the problem in South Australia as to how to handle the egg

industry from now on. The Bill repeals the Marketing of Eggs Act, which was introduced in 1941, and the Egg Industry Stabilisation Act 1973.

In the past the strategy of these boards was to operate a home consumption price scheme facilitated by an embargo on egg imports. An equalised return based on a weighted average of domestic and export returns was paid to the producer. The Council of Egg Marketing Authorities of Australia (CEMAA) introduced a stabilisation scheme in July 1965, with an objective of ensuring that all producers shared proportionately to their share of production the lower returns from exports. A levy was imposed on commercial flocks, collected by state Egg Boards on behalf of the Commonwealth, and payments reimbursed to the States for the difference between returns of the domestic and export markets. On 1 July 1987 this function became a State responsibility.

Faced with shrinking export returns and continued increases in production, the industry as a whole accepted the need for production control. A quota on hen numbers was instituted. In 1972 all States agreed to the implementation of production controls. This decision was taken on the understanding that the Australian Government would consider assistance to reduce the surplus of eggs so that the industry could operate more profitably in relation to available market outlets. In South Australia in 1989-90 the gross value of egg production was recorded by the Australian Bureau of Statistics as $24.2 million. At present the Marketing of Eggs Act 1941 stipulates requirements for the marketing of eggs, as follows:

- eggs (with some limited exceptions) are vested in the board. Producers may not (with limited exceptions) deliver or sell eggs to any person other than the board or a registered agent of the board.
- the board must sell all eggs of which it becomes the owner to such persons and at such prices and such terms as it thinks proper.
- the board must (with limited exceptions) grade, or cause to be graded, all eggs delivered to it. Grades are prescribed by regulation. Prices paid to producers vary according to the grade of eggs.
- the board may deduct from the proceeds of the sale of any eggs, and retain, a sum equal to the amount of money spent by the board in and about the transport, storage, grading, drying, pulping, packing and marketing of the eggs, and a contribution towards the cost of the administration of the Act and any money necessary to repay any advance made to the board and interest on such advance.

They are the terms and conditions laid down in the Egg Marketing Act 1941, with which the board had to comply.

The board instigated new pricing policies in November 1990 to overcome the equalised price for all eggs, which was grossly inefficient. The result of this is that there is a net loss to the industry which is being made up by the equalisation levy on producers. South Australia produces around 7 per cent of Australian production. The South Australian egg industry is characterised by a small number of large producers and a large number of small producers who, in a deregulated market, would have difficulty finding an assured outlet for their produce. The majority of eggs are sold through large supermarket chains, which require high volume supplies, and this would preclude small producers from this market segment.

In 1986, the present Government introduced a Bill to partially deregulate the industry. This legislation was defeated. In 1991, the New South Wales Government deregulated its industry and subsidised its growers for the losses they would incur as a result. Since then eggs have been sold in South Australia (from New South Wales) at very competitive prices, forcing the Egg Board to increase levies to the growers as well as reducing farmgate prices by 20c a dozen since July 1991. The point needs to be made that, in deregulating its egg industry, the New South Wales Government subsidised the egg producers for the losses they incurred. Costs incurred in a regulated market will reduce the competitiveness of the producers in that market compared with producers in a deregulated market.

The South Australian Egg Board currently levies all licensed producers 28c per bird per fortnight to pay for all promotion, quality control, inspection and general administration. The demise of the board over the past four years is quite staggering. Since its inception in 1941, through to 1988, the South Australian Egg Board had performed well and had not cost the taxpayers a cent. The industry regulated itself with minimal levies. However, I understand that, within the space of some four years, the board has gone into debt to the tune of about $3 million.

The purchase of Red Comb is an example of where the board went wrong. It proceeded with the purchase, only to find out when relocating to Cavan that it had been on the verge of bankruptcy. There was the enormous cost of purchase and setting up of computerised systems compatible with Keswick, but a move back to Keswick was necessary because of the impracticality of Cavan. There was the enormous cost of purchasing three egg-grading machines, which were dismantled and brought back to Keswick; they were sold for $3 000 in total. They are examples of the foolish decisions made by management, and the egg industry—the producers—must now wear it. With no financial compensation, the producers are being asked to rent back the Keswick property, which is inefficient in its layout and operation. There is much to be desired in the Keswick property, but the industry is being asked to rent it back.

What proposal is there for the future? Some egg producers have accepted the proposal of deregulation of the industry, and some have agreed to terms with the Government for the transfer of the industry to a new cooperative. I must emphasise two important matters in respect of the final order of purchase: the first being that the industry is deeply concerned by the Government's demand that it must pay for the land and buildings of the South Australian Egg Board at the valuation set by the Valuer-General. The industry is adamant that these assets were purchased by levies deducted from egg producers' returns by the board and should therefore be passed on to the industry at nil cost. Secondly, whereas the Government has accepted a counter-offer of $200 000 from the industry in response to the Government's original offer of $718 000 for the plant and equipment, the industry strongly contends that these assets were purchased by levies imposed by the board on egg producers' returns. I understand that the industry has accepted these two demands under strong protest.

It is obvious that the crux of the problem is the demise of the Egg Board and, with it, the end of hen quotas. The deregulation of the New South Wales Egg Board in 1991 has sent signals to all Australian States which cannot be ignored. Senior members of the proposed cooperative have indicated that they have majority egg producers' support for the arrangements which they have made with the Government. However, once again, that was achieved under quite strong protest. The egg producers have paid dearly over the years for their hen quotas and, unlike the New South Wales Government, the Minister is making no offer of compensation. Therefore, the Opposition proposes the transfer of land and buildings to the people in the industry who will be badly financially affected on the basis of their hen quotas in the form of some compensation. Whilst at this stage the Opposition will support the second reading of the Bill, I foreshadow amendments which will clarify the Opposition's efforts to try to see that the remaining assets

go back to the egg producers in the form of some compensation.

Mr LEWIS (Murray-Mallee): I rise to speak about this measure, knowing its significance to the people I represent. In fact, I well remember its significance to them many years ago when public debate about the way in which people were to be affected by law as to how they could own chickens or laying hens and as to how they could then market the eggs or birds, was the substance, if not the sole substance, for a very strong challenge being made to a former member of this Chamber, the then Minister of Agriculture, Mr Gabe Bywaters, a man for whom I had, and still have, a profound respect. It cost him his seat. There is no question that, if you get it wrong and you have a lot of poultry farmers as constituents, you suffer the consequences.

It is not my intention to get it wrong. I think the Government, of either political persuasion, has for too long interfered in what were quite properly the responsibilities and, indeed, the domain of producers by forcing the producers to accept the formula for the control and sale of their product, which was not of their making. It had more to do with the ideology of the Government and the way in which the Government saw things than with the wishes of the producers. The whole system which is before us and which is under review—indeed, demise—by this Bill has grown like topsy. It is classic socialist intervention legislation. In that form it does nothing to enhance the interests of producers.

Finally, when the Government finds itself—as this Government now finds itself—confronted with a mess of its own making out of which it cannot get, it simply throws its hands in the air in horror and says, 'It is all too hard. Let's repeal the legislation, and let them sink or swim according to their own abilities'. In doing so, it shows that it lacks compassion—not just some compassion—for everybody in the industry, especially for the smaller producers, and those producers, as individuals, who in the past five years or so have invested substantial sums in hen quotas and new facilities. They now find themselves with an erosion, indeed a complete demise, of their assets. The hen quota will be abolished. There will be no value once this legislation passes, if it does pass. The Opposition can see what the Government must do by way of reform, but we do not have the numbers here. This is the way the Government proposes to pass the legislation. Let the record show that it was done by this Government and not with our concurrence or in any way in consultation with us. Had our warnings been heeded over the past 10 years, the kind of mess which now confronts the industry would not have arisen.

One aspect of the repeal legislation to which I draw attention is the provision under which the Minister shall own the assets of the cooperative. That is crook. The Minister did not pay for them; the people of South Australia did not pay for them; the egg producers paid for those assets, and they should be returned to the egg producers on the basis of the quotas they have held. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

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

PARLIAMENT (JOINT SERVICES—PROHIBITION ON SMOKING) AMENDMENT BILL

Returned from the Legislative Council without amendment.

URBAN LAND TRUST (URBAN CONSOLIDATION) AMENDMENT BILL

Returned from the Legislative Council without amendment.

COUNTRY FIRES (NATIONAL PARKS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 February. Page 2952.)

The Hon. B.C. EASTICK (Light): I congratulate my colleague on having brought this matter before the House. It has occupied the attention of a number of members throughout the years. Certainly, the member for Alexandra has had a great deal to say about it in this parliamentary session as a result of activities on Kangaroo Island. We are aware that, already, through another vehicle, a select committee is taking evidence on various aspects of it.

The particular problem which has been highlighted by the member for Eyre was brought home very starkly to me seven years ago when Melrose, Mount Remarkable and the surrounding areas, were very badly burnt. The member for Coles, the Hon. Peter Dunn, the member for Eyre and I took the opportunity of visiting that area, flying over it to get an idea of the intensity and extent of it, and then calling on the Melrose council to better understand the situation.

There were two elements. One was the fact that there had been a major problem directly associated with what I am prepared to say was mismanagement in the national parks in that no preparation had been made for an inevitable fire from lightning or man-made causes. The second was that in the township area a number of people, even though they lived very close to the experience of fires, had rubbish right up to their back doors—wild oats 6ft high, cartons, rubbish, whatever, just thrown out of the back door. Whilst we were there, two or three of these people who were advised about the importance of cleaning up the backyard prior to there being any further conflagration just shrugged their shoulders and commented, 'Why should we bother?' Unfortunately, it is not only their problem, but their failure to do the right thing is an automatic trigger for difficulties for other people. Once a fire gets into a heavy fire source that cannot be controlled, it will spread elsewhere. This problem has frequently occurred in national parks and other Government-controlled lands.

If my colleague the member for Kavel were present, he would tell us of his experience at Houghton with the fires coming up through Anstey Park and other recreational parkland areas. It has been a problem, it remains a problem, and in some circumstances it can be assisted by judicious grazing of the parks. Of course, that is a real no-no to some people who are directly associated with the parkland movement. But like a cold fire going through parks on a regular basis—a practice which is very much to the fore in Western Australia—it makes a tremendous difference to the control of wild fires in those parks and it is advantageous not only to the national and recreational parks but to those who live on their borders.

Fire is not a good servant, unless one has it totally under control. As with water, it can do the unexpected, and certainly in the electorate of Light we recall the problems of 1983 where one week we were troubled by bushfires and two weeks thereafter we were troubled by floods, a circumstance which does not occur frequently but which is there, and the important thing is that in many cases some action

can be taken to limit the amount of damage that occurs. It is for those reasons that I pick up the points made by my colleague and certainly support the motion.

The Hon. J.P. TRAINER secured the adjournment of the debate.

STATUTES AMENDMENT (ILLEGAL USE OF MOTOR VEHICLES) BILL

Adjourned debate on second reading.
(Continued from 12 February. Page 2701.)

Mr FERGUSON (Henley Beach): I have to report to the House that the Government opposes this Bill, because it has been cobbled together hastily without an examination of the full ramifications if the Bill were to become law. However, the Government does agree with some aspects of the member for Hayward's proposition, and the Attorney-General has introduced in another place amending legislation, which I know I am not allowed to debate—

The SPEAKER: Or even to refer to it; I draw the honourable member's attention to that.

Mr FERGUSON: Mr Speaker, I will not refer to it again. The Government agrees that penalties should be increased, and it is the Government's intention to double penalties. I suppose to some extent the member for Hayward can draw some satisfaction from that. He may have hastened the events that will lead to doubling the penalties. The Bill has the problem of removing provisions from the Road Traffic Act 1961 and inserting them into the Criminal Law Consolidation Act.

Those provisions are part of a package of offences in the Road Traffic Act, including those relating to illegal and fraudulent use of motor vehicles, careless and dangerous driving and driving under the influence of liquor or drugs. The Government believes that the provision in respect of penalties should remain in the Act. It seems sensible that all the penalties relating to motor cars should remain in the one Bill rather than having to search all over the place for legislation applying to the illegal use and other uses of a motor car.

While researching this Bill, I found that the member for Hayward wants us to bring into law something that would be very unique in relation to law making in Australia. I refer to a proposed new offence of intent to commit an offence involving the illegal use of a car. I do not know—and I certainly have not heard from the member for Hayward—how anyone could prove that someone was on a property with intent to steal or to illegally use a motor car. People visit private homes for many reasons. Many people knock on my door for charity collections; others seek information; and there are people who lose their way. Indeed, politicians even knock on doors from time to time. If there happened to be a motor car in the driveway of a house and if someone took exception to a person walking up the driveway, they could under this new offence well and truly try to pin on this person that he was there with the intention of stealing a motor car.

I do not know how anyone could properly use that provision of the Act. In fact, it could be used in a way in which certain totalitarian States use their laws against a citizen whom they do not like. They would merely have to say that that person was intending to steal that car.

Mr Brindal: That is not true.

Mr FERGUSON: The honourable member says that that is not true, but I can only go by the ordinary words that have been put into this Bill. Proposed new section 86b makes it an offence for a person to enter on to land or premises with intent to commit an offence against section 86a. The maximum penalty is a division 3 imprisonment of seven years: that is, seven years for an offence that could be called an intent to commit an offence. I do not see how this Parliament can pass a provision such as that. It would be subjected to ridicule by the British Commonwealth of Parliaments if it put forward a provision relating to someone being on a private property with intent to steal.

I suggest that this provision could be used only if a person were actually breaking into a vehicle. If a person were actually breaking into a vehicle, this section would come into operation. Such an offender would fall into the ambit of the current section 44 of the Act which relates to the offence of interfering with a motor vehicle without first obtaining the consent of the owner.

Under this provision we are also talking of a penalty of seven years imprisonment for a first offence. To add insult to injury, the penalty for a second or subsequent offence would be four years. I cannot see the logic in that. If the penalty is seven years for the first offence, what is the logic in the court's imposing a penalty of four years for a second offence? It seems to me that a second offence in any situation ought to draw a greater penalty. It just proves the point I was making: this matter has been cobbled together in haste. At the time it was introduced there was an upsurge in the illegal use of motor cars and, in order to catch a popular wave, the member for Hayward introduced this legislation without thinking a great deal about it.

I have only two minutes remaining, and it is unfortunate that private members' time cannot be extended, but that is the way it is. The other point I would like to make is that we have a select committee on juvenile justice. A lot of evidence has been gathered so far and I am not allowed to refer to it because of the secrecy provisions. However, I can tell the House that there are very divided opinions on whether we should incarcerate young people or take other actions in order to prevent crime. This measure will lead to the incarceration of more young people. Before the House deals with this hastily prepared legislation, the honourable member ought to put his evidence to the select committee, which will carefully consider what he has to say. The member for Hayward outlined his philosophy in his second reading contribution and, whether or not it is proved to be right, he said that he makes no apology for raising the matter for debate—

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

Mr M.J. EVANS (Elizabeth): Unlike the member for Henley Beach, I have some sympathy for the measure before the House. The measure clearly draws to the attention of Parliament in a very forceful way public concern about the way in which the law presently deals with the issue of theft of motor vehicles. Quite clearly, the legislation is deficient in some ways, and I will cover that in a moment. However, it is also clear to me from my reading of the law that the present provisions are equally deficient in much more serious ways in that they do not provide adequate protection for those who own motor vehicles from those who would seek to deprive them of their use on a permanent basis.

The law—as indeed the Government recognises by the introduction of its own Bill in another place—clearly needs to be strengthened. Unfortunately, such measures are not before this House. Fortunately, this measure is before the House and can be dealt with accordingly. I believe it is important that we consider it as it is before us. I do not

believe that these things should be rejected simply on the ground that other people intend other things in other places in the fullness of time at some future date. We have a Bill before us, and I think it should be dealt with accordingly.

The provisions of intent in this Bill are certainly difficult to contemplate in enforcement terms, but the use of the intent provisions is rife in our criminal law. There are many provisions in the Criminal Law Consolidation Act that contemplate that it is an offence to do certain actions with an intent to commit other offences, and that provision is well used in the criminal law of this State and I think it will long remain in our legal system.

I certainly agree with the member for Henley Beach that those provisions of the Bill that relate to young offenders are premature and, in many ways, may be unworkable. I would certainly oppose—were I to have that opportunity at some future time in this debate—clause 3, which canvasses provisions in relation to juveniles, not because I do not believe more significant measures need to be taken in that context, but because, as the member for Henley Beach said, a select committee of this place is examining the very question and it would be unfortunate if we were to enact these provisions at this time without the opportunity to review the question as a whole.

Fortunately, however, those provisions are quite severable from the balance of the Bill, and one can review those provisions quite easily in isolation. So, were it to be the wish of the House, one could easily examine that as a separate matter. If indeed the other penalties are in some way inconsistent, naturally, it is the province of this House to amend the measure in order to perfect its standing before the House. I would say that we should give the measure very serious consideration. A private member has had the fortitude to bring it before this place; it is a sensible provision inasmuch as it deals with a very significant problem in the community and one upon which the community rightly demands Parliament to take action.

So, while the provisions relating to juveniles are initially very attractive, I am sure, to members of this place and also to the community, they do have a number of technical defects, and I would like to canvass some of those. It is certainly not contemplated by the drafter of the Bill, but I believe it would have the technical consequence that a first offence as a juvenile would then attract the more serious second offence penalty if that juvenile were to be brought before an adult court, and that would provide for a mandatory prison term.

That is probably not the intention because, obviously, young offenders are young and they should be given the option of at least proceeding through the adult courts in a more restrained way than is technically envisaged by this Bill. Also, there is no provision here to require that they be detained in a juvenile institution. However, under common law the presumption is that anyone sentenced in an adult court would be detained in an adult gaol. I do not believe that would be appropriate so, if we were to go down that track, special provisions would be required to ensure that those young offenders were not incarcerated in an adult gaol in that context.

Notwithstanding that, I think that in any case we should not proceed with those provisions for the more general and more appropriate reasons I have already outlined. Notwithstanding the technical defects, obviously something must be done about the number of juvenile offences in this area. However, I am afraid that, in all probability, that will have to await the outcome of the select committee, because that will give a holistic approach to this subject; one which I think we need to take with respect to young offenders. However, I believe that the balance of the Bill deserves serious consideration, and I for one intend to give it just that.

The Hon. T.H. HEMMINGS (Napier): I move:

That the debate be now adjourned.

The House divided on the motion:

Ayes (20)—Messrs L.M.F. Arnold, Atkinson, Bannon, Blevins, Crafter, De Laine, M.J. Evans, Ferguson, Gregory, Hamilton, Hemmings (teller), Heron, Holloway and Hopgood, Mrs Hutchison, Mr Klunder, Ms Lenehan, Messrs Quirke, Rann and Trainer.

Noes (19)—Messrs Allison, Armitage, P.B. Arnold, S.J. Baker, Blacker and Brindal (teller), Ms Cashmore, Messrs Eastick, S.G. Evans, Gunn and Ingerson, Mrs Kotz, Messrs Lewis, Matthew, Meier, Oswald, Such, Venning and Wotton.

Pairs—Ayes—Messrs Groom, McKee and Mayes. Noes—Messrs D.S. Baker, Becker and Goldsworthy.

Majority of 1 for the Ayes.

Motion thus carried.

The Hon. T.H. HEMMINGS secured the adjournment of the debate.

PARLIAMENT (JOINT PARLIAMENTARY SERVICE COMMITTEE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 20 November. Page 2148.)

The Hon. J.P. TRAINER (Walsh): The Government does not support this Bill. Although some problems with the Joint Parliamentary Service Act have been clear for some time since the Act was introduced in 1985, the Government does not believe that the proposed approach contained in this Bill is the way to go about resolving those problems. The operations of the facilities and surroundings of any Parliament tend to be somewhat Byzantine, and perhaps the areas of control within this Parliament are not as clearly defined as they should be. There are those matters that are the responsibility of the Speaker of the House of Assembly, for example, this Chamber and its immediate environment, the corridors around it, the members' rooms, and facilities such as the provision of stationery to the electorate offices of members, and so on. Similar responsibilities are held by the President of the Legislative Council for that Chamber and its immediate environment. In addition, some facilities and parts of the building are jointly controlled by the two presiding officers—the very fabric of the building itself and the area of the steps, for which permission is given by one or both of the presiding officers for demonstrations being just one or two examples.

Finally, we have that part of the support infrastructure of the operation of the Parliament that is the responsibility of the Joint Parliamentary Service Committee, for example, areas such as the Parliamentary Library, the catering area, the provision of *Hansard* (although the editorial control, as distinct from the actual conditions of employment of the *Hansard* staff, remains the distinct responsibility of the two presiding officers). That Joint Parliamentary Service Committee was established as a result of the Joint Parliamentary Service Act of 1985 and finally came into effect when it was gazetted some time late in 1986, replacing the old Joint House Committee which, until then, was always presided over by the Speaker and which, nevertheless, had bicameral and bipartisan representation.

The new Joint Parliamentary Service Committee comprises one member from each of the major Parties in each House, plus the two presiding officers. One of the weaknesses is a requirement for one member from each Party from each House to always be present to constitute a quorum, because we found, during a period from about 1986 through to 1990, that it was possible for a member of one political Party in one House to exercise a veto over the operations of the Joint Parliamentary Service Committee by simply refusing to attend meetings if they did not have their way.

So, any decisions taken by that committee would be inquorate, and, in effect, the operations of the Joint Parliamentary Services Committee could be brought to a grinding halt unless that member got his way. Another difficulty was the method by which the secretary to the committee was appointed. There was a weakness there when the Joint Parliamentary Services Act was carried because, at that time, there was a fear in certain quarters of this building that some sort of supremo building manager would be appointed and an attempt was made to have the secretary of that committee as hamstrung as possible. The first selection was to be made by the Clerk of the Legislative Council and then, in alternate years, the Clerks of alternate Houses will appoint that person. There are inherent weaknesses in that system.

We have had a substantial lack of cooperation between the two Houses at various times. I am very concerned about the fact that we cannot even get together to open the centre hall doors of our building to provide an entry for the public to their building; that is an absolute disgrace. I accept that there will always be a certain amount of disagreement and tension between the two Houses of a bicameral Parliament because of the very nature of their existence, their separate roles and traditions. But nowhere else in Australia does one find such petty and childish disagreement between the two Houses of Parliament to the point where they cannot even get the centre hall doors open. The former Speaker and member for Light is nodding in agreement because he knows that in that matter at least I am right.

The Hon. B.C. Eastick interjecting:

The Hon. J.P. TRAINER: I am sure that I heard you nodding your head, as well as seeing you nod it. The solution to the problem, however, is not the one proposed by the member for Elizabeth of establishing a dual dictatorship. Except in exceptional circumstances, such as the current situation, the occupants of the two Presiding Officer positions will normally be members of the Government. If only the Speaker and the President are to determine all these matters related to the infrastructure of the Parliament, I would expect the current Opposition to be outraged at the suggestion because it would mean that the Opposition of the day would have no say in the operation of the Joint Parliamentary Services Committee. With the current Joint Parliamentary Services Committee, at least the Opposition has a say in what happens here. The decisions that would be made, if it were left entirely to the Speaker and the President, may be wise decisions but would not be universally accepted because of the nature of their origin. They would not represent a cross section consensus of the Parliament, particularly for the backbench members of Parliament who are so often ignored by the Executive, as with the current system. This proposal would be worse for the Parliament than the deficient Parliamentary Joint Services Committee that we have now. The Government opposes the proposition.

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

GREYHOUND RACING CONTROL BOARD RULES

The Hon. B.C. EASTICK (Light): I move:

That the Greyhound Racing Control Board rules under the Racing Act 1976, made on 28 November 1991 and laid on the table of this House on 11 February 1992, be disallowed.

This motion once again highlights the problem that we face in that two or three small sections of a massive set of regulations cannot be corrected without our seeking to disallow all the regulations. The regulations before us on this occasion happen to be a consolidation of regulations made through the years. As a result of the new parliamentary proceedings, because they come to us on the basis of a regular consolidation, they are subject to the same disallowance rules as applies when they are first placed before the Chair.

I would have to admit that the alterations embodied in this set of regulations from amendments which were concluded in August last year are the cause of the problems. Although they amended the regulations last August, they are not effective until 31 March next, and when it became known (not until quite later in the year) that it was necessary for greyhound owners and trainers to submit certain documentation which allowed, for example, the police to inquire into their background and possibly to provide fingerprints and undertake a series of other activities, the greyhound fraternity reacted very strongly. They were advised that it was the requirement of the Commissioner of Police that these procedures be undertaken. However, the game fell apart a little when the Commissioner of Police issued a statement to the effect that he was not responsible for requiring that facility to be included in the regulations.

After a series of discussions and a threat of legal action—in fact, an actual legal document being presented to the board—the board sat down, in the absence of its General Manager, and discussed with representatives of the industry various aspects of the regulations which were creating problems. It is on record that the Chairman of the Greyhound Racing Board has indicated to the greyhound fraternity that amendments will be made to the set of regulations which we are considering at the present time. To date, those amending regulations have not been gazetted. Therefore, the promise which has been made to the fraternity, with 31 March getting closer and closer, is not in place. Therefore, people in the fraternity could find themselves in quite grave difficulties in meeting rules and regulations which the authorities say they do not want to implement, but which are in fact law.

Since placing this notice of disallowance of regulations on the Notice Paper, I have had discussions with a senior officer of the Minister of Recreation and Sport to explain the purpose of the disallowance. He has acknowledged an appreciation of what has taken place and has given me to understand that he can see no difficulty in the gazettal of the amended regulations which have been agreed and offered to the fraternity by the Chairman of the Greyhound Racing Board, the former Premier (Hon. Des Corcoran). They are not in the *Gazette* thus far. The last *Gazette* to which members have access is that which reflected the Executive Council last Thursday morning, but I hope that, within the next fortnight or three weeks, those amendments will be gazetted. They will alter the regulations which we have before us and which are obnoxious to a number of people in the greyhound fraternity. Once they are gazetted and become law, successfully amending the current regulations, I will be more than happy to withdraw the motion presently before the Chair.

I put this motion to the House and ask members to leave it in abeyance, so to speak, and eventually to vote, if nec-

essary, if, for reasons that I cannot understand, the fraternity is disadvantaged by the failure of the system to allow the regulations to be corrected. It is a matter of grave concern to a large number of people across this State, and I am assured that in the immediate vicinity of the electorates of Light and Napier—and perhaps that is where the member for Hartley is tonight: he is out with the greyhound fraternity—there are 60 per cent of all the greyhounds in training and racing on circuits throughout the State. It is an important issue to the people concerned and, in due course, I will either remove the disallowance or seek the concurrence of members for the motion.

The Hon. T.H. HEMMINGS secured the adjournment of the debate.

FISHERIES

Adjourned debate on motions of Mr Meier:

(a) That the Regulations under the Fisheries Act 1982 relating to Abalone Fishery—Scheme of Management made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(b) That the Regulations under the Fisheries Act 1982 relating to Prawn Fishery—Scheme of Management, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(c) That the Regulations under the Fisheries Act 1982 relating to Rock Lobster Fishery—Scheme of Management, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(d) That the Regulations under the Fisheries Act 1982 relating to General Fishery—Definitions, Sizes and Licences, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(e) That the Regulations under the Fisheries Act 1982 relating to Lakes and Coorong Fishery—Scheme of Management, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(f) That the Regulations under the Fisheries Act 1982 relating to Marine Scalefish Fishery—Scheme of Management, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(g) That the Regulations under the Fisheries Act 1982 relating to River Fishery—Scheme of Management, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(h) That the Regulations under the Fisheries Act 1982 relating to Experimental Crab Fishery—Licences, made on 27 June and laid on the Table of this House on 8 August 1991, be disallowed.

(Continued from 20 February. Page 2987.)

The Hon. T.H. HEMMINGS (Napier): When the member for Goyder first gave notice in October last year that he believed that this string of regulations in regard to fisheries should be disallowed, I put it down, quite correctly, I think, to the fact that the member for Goyder was a bit miffed at the time and wanted to impress his colleagues on that side of the House, because there had been a marked lack of input by the honourable member in the area of fisheries. Members may recall how the House was stunned into silence when the member for Goyder gave notice of the motion relating to all these regulations—something like 20—yet, at the same time, the honourable member was well aware that there was no rhyme nor reason for putting that motion on notice since the matter had been dealt with by the Government.

Mr MEIER: On a point of order, Mr Speaker, I wish to draw your attention to the fact that there were originally some 10 motions—that number was later modified to eight—and not 20, as the member for Napier incorrectly stated.

The SPEAKER: Order! There is no point of order. Whether there were 10 or 20, there is not a point of order: the Standing Orders do not cover that. If there is an inaccuracy, I am sure that the member for Napier will correct it. The honourable member for Napier.

The Hon. T.H. HEMMINGS: I do not think that I need to make any comment about that stupid point of order, whether it be 10 or 20. The point that I am trying to get across is that this House had its time wasted because the member for Goyder wanted to impress his backbench colleagues. Surprise, surprise, he has now joined those colleagues whom he was trying to impress.

The SPEAKER: Order! The member for Napier is well aware of the need for relevance in a debate.

The Hon. T.H. HEMMINGS: I know, Sir. I could well use an argument on this motion about the lack of relevance that the member for Goyder has shown all the way through. After giving notice, at different periods as the House progressed through the remainder of the year, he took certain notices of motion off the Notice Paper. He realised that what he had embarked upon was a waste of our time and of your time, Sir. I do not mind my time being wasted, but it is yours, Sir, that I worry about.

The member for Goyder even gave a clue when eventually he had the nerve and plucked up the courage to make a contribution. He gave the game away when he said, 'I get a bit upset when Parliament is dictated to in the way that regulations should be dealt with while a select committee is undertaking a management analysis of the industry', and so on. The member for Goyder knew, when he made those comments, that he was totally wrong. He knows it, I know it and I suspect that you, Sir, also know it, but you want to be a fair umpire and do not want to come into this debate. Let me go through the speech by the member for Goyder.

The SPEAKER: The Chair would appreciate that. The point is to be relevant.

The Hon. T.H. HEMMINGS: There were seven specific items on which the member for Goyder either raised issues or sought information. Before I go into that area, I should like to make a general comment. The member for Goyder expressed dissatisfaction that the Department of Fisheries was deliberately pre-empting the outcome of a House of Assembly select committee on the Gulf St Vincent prawn and abalone fisheries. That is just not true. Consultations on those regulation packages commenced in December 1989—the start of this Forty-Seventh Parliament. It was not in 1991 or 1990, but in December 1989. Cabinet initially approved the package in September 1990, so a decision had been made by the Government in regard to these regulations way back in September 1990. If the member for Goyder was on top of his fisheries portfolio as shadow spokesman for the Opposition—and I know that the Minister is always giving briefings to members opposite—he would have been aware of that; but he deliberately and in a mischievous way said that the Government and the Department of Fisheries were trying to pre-empt the select committees.

If one goes through the dates that I have given and the dates when the select committees were set up, one will see that the process commenced and proceeded well before any proposal to establish this select committee was raised. The select committees on the prawns and abalone fisheries were not in anyone's mind. My colleague the member for Playford, who played an important part—I do not want him to answer as he is out of his place—will be well aware that the select committees did not even enter into the argument in 1990. The whole of the argument put forward by the member for Goyder, based on the premise that the select

committees were up and running before the Government decided to change those regulations, is totally false. If I had enough power and influence with the Cabinet, I could produce documentation to prove it, but I know that is not on.

The Hon. J.P. Trainer: But it was still unfair of Dale to dump him.

The Hon. T.H. HEMMINGS: I am not going to enter into whether the member for Goyder should have been dumped from the shadow Ministry or not.

The Hon. J.P. Trainer: He should not have.

The Hon. T.H. HEMMINGS: I shall ignore the interjections by the member for Walsh. I have already made a speech in this Parliament about the injustice of dropping the member for Goyder as the Opposition fisheries spokesman. Perhaps the member for Goyder may reflect that these stupid notices of motion that he has put up may have been the trigger that kicked him onto the backbench. The member for Goyder should reflect on that at some time. I have said sufficient to prove that whatever the member for Goyder said in his speech was totally wrong. The Government, Cabinet and the department had made their decisions on these regulations well before those select committees were set up. I would like to think that the member for Goyder would be big and courageous enough to admit that what I am saying is true.

Mr MEIER (Goyder): It was interesting to listen to the member for Napier's contribution. It has been put to me that the member for Napier has made positive contributions to this House in the past. I cannot recall any such contributions, and certainly tonight's contribution was not positive. I had a higher opinion of the member for Napier before his contribution this evening than I do right now. However, it is pleasing to have the chance to respond straight after the member for Napier and to respond not only to him, but also the member for Gilles, who spoke last week, about this cognate motion of mine dealing with some eight fisheries regulations. It was unfortunate that the member for Napier did not bother to take the time to determine how many notices of motion he was dealing with: he said 20, but actually there are eight. To give him some benefit of the doubt, there were 10 originally but two were withdrawn. It certainly shows the lack of preparation that was evident throughout the member for Napier's speech, so I cannot pay much attention to his comments. But I do refute them categorically.

The point I made in relation to these cognate motions is that they were put during the hearings of select committees into the abalone fishery and the Gulf St Vincent prawn fishery and the regulations affected both of those fisheries in such a way that the committees may have well overridden some of the regulation suggestions. Nothing has been put to me in the counter-debate to make me change my mind that it was responsible for me as the then shadow Minister of Fisheries to ensure that the regulations were not proceeded with because of the way they were introduced into this House. Last week the member for Gilles raised a few other points in his contribution, which I assume was prepared by the Department of Fisheries in association with the Minister. I am disappointed that the Minister did not speak himself because you may recall, Mr Speaker, that when I spoke to the regulations I stated:

> I am happy to listen to an explanation from the Minister to determine whether some of my misgivings are ill-founded.

I went on from there to comment further. The Minister did not have the courtesy to respond himself and got someone else. In fact, is the member for Gilles still a member of the Labor Party or is he now an Independent—someone removed from the Party—

An honourable member: Another couple of days and he'll be up there.

The Hon. T.H. HEMMINGS: Mr Speaker, I rise on a point of order.

The SPEAKER: It had better be a point of order.

The Hon. T.H. HEMMINGS: Mr Speaker, membership of the member for Gilles with the Labor Party is totally not relevant to this motion.

The SPEAKER: I uphold the point of order. However, if members in this place are going to be picky-picky about points of order and relevance in debate, the same rule will be applied on both sides of the Chamber. The member for Goyder.

Mr MEIER: The member for Gilles made the point that we had a Bill before us to deal with related matters. That was quite correct, but the Bill was debated after the regulations had been introduced. It was putting the cart before the horse—not the way to proceed. I acknowledge that these issues have been discussed in this place and, as the fishing industry seems to accept them, I will not press the point that the Opposition wishes to have them disallowed. I realise that it is not within my power to move that I do not wish to proceed with the cognate motion and that it will go to a vote. I accept the explanation not necessarily from the member for Napier but from the member for Gilles, and I hope that when future regulations are brought before the Parliament it will be done in the proper way and not in the way in which these motions were proposed.

Motions negatived.

STATUTES REPEAL (EGG INDUSTRY) BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 3077.)

Mr LEWIS (Murray-Mallee): It is not legitimate for the Government to presume that the assets of the board as they now stand belong to the people. They do not: the assets of the board belong to those members of the industry who have paid the levy. They are, if not the people of 20 or 30 years ago, the people who have bought the hen quotas from anyone who had them before in this very structured and controlled enterprise and who have over the years paid the levy imposed upon them to enable the necessary facilities and services under this very highly regulated commodity market to be established.

Not one person in this Chamber can honestly argue that the assets of the board belong to the people of South Australia; they do not. The people of South Australia have always had not only a reliable supply of eggs come summer, autumn, winter or spring but also a competitively priced reliable supply of eggs of guaranteed quality and integrity, free of disease and adulteration (adulteration in terms of not only the status of each egg but also its weight and, therefore, size).

Under this highly regulated industry those eggs have always been there on the counter whenever the customer has sought to purchase them, and the industry—from the producers through to the grading and packing operations—has ensured that that is so. I do not know that the board has been essential in that service, but it has collected from the producers that commitment of money required to meet the costs of servicing the repairs and maintenance of the assets and paying off the debts associated with the establishment of those assets. Therefore—and this is vital to our under-

standing of whether or not the Bill ought to stand in its present form—the assets of the Egg Board, if nothing else, belong to the producers on a *pro rata* basis for hen quotas and in no sense do they belong to the consumers.

I have already alluded to the two reasons for that conclusion. First, consumers in this State have been able to buy eggs at prices competitive with those of any prospective supplier from outside the State boundaries. Secondly, producers have paid a levy to service the cost involved in providing the facilities to prepare, grade, package, distribute and sell—in wholesale terms—the crop, day by day, week by week, from season to season, despite the inadequacies of supply that come with the shortening days and colder winter weather, and despite the prolificacy of supply in spring and early summer. The industry and its facilities have been paid for by the producer.

If that is not so, and if it is legitimate for us to follow the line taken in the Government's legislation, it is equally legitimate for us to say that those people who have had jobs subsidised by the taxpayers—those at General Motor's-Holden and Mitsubishi, as well as those in the shoemaking, textile and clothing industries in this country—should now forgo the right to employees' severance pay. It is legitimate that the employers should also give up the value of the factories—the land on which the buildings are established—to the taxpayers of South Australia and Australia at large, because, by the same argument that the Government is using to determine that this belongs to the taxpayers of South Australia in the case of the egg producers, their industries belong to the Government and the people of Australia. That is utter garbage; it just does not hold up. There is no validity in that argument at all.

It is for that reason that, almost to the exclusion of other detailed consideration that I could give to this measure, I plead with the Minister to understand the mistake in the reasoning implicit in the legislation as it stands and to accept that it is legitimate for the assets of the board to be put into the marketplace to realise as much as it can, and for those proceeds to be paid out to the people who own the hen quotas now, and not to be put into general revenue. As the legislation stands now, the Minister and the Government are suggesting that the producers who want to join the co-op must buy that asset from the Government. Is that because the Government is desperate for money? If it is, as we all know it is, then it is a desperation without principle or morality, and it is a desperation that ignores the rights of the members in the industry who have paid to purchase their hen quotas or paid in consequence of owning those hen quotas to service a debt. It is not fair.

Those assets do not belong to the Government of South Australia; they have been paid for by the egg producers, and it is not legitimate for the Government to expect the co-op to have to buy them from the Government and put the money into general revenue. That is wrong; it is muddle-headed, immoral and unprincipled. Any member in this place who votes for such a proposition clearly puts political expediency for the sake of the Government's neck ahead of principle.

The Hon. T.H. Hemmings: Is that what you think?

Mr LEWIS: I know; I have explained why—and, if the member of Napier cannot understand that, as always, I sympathise with his parents that he was not blessed with greater intelligence at the time he saw independent existence in this world, and they probably lament his condition as much as I do.

Members interjecting:

Mr LEWIS: I would not visit that upon their conscience or his head, and I will leave the honourable member to find some other means of explaining the inanity of the suggestions that are implicit in his interjection. Before I sit down, I want to make plain that, in so far as it is possible to prove that the people who own the hen quotas at present under the existing legislation own the assets, it is equally legitimate for us to recognise that we as a community owe them a debt, because they have obeyed this law, observed orderly marketing as we in the majority in this Parliament from time to time over several decades and have defined that it should be, and we have prosecuted them if they have dared to step outside the law. Now we simply abolish their rights established under that law for no consideration—none at all.

The Hon. T.H. Hemmings: You are against consideration.

Mr LEWIS: No, I am not against consideration. Again, I plead with the member for Napier to think carefully before he opens his mouth even wider: there is room enough for a team of Percherons. I tell you: I have handled six in hand and—

The Hon. T.H. HEMMINGS: On a point of order, Mr Acting Speaker, I have sat here quietly, having being insulted by the member for Murray-Mallee for at least six minutes. I request that he withdraw his last statement.

The ACTING SPEAKER (Mr Blacker): What were the offending words?

The Hon. T.H. HEMMINGS: I cannot provide the whole words, because a loud hyena was laughing. However, they were not complimentary to me.

The ACTING SPEAKER: As the words were not unparliamentary, I can only ask the member for Murray-Mallee whether he will withdraw them.

Mr LEWIS: It is not my wish to offend the member for Napier but just to allow him to understand the stupidity of some of the things he says from time to time. I trust that he will take them in the context in which I have explained them: I do not intend to be insulting in any way. If the honourable member feels insulted, that is a matter for him to decide. Let me come back to the measure before us.

The Hon. T.H. HEMMINGS: On a point of order, Mr Acting Speaker, I did request a withdrawal from the member for Murray-Mallee.

The ACTING SPEAKER: I asked the member for Murray-Mallee whether he would care to withdraw. The matter was not unparliamentary. I take it that the member for Murray-Mallee has chosen not to withdraw.

Mr LEWIS: In the kindest possible way, I decline the invitation of the member for Napier to withdraw. When he reads the record tomorrow, he will see that what I said was not insulting: it was merely an accurate description of the situation. I want everyone here to understand that, as we are deregulating at the expense of those who currently own hen quotas, who have observed the law that has been there for decades and who have had to suffer the incompetence of the administration of the board in recent times. I place on record my concern that they have suffered great abuse at the hands of incompetent people appointed, in the first instance, by a Minister—not this Minister, but his predecessor, who was disinterested and incompetent in his work. He has allowed that board to trade in the way it has under the umbrella of the legislation that established it, which is all but as bad, as irresponsible and as derelict of duty as the State Bank and the SGIC, and to inflict on egg producers in this State a burden of debt which their board and their industry never had prior to four years ago.

One way or the other, this Government collectively—and the members opposite who continue to support it—cannot escape the truth of that fact: it is a gross abuse of the industry and of people who privately financed their com-

mitment and involvement in that industry. Members opposite—and only four are present in the Chamber to accept it—would know that. It distresses me, on behalf of the poultry farmers in my electorate as much as anywhere else in South Australia, to have placed on record what I consider to be another example of this Government's inability to be involved in an enterprise. It is not just unfair, it is not just a gross abuse of their personal energies and efforts in their participation in the industry and their commitment to standards: it is a dereliction of duty on the part of the Government.

If we pass this legislation, no consumer in this State will have any protection whatever in relation to egg standards: one will buy what one will get. The moment this legislation comes into law, it is all *caveat emptore*. If that is what members opposite stand for, let them stand up and say so. It is about time they came clean. Just because they have made a hash of it is no reason to now wreck and ruin our poultry farmers who have been honest, honourable and law abiding in continuing to supply this essential staple food for the rest of our community.

Mr VENNING (Custance): I rise to support the Bill and the words of the member for Chaffey. It is a sad day when we see a statute of this House repealed—as with this statute repeal Bill to deregulate the South Australian egg industry—because many people will get hurt. The Government chose many years ago to make regulations, against the wishes of the Liberal Party, and now it is about to deregulate. Former member Mr Dean Brown was adamant in his criticism of it, and he forecast exactly what has happened. The people who are the meat in the sandwich will not get much consideration. This should be a lesson to all concerned. If we are to regulate an industry, we must watch the board. It must be appointed professionally and kept at the highest level of professionalism.

The old South Australian Egg Board has not performed well by any standard. It moved its operation twice. It bought two enterprises at way over realistic values, but I will not name them. The 1987 statute provides:

(1) The board consists of five members appointed by the Minister and of these—

(a) two must be appointed on the nomination of the United Farmers and Stockowners of S.A. Incorporated;

(b) one must be a person with experience in financial management; and

(c) one must be appointed to represent the interests of consumers of eggs.

That tells me straight out that the growers in the industry do not have control of the board, and the result is quite stark for everyone to see. We can see what happens when the growers do not have control over the board.

The Government set up this board and it failed. Why? Because there was not enough grower representation, not enough business expertise and too much ministerial control. It was a very lack-lustre performance. The salaries were too high and there were too many perks. It was a bureaucracy in itself. For the Minister to have control of that board, he effectively had three votes to the growers two votes. Whatever the Minister says, there was not enough ministerial control. That is his fault and no-one elses fault, as he had control of the board. He did not watch over the board closely enough, which led to its demise. He has been Minister of Agriculture for three years now and he should have realised long ago that the board was floundering and made drastic changes, but that did not happen.

Mr Brindal: He's a future Premier, so encourage him.

Mr VENNING: I realise that the man is a future Premier and that he is about to leave this portfolio, but it is a sad day that this has happened to the board. This is a very stark lesson to me, particularly when we are considering the make-up of the Australian Barley Board, which I understand will be very similar to this board. It is a lesson to us all in changing the make-up of a board. We must keep them vital, close to the industry and market driven.

I will quickly speak about my interest in the Bill, with respect to constituents of mine who I have known all my life—Mr Mostyn and Mr Phillip Johnson and their families from Napperby. Mr Johnson is a large egg producer. He has a large hen quota that he purchased over many years. In fact, he purchased my hen quota about 20 years ago—he purchased my 60 hens for $12 per quota. He did this to remain viable and to increase production and efficiency. I estimate that Mr Johnson would have at least $750 000 invested in that quota. What will happen when the new system is introduced? What sort of recompense will be available to Mr Johnson? How can we expect him to trade on? He employs many people in that small community of Napperby.

What will the bank say as soon as the legislation is repealed? It will be a very sad day. As I said, my constituent has a very large hen quota, and this will have a devastating effect on his enterprise. We must also consider the huge increase in the monthly hen levy, from $60 per fortnight for 1 000 birds up to $280 (and the monthly hen levy is quite a different matter from the quota). That increase is not over five years but over the past eight months. What has happened to this industry? It is in total chaos. This is one reason why I ask for sympathy and support for those growers who tonight wonder what is happening to their industry.

I urge members to consider the amendment to be moved by the Opposition. The old board is shipwrecked. Its sailors (the egg producers) should be able to salvage what is left so they can offset some of their huge losses. This will go nowhere near compensating them in total, but the assets of the old board are reasonably large. I firmly believe that those assets should be sold up and distributed to those people holding hen quotas equally in proportion to those quotas. It is the only fair and just thing to do, as both the members for Murray-Mallee and Chaffey have said. It is a very serious day. I support the Bill and urge all members to support our amendment.

Mr MEIER (Goyder): There is no doubt that this Bill has been a long time coming, and it has been forced upon us prematurely. The Bi-Lo company decided, first, to challenge the board last year and either give away eggs or sell them for a very small price and, secondly, it imported eggs. The company decided to test the system. Certainly, consumers got cheaper eggs for some weeks, but at what cost? Bi-Lo made it very clear then—and I guess it holds the same view now—that it wanted to offer the cheapest possible eggs, and one cannot begrudge it that. I would hope that we would always seek to get a product for the best possible price.

However, we in South Australia must think a little further. We produce about 7 per cent of the nation's total production of eggs. It has been put to me that one New South Wales grower can produce 7 per cent of the nation's total eggs, so we are very small in real terms. Being small, we are therefore vulnerable. I guess Bi-Lo's action showed that very clearly. It has forced this deregulation upon us. However, it is not only Bi-Lo that should take the blame. When he made a major statement to this House last year, the Minister indicated that the board was to be deregulated, and the time frame that I read into his statement at that

stage was from the beginning of July this year. That has now come forward.

Interestingly, in my discussions with producers some months before the Minister's statement, they made it clear to me that the Minister had indicated that deregulation was coming but that it was unlikely to come for a couple of years. It has reduced from a couple of years to nearer one year, and now it is within a matter of months, so it has come very fast.

I share and sympathise with the views that have been expressed by members on this side of the House and recognise that, because of the small size of our industry, regulation has been of great benefit to us. Unfortunately, we cannot hold on to regulation any longer because of what New South Wales, the principal egg producer, did some time ago. The producers in New South Wales got the golden egg in the hand. They received approximately $17 per hen quota, a massive amount of money of the order of $60 million.

Unfortunately, that did not help to solve the problems, because many of the producers took the money but decided to continue in the business, and have now had massive financial support to try to cripple other sections of the industry in Australia. Others got out, but the Government of New South Wales would have been much wiser to think a little longer and decide on a plan that would reduce the number of egg producers, so that the Government was not laden with similar problems a year or two down the track.

If we accept that deregulation is inevitable, the next thing we must do is to ensure that the new players in the deregulated field are being given a fair go, by which I mean being allowed to play on that proverbial level playing field. In other words, it would be totally wrong and irresponsible were the Government to introduce a Bill that landed these new producers in the new environment of deregulation with a financial debt burden from the moment they started. Unfortunately, that is what this Bill, in part, provides.

A debt burden will be attached to producers who decide to go into the new cooperative. Presently there are 268 producers, each of whom employs others. Many of them, particularly the large ones, would employ a significant number of people, so we are talking in terms of the employment of thousands of people whose jobs and livelihood will now be very much to the fore in the deregulated market. They are concerned: they will want to know that there is some likelihood of their continuing to be employed in the egg industry. It concerns me greatly that, because of the speed with which this whole operation has been undertaken, people will be hurt. The employees will probably be the ones who will be hurt most of all. If we must go down this track—and I acknowledge the arguments in favour of it—let us ensure that we do it with the minimum amount of pain to the egg producers and the people they employ directly or indirectly.

Let us also ensure that we do the best we can to ensure that our egg industry continues to be as strong as possible and, hopefully, we can start grabbing more of the market from interstate and increasing our 7 per cent share upwards. Another reason why we have deregulation upon us now is because of the management or, should I say, mismanagement of the board. I have spoken with many egg producers over past years—and certainly over the past weeks since this legislation has been before us—and it appears that many of the board's decisions have been wrong and at the expense of producers.

I should like to cite a couple of cases. The first concerns the decision to purchase the Red Comb processing facilities. All the evidence given to me indicates that, to all intents and purposes, Red Comb was bankrupt; it had virtually had it. So what would one expect to pay for an operation that was bankrupt? I suggest a minimal amount. The figure that apparently was paid was $400 000—nearly half a million dollars. That was a huge amount for a firm that was, to all intents and purposes, bankrupt. It was a bad, wrong decision.

Then the Egg Board decided to purchase Pritchards, a private firm that apparently was doing very well. Certainly it was not bankrupt, although, whilst it was doing well, there had been some problems. It appears that one egg producer, who was fairly well known in the industry, assessed the value of Pritchards at about $230 000. If one accepts that to be near the mark, what do we find the Egg Board having paid for Pritchards? Not $230 000, nothing like it, but $600 000. Again, that is a massive amount of money for an operation that apparently was not worth anywhere near that amount. Whose money was the board using? It was the producers' money.

Then there was the issue of setting up this alternate company, South Aussie Eggs—SAEG. That was brought to my attention about a year ago by a producer who felt it was illegal that the Egg Board should also be running SAEG. I had it checked and found that it was legitimate. The interesting thing is that the members of the South Australian Egg Board were the same people who served on the board of SAEG. So we did not have the competition there. Since producers who were selling privately had to pay levies to the Egg Board, one can understand their mistrust and belief that some of their levies were being paid to SAEG to compete against them in the marketplace. They felt that it was totally unfair. Again, I had that checked, and it seems that was not occurring. However, if one has the same group of people on the board of management who take the money running a supposedly independent company, in my opinion, it is not an advisable way to operate such an organisation.

Have things improved under the new board? I guess producers are in the best position to answer that. One producer reported to me that producers were six to seven weeks behind in receiving payments for their eggs in November and December of last year. That made life hard for them. What was the Egg Board doing? At the same time, it had bought a corporate box for the Rio tennis tournament for $5 000. It was not paying producers for six to seven weeks, but it had the money for a corporate box. In the same period it bought new uniforms for the staff. We cannot object to new uniforms coming in, but why at a time when it seemed that the cash flow was not as it would have liked? It has also been reported to me that, whereas the previous board had access to three or four motor vehicles, now some 15 vehicles are being used.

I hope that the Minister will provide answers to those questions in his second reading response because they are causes for concern. One wonders to what extent the problems of egg producers in this State have been caused by mismanagement by the Egg Board rather than by forced deregulation from interstate or rather, as I said earlier, by the Bi-Lo company deciding to bring down the price of eggs in its own way.

On 24 September last year during the Estimates Committees I asked the Minister what salary Mr John Feagan was receiving when he was Chairman. I was told that he received $35 000 a year, plus a car. I then asked what salary the new Chairman, Mr Trevor Kessell, was receiving and I was informed that he was receiving a chair's fee of $8 500; the Minister then stated:

> ... but the question of extra fees is to be determined in the light of extra duties, given the particular phase that the board is now going through with so many things now happening...

Can the Minister say what those extra fees have been and just how much the total package for the current Chairman is, up to the latest figures that the Minister has available? One would certainly applaud the fact that the salary went from $35 000 down to $8 500. I hope that there have not been inbuilt extras of which egg producers are not aware.

Perhaps the thing that causes producers and all members of the Opposition much concern is the ownership of the Keswick building and the plant and equipment under the new deregulated system. That building and its equipment has been paid for by the egg producers over many years through hen levies. Therefore, it is only right and proper that that building and the plant and equipment be given to the producers under the new system. If that is not to be the case, only one other thing can happen: producers will have to buy back their own building—and that is ridiculous—or they will have to lease it back at a time when they want to try to compete on an even playing field with the rest of Australia.

If they have that massive financial burden hanging over their heads, what hope have South Australian egg producers got? Virtually none, and we can start crossing them off now, one by one. It would be a tragedy if that were to occur, and the Minister should have had more foresight than to suggest that they would have to lease it or buy it back.

There have been negotiations behind the scenes. The way the Bill comes before us is unsatisfactory. The new egg co-op is about to start if this Bill is passed by the Parliament, and it is interesting that many producers have indicated their willingness to join the new co-op, but again it is at a price and it appears that the price will be 50c per existing quota. If a producer has 16 000 quotas—that would be a medium egg producer—that producer would have to put up-front straight away $8 000. That is not a level playing field. That would apply if a producer wants to join the new co-op.

An honourable member: They don't have to.

Mr MEIER: Exactly, as the honourable member interjects, they do not have to join: there is now freedom of choice. The small producers will feel the need to join the co-op. If they do not join it, they will not be able to get the markets that they want. Hopefully, the co-op will have enough marketing prowess and muscle to secure sufficient markets for its growers. If producers wanting to join the co-op face that 50c a quota, many of them will find it an unnecessary impost to begin with. If that payment were to be in instalments, it would help to some extent. It is also interesting that about 30 producers provide about 80 per cent of this State's eggs: 30 of about 268. A small number of producers provide most of our eggs.

It has been put to me that most of those large producers will not join the co-op. Again, that is their right, and I suppose it would cost them an enormous amount of money if they wished to join the co-op, recognising that the largest quotas in this State are in excess of 20 000. Therefore, it would cost $10 000 plus to join the co-op. So, I understand why many of them will not join. There are inherent problems in the commencement of this new deregulated system. It is only right and proper that we as the law makers do everything in our power to give egg producers the greatest possible opportunity to market their product without having a financial burden hanging over them from the first day, to compete with interstate producers and to produce a cheaper egg.

Undoubtedly, that day will come. I just hope that it will be for the long term and not simply for the next few months until there is the realisation that eggs cannot be produced at the current price or until so many producers are put out of the industry that those left in it will be able to put up their price to such an extent that the consumers will be worse off. As the member for Chaffey indicated, the Opposition will move amendments, and I trust that the Minister will see his way clear to supporting and modifying the Bill accordingly.

The SPEAKER: Order! The member for Napier.

The Hon. T.H. HEMMINGS (Napier): So far we have heard three members on the other side speak about this legislation—that is, three members whom I count as being speakers. You, Mr Speaker, and I and most observers know that the Liberal Party calls for deregulation all the way, but when it has a chance to carry it out we get all the excuses under the sun why it should not happen. We have heard a variety of speakers who surprised me when they started by saying that they supported the Bill, but then they gave every reason why we should not deregulate because, if we do, it would be at great cost to the taxpayer in this State.

I look forward with anticipation to at least one speaker from the other side having the courage to say exactly what is the Liberal Party's attitude towards deregulation. I doubt very much whether we will hear that tonight or tomorrow. In fact, one can see the Opposition's position in the amendments. Rarely are Opposition amendments to any piece of legislation put forward by two or three separate members. Usually the Liberal Party relies on its main spokesperson in a particular area to put forward amendments on its behalf. It may well be, as the Minister explained to the House last week, that there are about seven aspirants to the position of spokesperson on agriculture. Perhaps the fact that we have amendments from the member for Murray-Mallee and the member for Chaffey is an indication that they still have not made up their mind who will be their spokesperson on matters agricultural, but I know that I should not go into that matter.

I have heard an ambit claim by the member for Murray-Mallee, on behalf of existing egg producers, that has no logic. In fact, the member for Murray-Mallee's speech was 98 per cent hysterical acting and 2 per cent dodgy logic. The member for Chaffey at least put forward a reasonable and well researched case. The members for Goyder and Custance just proceeded, in effect, to condemn the South Australian Egg Board. If they were so serious in their condemnation of the board, one would have thought that they would be saying to the Minister, 'Good on you, mate, let us get it through as quickly as we can.' But, no, that is nothing to do with their real feelings about this legislation; we all know that. Members opposite cry 'deregulation', but when it is offered to them they just run away at a rate of knots. We have seen that happen on countless occasions when this Government has introduced deregulation measures.

The classic case is that of the bread industry, but there are many others such as the potato industry, shopping hours, and the list goes on; it is endless. We now have the same situation with eggs. After listening to the member for Custance—who accused the board of gross negligence—and the member for Goyder—who did not quite match that but gave us little stories about the Egg Board's buying a corporate box at the Rio tennis tournament, a purely anecdotal story, and about how some of his constituents were not getting paid—one would have thought that, if that were the case, a diligent member of Parliament would have bought that to the attention of not only the Egg Board but also the Minister when it happened and not wait until the Minister introduced legislation repealing the board.

So far we have had nothing from members opposite about where they stand in relation to deregulation, and that is what this is all about. It is deregulation because a situation has occurred in other States that has resulted in the Egg Board's not being able to produce orderly marketing in the State. That is the only reason. If deregulation had not taken place in New South Wales and had there not been a glut of eggs in this State as a result—

The Hon. P.B. Arnold: That is exactly what I said.

The Hon. T.H. HEMMINGS: I said that the member for Chaffey made a perfectly rational speech. I remind members opposite that when pre-selection time comes for them that they insist that the member for Chaffey is given the agricultural Ministry if they win Government, because at least he shows a bit of sense in relation to this. A series of situations has occurred that has, in effect, forced this Government to reassess the position of the Egg Board. It has made a responsible decision that because of these events the Egg Board is no longer viable. If the Egg Board were to attempt to compete it would be at great cost to the producers and to the consumer. So, whilst the Egg Board has played an active role in orderly marketing, because of market forces it will make an orderly exit from this area.

I congratulate the Minister for the way in which he has monitored the situation, especially in relation to the Bi-Lo situation, where the action being taken was not of long-term benefit to the consumers—albeit in the short term there was some benefit. Because of consultation and discussion, and because everyone knows that we have perhaps outgrown an organisation such as the South Australian Egg Board, we will now make an orderly withdrawal. At what cost? As far as the member for Murray-Mallee is concerned, this State could go bankrupt just to satisfy a few of his constituents who are poultry farmers. I have poultry farmers in my electorate and as far as they are concerned it is the best thing that has ever happened, because the Egg Board is now defunct.

They say to me that they can market their produce far better under the new scheme. I know this may not seem very serious to some members, but people have said to me—they have not come into my office to say it, but they have said it at different times—that they would like to have a choice; why do they have to buy a dozen small, medium, large or extra large eggs? They would like to have a combination, and different colours. That is not my view but one that has been put to me by different constituents, and why not? There may be some entrepreneurial poultry farmer who can satisfy that need out there in the community, and it is worth thinking about.

I do not want to waste the time of the House. I understand that only one speaker remains from the other side; a member who is notorious in calling for deregulation but who, when it is given to him on a plate, will stand up and do back flips and double somersaults and say, 'What I said then doesn't count, because I want orderly marketing and I want these boards to stay in place.' Perhaps I will be proved wrong; I do not think I will, but there is always hope that the member for Eyre can see things the way they should be seen. I congratulate the Minister and I congratulate the Egg Board for the sterling service that it has carried out on behalf of the egg producers over the years, and I sincerely hope that, when members of that board read *Hansard* and see the unkind criticism of the board that has been made by members opposite, they realise that this does not reflect the feeling of all members in this House. We say that they have done a good job but now it is time to go.

Mr BLACKER (Flinders): I have listened with some interest to debate on this Bill, although I do not have egg producers to any large degree within my electorate. However, I am rather concerned about some of the things I heard about the manner in which some of the assets of the board are to be disposed of because, if that same principle were applied to, say, South Australian Cooperative Bulk Handling or even (to take it a step further, although not making a direct parallel) to the tuna quotas and any other industry that has a form of regulation in terms of controlling production, handling or storage (as is the case with Cooperative Bulk Handling), we have an asset that has been acquired or built by those in the industry. Cooperative Bulk Handling has built all of those assets around the State and many people mistakenly believe that they are the property of the Government. That is not true: they have been built through a levy from the individual growers on a per bushel basis, or more laterally a per tonne basis. Those accumulated funds not only built the capital construction of those silos and all the complexities that go with them but also subsequently on a reduced levy they carried out the maintenance on them.

If we applied the principle that seems to have been applied here, should somebody make a takeover bid for South Australian Cooperative Bulk Handling, for whatever reason we care to name, either mismanagement of the board now or because some Government authority decides it is time that someone else managed it, then the entire assets of those farmers would be given away. So, that is the issue with which I have a great deal of difficulty and I hope the Minister is able to explain; perhaps my interpretation is wrong.

An honourable member: You are.

Mr BLACKER: Well, I hope that an adequate explanation can be given, because this is the place to have that straightened out, to make sure that, where the people who have acquired, built and maintained those assets, the individuals who have contributed those moneys, should be the recipients of that money on a *pro rata* basis in return. I drew the parallel of South Australian Cooperative Bulk Handling, because that was the initial reaction I had on hearing this part of the debate and I hope the Minister might be able to draw out that comparison and give an explanation to the House to make sure that my interpretation is not right. I do not wish to go any further than that. Further questions may come out in Committee but, if at this point the Minister could explain that in his summing up, that may solve my major concerns about the Bill.

Mr GUNN (Eyre): In the course of a rambling address to the House, which never really addressed the subject under discussion, the member for Napier said it was time for regulation to go. It is time for the honourable member to go if he cannot make a better effort than that. He appears to be completely confused about the orderly marketing of primary products. This country and this State owe a great deal of their prosperity to Governments in the past because they were willing to put in place sensible marketing arrangements to compensate primary producers in this country for the sorts of subsidies and support schemes that are in place overseas. The Australian Wheat Board was initiated by a past Speaker of this House, the late Mr Stott; if anyone can take the credit for it, it would be he. The Australian Barley Board is another example of a board benefiting the nation as a whole.

A few years ago, I was involved in a lengthy debate which led to the defeat of legislation, fortunately, which would drastically have affected the Egg Board. I make no apology for my stance then, because I believe I was right. I took the part of the producer and guaranteed the standards of con-

sumers. I ensured that all who were involved in the industry got a fair return. In its wisdom, this Parliament put in place a system which allowed people to purchase quotas so that they could produce eggs: a licence to produce, just like the licence to run a hotel, a taxi, and so on. Once a Parliament allows such industries and allows licences to become transferable, those licences become valuable. If we move to take away that right, someone will be badly affected, and I believe that there is a responsibility to compensate those people.

This legislation has been brought about because the New South Wales Government, in its wisdom, was determined to demolish its egg marketing arrangements. However, there was one slight difference: a package was involved to compensate the industry. It did not take away assets, many of which producers had purchased at great expense over the years and for which they were compensated. This legislation is not a compensation package; in fact, it attempts to take away people's assets.

I strongly support the member for Chaffey's proposal, because those assets, which the Egg Board has accrued over many years, have been paid for by the producers, who are entitled to receive or recoup any funds when they are disposed of, which is quite a simple matter. I, in particular, have supported the orderly marketing of primary products, and for the honourable member to cast aspersions upon me and others who have supported such legislation is a nonsense, because it has laid the foundation for agriculture in this country. It is a system which has served the nation well. The honourable member should reflect a little on the historic reasons for orderly marketing and why it should be maintained. I am not one of those—and never have been—who believe in deregulation for the sake of it: there must be a sensible reason for it, and there must be some benefits not only to the producer but also to the consumer.

Some years ago, we were told to get rid of the Potato Board because it would be the answer to a maiden's prayer. I do not know of any great benefits that have flowed to the industry or the consumer as a result. The Government thought that it could disregard the interests of the producers, because there may have been some short-term political gain: it may have been able to force the price of eggs for a short time. If this legislation is enacted and if similar legislation is put in place around Australia, it is quite feasible that one, two or three large producers will produce all the eggs for Australia, because the large international combines will move into this country and produce millions of eggs in one or two strategic locations, be it Broken Hill or anywhere else.

The honourable member argues that we have to get rid of regulation. Does he want that situation created? He has not told us: nor has he gone into the problems of not compensating people who have purchased hen quotas. He has given us a lot of drivel unrelated to the matter before us. The question that I want answered is this: what guarantee is there that one or two international combines will not move into this country and produce all the eggs, deliberately force down the price and force the rest of the producers out of the market and, when they have a complete monopoly (which would be very simple) set the price at whatever level they want? It is quite simple. The matter has been discussed throughout the agricultural sector, and it is a possibility.

We had the involvement of Bi-Lo some time ago, which was not a very enlightened approach. That group had no long-term regard for the consumer: it merely wanted to destroy the efficient and well organised family farmers who were producing eggs, get rid of them and use eggs for a short time as an attractive item to get people into the supermarkets. When it had destroyed the egg market it would move onto milk and various other products. It believes that the law of the jungle should prevail rather than the laws we have in place to allow for orderly production, and for guaranteeing that people are getting a good product at a fair and reasonable price, whilst maintaining a stable industry.

I have some concerns about this legislation. I am not happy that it has been put onto the statute books. I understand why it has been, but I do not know whether in 20 years time, when we look back, the people then judging us will believe that we have taken the right step. However, I strongly support the amendment put forward by the member for Chaffey. It is a reasonable step to protect people against arbitrary decisions of Government.

Mr FERGUSON (Henley Beach): Of course I support the proposition now before us and I think that so far all speakers from both sides of the House, with one exception, have agreed that this is the only way for the South Australian Government to go. The member for Eyre's argument in relation to orderly marketing of this industry does not hold water because it is a plain fact that orderly marketing has gone. The deregulation in New South Wales made it impossible for this Government to continue on its own to try to hold the line so far as orderly egg marketing is concerned. I am always surprised by the call from the Opposition for orderly marketing when this Government deregulates. Time and again we have had Opposition speakers imploring the Government to deregulate. I well remember the member for Bragg imploring this Government to deregulate industrial relations and imploring us to deregulate in many other areas except those that touch him, namely, shopping hours and agricultural industries in general.

The Government's record in relation to orderly marketing cannot be criticised. We have upheld the view that there ought to be orderly marketing. From time to time this Government has been prepared to put hundreds of thousands, if not millions, of dollars into various organisations in order to maintain orderly marketing. However, we cannot do it in this instance.

I was very disappointed to hear the remarks of the members for Custance and Goyder. They took the opportunity to criticise the board about practically every decision it has made, including that relating to the two industries that the Egg Board bought into, and about its various other promotional activities. I think the Liberal Party has forgotten that it had the opportunity years ago to make sure that this industry was deregulated. The former Minister of Agriculture (Hon. Kym Mayes) put before this Chamber a proposition that the Egg Board and the sale of eggs in South Australia be deregulated. The member for Eyre has just referred to that fact in his speech.

That proposal was supported on this side of the House, but the matter did not pass through the Parliament because members opposite, together with members in another place, stopped the deregulation of the industry on that occasion. Had the deregulation gone through in that instance, all the criticisms that members opposite are making about the Egg Board would no longer apply because there would not have been an Egg Board. Many years ago we tried to do something about the Egg Board.

I am disturbed at the proposition that some members have put to us that we are taking away growers' assets. I would not like to have to determine who actually owns those assets. Were they owned by the pioneers of the industry? Were they owned by those people who put in for many years and have since retired? Are they owned only by those

people who are left in the industry? It would be a most unfair proposition that those people who are now in the industry should capitalise on those who have left it. If the amendment is accepted, the Government will be in for a very difficult time in determining who should receive this money.

In all the debates so far, it has been forgotten that the Government is not deserting the growers. The Government has guaranteed an amount of between $1.1 million and $3.1 million in order to get the new cooperatives and the new set-up going. It may well be that the Government will have to provide that capital in due course. So, it is not true to say that the Government is deserting the growers.

It is fair to say that some of this capital ought to be used in order to provide the guarantee. South Australian growers have been subsidised by the general public to the extent of approximately $200 000 a year because of the setting of egg prices. So, we are now reaching the proposition of the marketplace determining the price of the eggs. I am confident that the marketplace will overcome the fears that were expressed by members opposite about the standard of eggs and their supply to the general public.

We have seen it with the Potato Board. All sorts of dire consequences were predicted when we deregulated the Potato Board. My family eats potatoes with almost every meal. We go down to the local greengrocer, and we have had no problem at all getting potatoes and, indeed, the quality of potatoes that we desire. The dire Opposition predictions of what we would have to face when we eliminated the Potato Board have not come to fruition.

In regard to the large national and international combines, relating to the production of eggs, the same principle applies as applies to South Australian manufacturing industry. Opposition members have been telling us over the years that we should reduce tariffs to nothing, go to a level playing field, and compete internationally with other manufacturers—

Mr Lewis: And adjust labour rates accordingly.

Mr FERGUSON: The honourable member over there must be feeling ill, Sir. We have to compete on an international basis in our manufacturing industries; the same principle applies.

Mr Lewis: Drivel!

Mr FERGUSON: I am sure he has not taken his medicine.

The DEPUTY SPEAKER: Order! The honourable member for Henley Beach will ignore interjections.

Mr FERGUSON: Thank you, Sir. From time to time the logic that has been put to the State Government, namely, that we should go to a level playing field in other areas, should operate in the case of the Egg Board and eggs. I have promised that I will take no more than 10 minutes in this debate. I support the proposition before us and hope that it will go through without amendment.

Mr S.G. EVANS (Davenport): I would support the Bill with some amendments but, even then, with some reluctance. The member for Henley Beach used the example of the Potato Board. The honourable member would not have a clue what potato growers have been through in the past two years. Many of them are on the verge of insolvency, thanks to the sorts of prices they have been getting.

Mr Ferguson: That's free enterprise.

Mr S.G. EVANS: I will come to free enterprise in a minute if the honourable member wants to argue that. We will see what courage he has and how quickly he will run. The argument that the deregulation of the board did not have an effect on quality is also wrong. It did have an effect, and the big boys—Woolworths, Coles and so on—hold the gun at the growers' heads and beat them down to a price that is not really economical.

The Minister would know that the potato industry is going through a crisis in relation to the price obtained for growers, and it is very difficult for them to make it pay. The member for Henley Beach raised the point of the Potato Board, and I point out that what was predicted is occurring and, if there is not much improvement within the next few months, many growers will go.

An honourable member: That is your philosophy.

Mr S.G. EVANS: My philosophy is in that direction, but I want to take up the point of the honourable member who spoke about the level playing field. He said that we have to think about this in the same way as we think of manufacturing. Primary produce is perishable: you cannot store it or hold it for very long. You can pulp it and send it off to India or somewhere, and service clubs sometimes donate it to other countries to help the poor. But, if we believe in a level playing field, the grower should also be able to go out and negotiate wages in accordance with what the market commands and see what the result is then, and what squeals will come from the other side. Some members are supported and financed by the trade union movement in their campaigns. I know the benefit of it. I received $500 at one time. I know what it is to talk about level playing fields. Where are they? They have gone.

If the producers were able to negotiate that sort of playing field with the wages which are commanded by the community as against the demand for labour at the moment, one can imagine what the wages would be. Some people who have gone into the primary producing industry—some may have arrived from other lands recently—have a system of using sons and daughters who are 'unemployed'. They have done a report and cannot get jobs, but they are able to work on the family property. They collect social welfare benefits and say, 'We are just helping Mum and Dad.' They can do that legitimately within the laws of this land. The genuine producers face that problem, too.

When we moved in this direction, the Hon. Dean Brown opposed the proposition of having quotas. He and I had some problems down the track, but he predicted what has happened. Some of us argued—unfortunately, we were not listened to—that we should go to the Queensland system. The Government there set the value of the licence at $X. I think it was $3.50 per bird. If one wanted to get out of the industry, the Government would take the licence back, pay the $3.50 per bird, and allocate the licence to producers who had fewer than 6 000 birds. If they got to the point where those with fewer than 6 000 got to 6 000, or whatever the figure was, they would then move to 10 000. That was the proposition. Other States did not do it. When New South Wales deregulated, it found $17 million.

What happened in this State? As the growers began to produce more eggs and there was an over-supply and the board tried to control it, the quota was reduced 5 per cent, 10 per cent, or whatever it was. Therefore, in order to stay viable, the producers bought licences from others who did not want them. They paid up to $30, although for some time it was $20 or $25. They bought the licences to maintain their productivity at a level that they thought was viable with the equipment that they had. Some borrowed from the bank in order to do that, because there was equity within the quota they were trying to maintain. But suddenly this Parliament says, 'We are going to take that equity away. The quota you bought is no longer applicable.'

Some will say that some producers did not buy their licences. That is true. I argued at the time that we would

get to this position. Issuing licences and putting a value upon them—whether it be for taxis or something else—creates problems whenever one wants to change the system. This was predicted. There was pressure from some of the housewives' associations and other groups to the effect that deregulation would produce cheaper eggs. It will for a while. Then the big boys will move in and take control of the industry. It is an industry that can be controlled and they will do it. It is not as easy to control the potato, cabbage, carrot or other industries, but the egg industry is a simple one to control. With modern feeding techniques, housing and all those things, it is easy. In some cases the units could become very large. I do not know whether Coles or Woolworths will have their own production outfits or whether they will just bleed the producers or contract the producers to the point they do with the broilers, the meat birds. However, I think that it will happen and we need to be conscious of that aspect.

There is no such thing as a level playing field while we have the other restrictions upon people, and in particular upon wages. I am happy to see wages fixed at some limit. There is a reasonable limit in order for a person to live. Of course, it will be higher if people are better at their jobs or the market commands it. I am happy with that if we have the same level playing field, but that is not the case. Members can laugh and say, 'This is great, the housewife will gain a benefit in the short term.' However, in the long term that will not be the case. A cooperative may work, but not everyone will be in it, and the House should realise that that in itself may create problems further down the track.

All I can say is that the Hon. Dean Brown was right: Parliament argued that he was wrong. We have got to this point and we are saying that growers are not worth any compensation. The member for Henley Beach asked who owned the assets. I am sure of one thing—the damn Government does not. It never bought the assets but it is going to grab them, and that is the truth of it. If the trade union movement moved in the same direction to create an asset through levies on union members or participants and a Liberal Government moved to take it away, we would be here until tomorrow listening to the speeches of Government members. I bought a brick in Trades Hall. It has not fallen on the person I wanted it to but I hope it will one day; not hurt him—just stun him a little. Egg producers contributed to the gathering of those assets. If it was paid for by earlier growers after the quota system came in, those who bought the quotas bought the contribution, and that is what the member for Henley Beach fails to recognise. We will wait to see what happens to the Bill with respect to amendments.

Mr HAMILTON (Albert Park): I am cognisant of the time tonight. I have listened to a number of members in the debate and I am amazed by the contributions of members opposite because we have heard for so long of the need for deregulation. I was brought up in the South-East and understand what has happened in terms of the potato industry and the egg industry. I am amazed by those members who purport to believe in the free enterprise system but who now oppose this proposition.

One of the most profound speeches I can recall having been made in this Parliament was by my late colleague Mr Howard O'Neill, the member for Florey, when I first came into Parliament. He talked about deregulation and what happened in terms of the retail industry in the United States. Although I do not want to reiterate that speech, members of this House should look at it. The late Howard O'Neill observed that, if proponents of the free enterprise system want such a system, they should be allowed to have the free enterprise system. I know the traumas that Liberal Party members went through when we talked about the potato industry.

An honourable member interjecting:

Mr HAMILTON: That inane interjection surprises me because I can recall vividly the dispute between members of the Opposition, particularly those potato growers in the Adelaide Hills, vis-a-vis the potato growers in the South-East. If the member for Murray-Mallee says 'bull', that we are highwaymen, I can say to him that he is in cloud-cuckoo-land and that his recollection of those debates must be clouded by other activities in which he was perhaps engaged.

All I can say is that the hypocrisy from the other side of the House amazes me. As I have indicated, I do not want to delay the House apart from saying that the proponents opposite of deregulation are starting to see their chickens come home to roost. The deregulation requests from those members for so many years are now manifesting themselves in this Parliament. The Minister and this Government have had the courage to become involved in the repeal of the Egg Board by way of this Bill, but members opposite are not prepared to accept it. Hypocrisy abounds in this place and in this instance in my view it abounds on the opposite side of the House.

As a person who was brought up in the South-East, I think I understand not all but some of the implications of this Bill. I have relatives who were brought up on the land, who currently live on the land, and who are involved in this industry. It is gross hypocrisy by members opposite to have argued constantly over many years for deregulation and now, when it is brought before this House by this Government, to not accept it. I support the Bill.

The Hon. LYNN ARNOLD (Minister of Agriculture): I thank all members for their contribution this evening to this debate on this very important legislation. Members have raised a number of matters that I wish to pursue further so that I can come back with relevant information in the Committee stage. With that in mind and considering the lateness of the hour, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ADJOURNMENT

The Hon. LYNN ARNOLD (Minister of Industry, Trade and Technology): I move:

That the House do now adjourn.

The Hon. TED CHAPMAN (Alexandra): From time to time members of this House are requested by constituents to table petitions about various matters. On occasions those petitions are not worded so as to comply with Standing Orders of the House. Last week, I lodged a petition with the staff of the Parliament that bore 1 622 signatures of very concerned residents from the south coast. Unfortunately, it was drawn to my attention that the wording of that petition was not in accordance with Standing Orders and, therefore, it was unable to be tabled in the ordinary course of events.

I take this opportunity to convey to the House the thrust of my constituents' concern. Basically, they are concerned about the impact of a paper prepared last year by the South Australian Health Commission. That paper dealt with the

proposal to abandon the local board of management principle that has applied in country hospitals in South Australia for many years, a principle that has worked well in the interest of communities and health care in those regions. It proposes to so regionalise the local hospital administration as to do away with that board structure and to direct services by central authorities and, indeed, ultimately by the Health Commission itself.

My constituents signed this petition to demonstrate their desire that the board structure be retained at community level for the purpose of local hospital campus administration and to demonstrate that the service they are currently enjoying is of an acceptable standard at the local level within the hospitals in my constituency, in particular, the South Coast Hospital. They signed the petition also to demonstrate that the board has successfully managed business and health services in the area generally and that the case for change incorporated in the discussion paper (dated July 1991) would, in their view, disadvantage the area in the provision of the abovementioned health services.

I support those constituents and do so generally as the member for the district which I have an obligation to represent in this place in such matters. However, I particularly support them because I am acutely and directly aware of the importance of local input and local prerogatives in relation to local management of local services. I was a board member of the Kangaroo Island General Hospital for many years prior to coming into this place and, indeed, for a few years after I became the member for Alexandra. I am aware of the closeness of association that board members apply to their job in such local facilities; I am aware of the recognition at local level of the services that are delivered. I am very aware of the importance of keeping those local services locally administered. It is against that background that I support the views of my constituents and positively register on the record of this Parliament their concerns and, ultimately, the desire for the Minister to heed those concerns appropriately.

The parliamentary staff member who advised me that the petition was not properly worded in accordance with Standing Orders, kindly went on to suggest that an alternative to my raising the matter in the House might be to direct the petition as it is so worded to the attention of the Minister. I intend to do so. In conclusion, I request that the Minister heed the points raised and consider the importance of local administration being maintained generally within our board structure of management in country hospitals across South Australia, especially in relation to those in Alexandra and, more particularly, to the South Coast Hospital on the Fleurieu Peninsula as it is located at Victor Harbor.

I wish to raise one other matter while I have the opportunity to speak in this House. I refer to some recent publicity that has caused some concern in my community on Kangaroo Island. No doubt in good faith and reporting what has been put to them by aggrieved constituents, certain journalists have described the rural situation on Kangaroo Island as catastrophic, disastrous, with little hope of survival and so on. It is rough indeed in that area as it is across most of Australia, but it is not as bad as has been described in recent times. My farming constituents do not intend to torch their properties; they do not intend to walk off their properties and to desert their responsibilities and, in particular, their debts. It has not been their practice over generations to act in that way. Indeed, it is not the first time, nor will it be the last time, that they have had or will have a rough time.

I raise this matter on this occasion to try to convey to this House the level of confidence that I have in our community, particularly in those people who have for a long time—in some cases for generations—been involved in rural practices on Kangaroo Island. It is a reliable rainfall area of the State. It is a healthy and highly productive part of the State, and the return from produce of that community makes a significant contribution to the State's coffers. Indeed, it produces a living for some 300 farming families and, accordingly, the rub-off enjoyed by those who rely on that practice for their work.

It is, in my view, a community no different, no worse and, certainly in the present climate, no better than other rural communities around the State. It is unfair, inappropriate and unreasonable to describe it as being in any other situation. I take some exception to the sort of depreciation and the sort of journalistic depression that has been cast in describing that community and the respective plights of certain farmers in recent times.

In yesterday's *Advertiser* a journalist whose name escapes me at the moment produced what I thought was a very reasonable and rational article about the island farming community. It did not downplay the importance of those people having to meet their debts and the difficulties they are experiencing at the moment, but it did not over-dramatise the situation either: it was a realistic, rational and reasonable display of the facts as they apply in that community. So, on behalf of the island people and particularly the island farmers, I place also on the record in this instance my appreciation for at least one responsible article in the media about our rural community on Kangaroo Island. The farmers will make it: there is no question in my mind that, other than in very exceptional cases, they will make it not only physically, mentally and socially but also industrially, and financially they will meet their commitments as they always have. It will be tough, but I have great faith in that reliable rural community of Kangaroo Island and the people who have been farming it since broadacre farming commenced in South Australia.

Mr HAMILTON (Albert Park): On Monday last I was approached by a doctor—one of my constituents—who expressed his concern about the right of people to walk along public beaches without fear of injury. He showed me some very sharp objects that he had picked up on the beach at Tennyson, and to say that these objects were sharp is not to over-emphasise the point. They were pieces of equipment, one of which I believe came from a motor vehicle. The steel objects were eroded and rusty and the pieces of wire and steel articles were razor sharp—indeed needle sharp. They confirmed in my mind the reason why this doctor had approached me. Any parent who wanted to run along the beach or take his or her child into the sea would probably set up an umbrella; the children would take off their top, having their bathers on underneath, and head towards the water but, in the process, they could be impaled upon these sharp objects. The doctor gave me a letter and asked me to take up the matter with the appropriate Ministers, which I have done.

On page 7 of today's *News* an article under the heading 'Fine defaulter clean-up plan' states:

> Fine defaulters should clean up beaches, Grange's Dr Philip Werchon said today. He made the suggestion after uncovering rusty car parts and other assorted hazardous substances during a family walk along Semaphore beach. Local MP, Mr Kevin Hamilton, welcomed Dr Werchon's suggestion and said it was a constructive extension of community service orders.

Since coming into this place, I have been appalled that people are not concerned about throwing objects from yachts. As a yachting man you, Mr Speaker, would understand that people, whether a young child or an adult, become blase at

times and throw the tear off top from an echo over the side: it might be washed onto the beach. Such objects can injure people who are running along the beaches: in fact, people can impale themselves on steel objects similar to those supplied by the doctor. I am frightened by the sorts of objects I have seen on beaches, particularly those which the doctor brought into my electorate office.

As a member of Parliament or as a member of the community, the real test is how we would feel if our child or wife were impaled on or severely injured by a piece of equipment. We would be incensed and angry that such an injury should happen. That is a criterion that members of Parliament should address, particularly when doctors bring this sort of information to us. Hence, I have written to my ministerial colleagues to see what can be done to overcome these problems. It is not uncommon for that stupid, ignorant minority in the community to go onto public beaches and smash bottles. Only yesterday afternoon, I took a walk along the beach from Trimmer Parade in my electorate down to Semaphore Park. I observed, amongst other things, evidence of the sort of problems that have been pointed out to me by this doctor. As you would know, Mr Speaker, I walk there frequently. Glass was spread all over the place and echo tops had been left not only on the beaches but also on the grassed areas. The local council lawnmowers would cut up the tear off tops, and sharp edges would abound. Little tackers, who are prone to fall over, can be injured. It is important that I raise this matter in this place.

Instead of locking up some of these offenders, under community service orders we should use these people productively and have them clean up our beaches. They can be utilised, and I agree with the member for Morphett—and it is a rare occasion, and I put the nicest inflection on that, on which I agree with him—that these offenders should be put to work rather than the taxpayer paying for their internment. I believe it is appalling that people use our public beaches in this manner. Some people in this country and in this State understand how lucky we are with our beaches.

I can remember on so many occasions referring in this place to the stupidity of some people who have taken the wooden pallets from the walkways of the beaches onto the beaches at night time, set fire to them and grogged on, not knowing that they were injuring their own health. I have raised this matter because most of the palleted pinus radiata is impregnated with arsenic. The arsenic, through the fumes from the fire, can get into people's system and cause them considerable injury. I despair when I walk along the beaches and see the stupidity of this minority. It never ceases to amaze me. In the short time left available to me I refer to the amount of erosion that occurs along our beaches. I know that you, Sir, are vitally concerned with it. In future I will address the issue of the amount of erosion and drift from the south to the north and the impact of this on not only my electorate but also on the very important electorate of Semaphore.

Motion carried.

At 10.17 p.m. the House adjourned until Thursday 27 February at 10.30 a.m.

HOUSE OF ASSEMBLY

Wednesday 26 February 1992

QUESTIONS ON NOTICE

PIPING SHRIKE EMBLEM

176. **Mr BECKER (Hanson)** asked the Premier:

1. When did the *News* apply for and receive approval to use the State emblem, the piping shrike, in its masthead?

2. Can any company or corporation apply to the Government to use the piping shrike emblem as part of their corporate logo and, if so, what royalty payment is sought by the Government?

The Hon. J.C. BANNON: The replies are as follows:

1. The *News* applied for use of the State emblem, the piping shrike in its masthead, in a letter to the Premier dated 16 August 1991. Official permission was given by the Premier in accordance with Section 3A of the Act for the use of the State emblem in the masthead of the *News*, in his reply on 7 September 1991.

2. Any company or corporation can apply to the Government to use the piping shrike emblem, however, the South Australian State emblem's use is restricted under the Unauthorised Documents Act. Approval was granted to the *News* on the basis that the use of the piping shrike in the masthead of the *News* is not strictly for commercial use as envisaged in the Act. It can be argued that given the role of the *News* as Adelaide's only afternoon newspaper that the use of the shrike could be more one of State promotion.

The Unauthorised Documents Act was amended in 1979 to ensure that the State badge, or piping shrike, may not be used for any commercial purpose without the permission of the Minister. Any organisation that gains approval to use the State emblem is not required to pay royalties to the Government.

OVERSEAS TRADE DELEGATIONS

254. **Mr LEWIS (Murray-Mallee)** asked the Minister of Industry, Trade and Technology:

1. What are the industries involved and what is the value of any trade which has resulted from the sponsored trade delegation of South Australian manufacturers representatives to Himeji in October 1989 led by the Lord Mayor of Adelaide?

2. What cost, if any, did the Government meet before, during and since the delegation to Himeji and what benefits have resulted from that expenditure?

The Hon. LYNN ARNOLD: The 1989 sister-city visit to Himeji was an initiative of the City of Adelaide and all arrangements for the visit were co-ordinated by the City Council's Sister City Board. The Government of South Australia was not directly involved in selecting the delegation which accompanied the Lord Mayor to Himeji, it did not meet any costs, nor was it involved in monitoring any follow-up acitivity.

The Department of Industry, Trade and Technology supports the notion of sister-city arrangements for the cultural and friendship benefits that can accrue from forging common interest ties, which may become a precursor to a stronger economic relationship. However, the department considers that the realisation of substantial trade or investment attraction benefits will depend on specific opportunities having been identified which are of real commercial interest to companies in both sister cities.

PORT ADELAIDE TAFE COLLEGE

339. **Mr BECKER (Hanson)** asked the Minister of Education:

1. Why is a TAFE College being built at a cost of $15m on North Parade at Port Adelaide adjacent to the British Hotel, and what subjects will be taught in it?

2. Why is money being spent on this building being erected when the West Lakes High School is being closed and would be available for the purpose?

The Hon. G.J. CRAFTER: The replies are as follows:

1.1 DETAFE is wishing to increase its already significant linkages with industry and commerce in a partnership to improve training and education for South Australia. A location near the centre of this client group in a building with accommodation which fosters and enhances these opportunities is considered essential.

1.2 An essential feature of the design objectives is to create a college which has the flexibility and potential to accommodate for the changing needs of education, rapid changes in technologies and to facilitate commercial and joint ventures which may occur in the future. This view was supported by representatives from industry and commerce in surveys of demand and in the initial feasibility study. The capital work is being funded by the Commonwealth.

2.1 The college draws its students from Port Adelaide, Henley, Grange and portion of the Woodville Local Government Association. Therefore, the immediate population serviced by the college is estimated to be in the order of 130 000 people with a future growth in excess of 180 000 from housing development, industrial expansion and investment in the MFP.

2.2 The Port Adelaide college has always been subject to high demand and the increased demands caused by industry restructuring, technological changes and economic imperatives indicate a continuing expansion of demand for the programs offered by the college.

2.3 The college currently conducts courses in the following fields:

(1) Maritime, fishing, engineering, customs studies.

(2) Commerce and business, computing and retail sales studies and community services.

(3) Adult literacy, migrant education, Aboriginal education and pre-vocational studies.

2.4 The technical facilities for maritime studies are presently inadequate as some specialised marine engines, pumping and safety equipment requires purpose built facilities to enable them to be fully utilised. West Lakes school would not adequately meet this need without very significant expenditure. It has been considered highly desirable to bring together at Port Adelaide the related studies in the maritime and fishing programs.

Above deck training is handled through Port Adelaide college.

Below deck (engineering) training is conducted at Croydon Park college at a very reduced scale—although administrative responsibilities have been transferred to Port Adelaide.

Ship building and related studies are conducted by the School of Building and Furnishing at Marleston college.

At present 'below-deck' courses cannot be taught at Port Adelaide because there is not suitable workshop space in which to house and operate the marine and ancillary equipment. Engineering training is severely limited by lack of access to waterfront. The West Lakes site cannot offer these opportunities.

2.5 For TAFE to occupy the high school significant modifications would be necessary to the facility to bring them to a standard which would enable them to be effectively used for the above training purposes.

2.6 The option still remains for the West Lakes High School to be utilised for other urban development opportunities from which the Government will be able to realise its capital value without compromising the opportunities created by this development.

In summary these are:

A flexible purpose built training and educational facility which will meet the needs of future demand.

A specific facility which provides all the needs of the maritime and fishing industry.

A building which will have commercial potential if future changes alter demand patterns.

A significant building program for the State in a time of high unemployment.

TRANSFER OF OFFICER

346. **Mr BECKER (Hanson)** asked the Minister for Environment and Planning:

1. Why was Mr Ian May transferred from the Leigh Creek area to Port Lincoln in the National Parks and Wildlife Service?

2. Was Mr May disciplined and, if so, for what reason?

The Hon. SUSAN LENEHAN: The replies are as follows:

1. Mr May was transferred to Port Lincoln to fill the District Ranger vacancy (an equivalent position).

2. No.

UNIVERSITY OF ADELAIDE

350. **Mr BECKER (Hanson)** asked the Minister of Education:

1. Has the University of Adelaide sought extra financial assistance to help overcome an approximate shortfall of $16 million for the year ended 31 December 1991 and, if so, in what form and for what reason, and has the Government assessed the University's Finance Committee performance over the past 12 months and, if so, what was the result?

2. Has the Government been consulted over the University's $100 million restoration program in the next 20 years to upgrade facilities and, if not, why not?

The Hon. G.J. CRAFTER: The replies are as follows:

1. First, it is necessary to correct some misinformation contained in the question. The University of Adelaide did not have a shortfall of $16 million for the year ended 31 December 1991. As at 31 December 1990, the university had an accumulated deficit of about $5.5 million. This increased during 1991, although the end of year figures for 1991 are not yet to hand. The amount of $16 million was the accumulated deficit as at 31 December 1992 which, it was projected, would result if corrective action was not taken. The university has taken budgetary action seeking to remedy this situation.

The short answers to the honourable member's questions are:

the University of Adelaide has not sought extra financial assistance to help overcome an approximate shortfall of $16 million for the year ended 31 December 1991 or, indeed, of any other amount;

The Government has not assessed the University's Finance Committee's performance over the past 12 months.

2. In 1990, Woods Bagot Ltd completed a major study of higher education facilities on North Terrace. That study certainly identified a number of deficiencies which needed to be addressed by the institutions concerned. The major part of those deficiencies were, as might be expected, within the University of Adelaide. The university certainly has a substantial need for renovations and it would hope that the Commonwealth Government would recognise its needs over time. It is worth noting that a program of around $100 million over 20 years represents an average annual rate of expenditure of about $5 million. On recent trends, this would seem to fall within the capacity of the university to attract capital funds or, should a proposal to incorporate capital funds in operating grants be proceeded with, to fund from operating grants. The government has not been consulted over any such program of renovations. While it is for the university to advise why it has not consulted the Government, it might be assumed that it has not done so, because the Commonwealth Government has responsibility for university funding.